

ISSN 2962-4606 • Volume 12 No. 1 • May 2024

MEDCOENERGI 



EXPANDING OUR HORIZONS

2023 SUSTAINABILITY
REPORT

PT Medco Energi Internasional Tbk



MedcoEnergi employees participating in Medco & I - Two Trees programme.



For further information,
please visit
www.medcoenergi.com

Cover picture left to right:
North Belut platform, South Natuna Sea
Block B, Indonesia; Block 60, Oman; Solar
PV panels, Sumbawa Island, Indonesia.

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Report Team

ISSN:
ISSN 2962-4606

Editor:
MedcoEnergi Corporate Sustainability
& Risk Management Division

Cover & Layout Design:
PT Axioma Grafis Indonesia

Publisher:
PT Medco Energi Internasional Tbk

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First printing, May 2024

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Expanding Our Horizons

In 2023, we continued our journey to strengthen our international position and solidify our domestic leadership. The Oman acquisition and the Corridor PSC amendment both provide a platform for further upside and greater value to shareholders. We expanded our energy transition commitment with the development of the Ijen geothermal project and made good progress on our Solar PV projects. The Amman Mineral Internasional (AMMN-IDX) Initial Public Offering was also extremely successful¹.

Our dedication to environmental, social and governance initiatives and commitment to sustainability are well recognised by international ESG rating agencies. To maintain this trajectory, we continue to set ourselves challenging targets to improve operational excellence, safety and financial performance and our community contribution, in order to position MedcoEnergi as a leading sustainable energy company and one of Southeast Asia's largest independent energy companies.



We support the Sustainable Development Goals



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



MedcoEnergi is a co-founder of the Indonesia Business Council for Sustainable Development, the Indonesian chapter of the World Business Council for Sustainability Development (WBCSD)

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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As of 2023, PT Medco Energi Internasional Tbk received an MSCI ESG Rating of A.

Disclaimer Statement

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PT Medco Energi Internasional Tbk's ESG Risk Rating places it the 8th percentile in the Oil & Gas Producers industry and 9th percentile in the Oil & Gas Exploration and Production subindustry assessed by Sustainalytics

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¹ Considering the non-controlling nature of our interest, we do not include AMMN Environmental, Social and Governance (ESG) activities in this Sustainability Report.



The Energy Building, Jakarta, Indonesia

About This Report

MedcoEnergi publishes an annual Sustainability Report to communicate the Company's policies and approach to sustainable development and to disclose its economic, social, environmental and governance performance.

This report covers MedcoEnergi's activities and performance per material topic between the period of 1 January and 31 December 2023 and provides progress updates on the action plans established to achieve our short, medium and long term sustainability objectives. A summary of the achievements and challenges for 2023 can be found on page 24.

This report was prepared in accordance with the 2021 Global Reporting Initiative (GRI) Standards and its subsequent updates and demonstrates the linkage between MedcoEnergi's sustainability performance and the United Nations' Sustainable Development Goals. Unless otherwise stated we use definitions as set out in the GRI Standards. The GRI Performance Data and GRI Index are accessible through this link: www.medcoenergi.com/en/subpagelist/view/36 or through MedcoEnergi's website: www.medcoenergi.com.

Please contact investor.relations@medcoenergi.com for queries related to the report.

Reporting Assurance

The number of data indicators disclosed and assured by KAP Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited, or 'KAP PSS - EY') has increased from 93 in 2022 to 96 in this 2023 report. The Company will continue to enhance disclosure and increase the number of assured indicators once reliable and consistent data collection can be maintained across reporting units.

KAP PSS - EY's Limited Assurance Statement

Scope and Limited Assurance of Sustainability Report

MedcoEnergi engaged KAP PSS - EY to undertake limited assurance over selected disclosures in the sustainability report. The Subject Matter for KAP PSS - EY's limited assurance engagement for the year 2021, 2022 and 2023 was limited to:

- A selection of 96 non-financial performance indicators ('Selected Performance Information') contained in the sustainability report (www.medcoenergi.com/en/subpagelist/view/36).
- The consolidated performance metrics relating to the Selected Performance Information, presented in the sustainability report.

KAP PSS - EY's Conclusion Statement

MedcoEnergi engaged KAP PSS - EY to undertake a limited assurance as defined by Standards on Assurance Engagement (SAE) 3000 (Revised 2022) (Assurance Engagements Other than Audits or Reviews of Historical Financial Information) established by the Indonesian Institute of Certified Public Accountants (IICPA) over selected sustainability disclosures in the sustainability report as disclosed in the Appendix 1 of KAP PSS - EY's independent practitioner's limited assurance report. Based on KAP PSS - EY's procedures and the evidence obtained, nothing has come to KAP PSS - EY's attention that causes KAP PSS - EY to believe that the accompanying Subject Matter Information is not prepared and presented, in all material respects, in accordance with the Criteria.

KAP PSS - EY's independent practitioner's limited assurance report to the Management of MedcoEnergi is available in the company's website (www.medcoenergi.com/en/subpagelist/view/36).

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Kerisi Platform, South Natuna Sea Block B, Indonesia



01

Messages from the Chairwoman



Yani Y. Panigoro

President Commissioner

Last year, 2023 was the warmest year on record where global temperatures rose to around 1.4 degrees Celsius above the 19th-century pre-industrial revolution¹ average temperatures. This highlights the urgency for nations to meet their Paris Agreement's climate commitments, limiting global warming to well below 2 degrees Celsius and pursuing efforts to limit to 1.5 degrees Celsius².

The 2023 United Nations Framework Convention on Climate Change (COP28) emphasises that nations must ratchet up their climate actions. Moreover, the COP28 just transition³ resolution underlines the need to balance low-carbon transition and development targets to ensure the sustainability, affordability, and accessibility of energy.

Energy is a catalyst for sustainable development. As a leading energy and natural resources company in Southeast Asia, MedcoEnergi continuously explores opportunities to expand our horizons. We are positioned to play a pivotal role in supporting climate action, energy transition, and contributing to *Indonesia Emas 2045*⁴. We will continue to leverage our expertise to meet the energy demands in the region.

Our Climate Change Strategy guides our business in executing our decarbonisation and energy transition, which is in line with the Government of Indonesia (GOI)'s Enhanced Nationally Determined Contribution (NDC) and key outcomes from COP28. In 2023, we continued to translate our climate aspirations into action by reducing greenhouse gas (GHG) emissions, expanding our renewable energy portfolio, developing organisational capabilities, and conducting a quantitative Climate Change Risk Assessment (CCRA). We also consider the human rights and social implications of our efforts to respond to climate change risks and opportunities for a just energy transition. In fact, this has become one of the drivers in implementing our Human Rights Policy.

In 2023, our acquisition of two oil and gas blocks in Oman welcomes unique and diverse perspectives and capabilities into our portfolio and provides a platform to expand our sustainability practices.

Establishing strategic partnerships is instrumental in addressing our climate challenges. For this reason, we continued to expand our partnerships with governments, financial services, universities, non-governmental organisations (NGOs) and professional associations to support our initiatives. For example, we actively provided feedback to the government for the establishment of emerging climate change-related regulations through the Indonesian Petroleum Association and Indonesian Renewable Energy Society. The increasing engagements with financial services have also enabled us to present our sustainability initiatives and climate change strategies as well as explain our support for the Governments and communities where we operate.

MedcoEnergi is dedicated to playing a proactive role in the supply of energy. Our vision extends beyond meeting the immediate demands as we aspire to foster sustainable growth, embrace diversity, and sustain long-term value creation. Together with our partners and stakeholders, we will continue to expand our horizons to contribute to a sustainable and responsible future.



Yani Y. Panigoro
President Commissioner

1 National Aeronautics and Space Administration (NASA), 2023.

2 UNFCCC Paris Agreement <https://unfccc.int/most-requested/key-aspects-of-the-paris-agreement>

3 Outcome of the First Global Stocktake from the COP28, United Nations Framework Convention on Climate Change, 2023

4 *Indonesia Emas 2045* is the Government of Indonesia (GOI)'s ambition to propel the country into the ranks of the world's top five economies by 2045. Further reading: <https://indonesia2045.go.id/>

Letter from the Board



Anthony R. Mathias
Director & Chief Financial Officer

Ronald Gunawan
Director & Chief Operating Officer

Hilmi Panigoro
President Director

Roberto Lorato
Director & Chief Executive Officer

Amri Siahaan
Director & Chief Administrative Officer



At MedcoEnergi, we believe that diversity brings opportunities into our business. This strength has enabled us to proactively deliver sustainable energy. In doing so, we are committed to conducting our business with integrity, guided by our Corporate Values, policies, and climate aspirations.



Expanding our Horizon

In pursuit of a low-carbon future, COP28 acknowledges the role of transitional fuels in facilitating the transition and ensuring energy security. Our recent acquisition of 20% non-operating interest in the producing Block 60 and exploration Block 48 in Oman contributes to our opportunities to have low-cost oil production with advantageous contractual terms and significant oil and gas growth. We obtained a Production Sharing Contract (PSC) amendment from the Government of Indonesia for all the Corridor's assets in Sumatra that will support the further development of domestic and export gas.

Driving Performance and Industry Leadership

Following the double materiality assessment in 2022, we have established our Sustainability Roadmap, KPIs and Targets for 2023-2027. These updates prove that we are adaptable to the ever-evolving sustainability landscape, allowing us to respond effectively to emerging challenges and opportunities that align with the industry's best practices.

Recognising that industry leadership hinges on a skilled workforce, we emphasise the importance of capacity building. In 2023, we therefore expanded our efforts to include more employees, strengthening the technical capabilities of our Climate Change and Energy Transition Working Groups responsible for implementing our climate aspirations. Our efforts extended to delivering training, familiarisation, and awareness campaigns on key sustainability and climate change concepts.

Our continued improvements to our sustainability performance have been recognised by our key stakeholders. The Sustainalytics¹ score improved to 29.6 from 36.7 and we are at the 23rd among 307 oil and gas producer companies², and we maintained an A for MSCI ESG Rating³ from the previous year. The CDP⁴ Climate Change score of B places our performance at par with average in the oil and gas extraction and production sectors, and higher than all the other Asia and Global sectors. The awards we received in 2023 underscore our commitment to uphold ethical business practices, environmental and social stewardship, and our ongoing efforts to empower our local communities.

Empowering Our People

Preserving MedcoEnergi's strong governance and ethical culture is crucial to both empower our people and achieve a sustainable future. In 2023, we introduced a standalone Corporate Human Rights Policy that builds upon existing Human Rights-related policies and practices, and secured an ISO 37001:2016 Anti-Bribery Management Systems accreditation for our Corridor assets.

Our recent Employee Engagement Survey had a notable 92% participation rate. This also testifies to our commitment to understand and meet the needs of a diverse organizational culture from past acquisitions. The review of results and action plans development are in progress. This survey aims to shape an inclusive, supportive, and positive workplace for all MedcoEnergi employees, which we believe is essential to drive both innovation and collaboration.

Building Climate Resilience

MedcoEnergi remains steadfast in translating our climate aspirations into action. In our oil & gas assets, we continued reducing GHG emissions through switching to low carbon electrification, operational improvements and better energy efficiency. In addition, some of our onshore and offshore facilities have been equipped with solar PV. We have also embraced nature-based solutions (NBS) through initiatives like Medco & I - Two Tree⁵ to promote environmental sustainability and biodiversity conservation. As part of carbon removal measures, we are exploring Carbon Capture and Storage (CCS) and Carbon Capture, Utilisation, and Storage (CCUS) technologies as part of our roadmap to net zero.

To better understand the impacts of climate change on our operations, we conducted a quantitative Climate Change Risk Assessment (CCRA) for two Oil & Gas assets: Block A and JOB Tomori. This assessment aligns with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and requirements of the Equator Principles 4 (2020) on CCRA. It used climate data sources and scenarios from reputable organisations such as the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). The findings will inform an action plan, thus ensuring effective mitigation against climate-related risks. We intend to expand this assessment to include other assets in our portfolio in 2024.

Continual Performance Improvement

In 2023, we continued to implement our Health Safety and Environmental Management System (HSEMS), Social Management System and Security Management System. We manage and mitigate potential environmental and social risks through our Sustainability Assessment. These robust frameworks are operational necessities.

Our commitment to maintain a world-class Health, Safety and Environment (HSE) performance is proven by our 2023 Total Recordable Incident Rate (TRIR) of 0.15, which improved notably from last year's 0.21 and down from 0.56 in 2019. Nevertheless, we acknowledge that incidents related to routine activities still occur. These occurrences have provided us with valuable lessons, prompting us to enhance our hazard identification programmes and raise awareness, ensuring that our commitment remains resolute.

¹ Sustainalytics measures a company's exposure to industry specific ESG risks and their approach to managing those risks (www.sustainalytics.com).

² Sustainalytics ESG Risk Rating status as of 1 November 2023.

³ MSCI ESG Ratings measure a company's management of long-term, financially relevant ESG risks and opportunities. Companies are rated on a scale of AAA to CCC (www.msci.com).

⁴ Formerly the Carbon Disclosure Project, CDP is an international non-profit organisation that helps companies and cities disclose their environmental impact (www.cdp.net).

⁵ Medco & I - Two Tree is a movement that inspires our Employees and Contractors to plant or adopt minimum two trees, as part of our collaborative action for a sustainable future.

Forging Partnerships

In 2023, we increased our online and in person engagement with banks, investors and insurance companies in key financial hubs such as Singapore, Hong Kong and London. Our interactions with them provided invaluable insights into how our sustainability performance and ambitions are perceived by our stakeholders.

A notable achievement during this period was the Singaporean government's principal approval of an import license for a 600-megawatt solar photovoltaic (PV) project located in Pulau Bulan. The project is a consortium between Medco Power, PacificLight Power¹ and Gallant Venture². This collaboration is part of our proactive efforts to shape a sustainable future, not only for the company but also for the broader energy landscape in the region. Further renewable energy advances are being made by the development of Ijen Geothermal Power Plant in partnership with Ormat³.

As we reflect on the milestones and challenges encountered in 2023, we would like to express our gratitude to our stakeholders, employees, and business partners, whose unwavering support has been instrumental to MedcoEnergi's growth. Recognising the path that lies ahead, our commitment to sustainability, innovation, and industry leadership remains resolute. Our path involves not just meeting the demands of the present but also a future that fosters long-term well-being.



Hilmi Panigoro
President Director



Roberto Lorato
Director & Chief Executive Officer

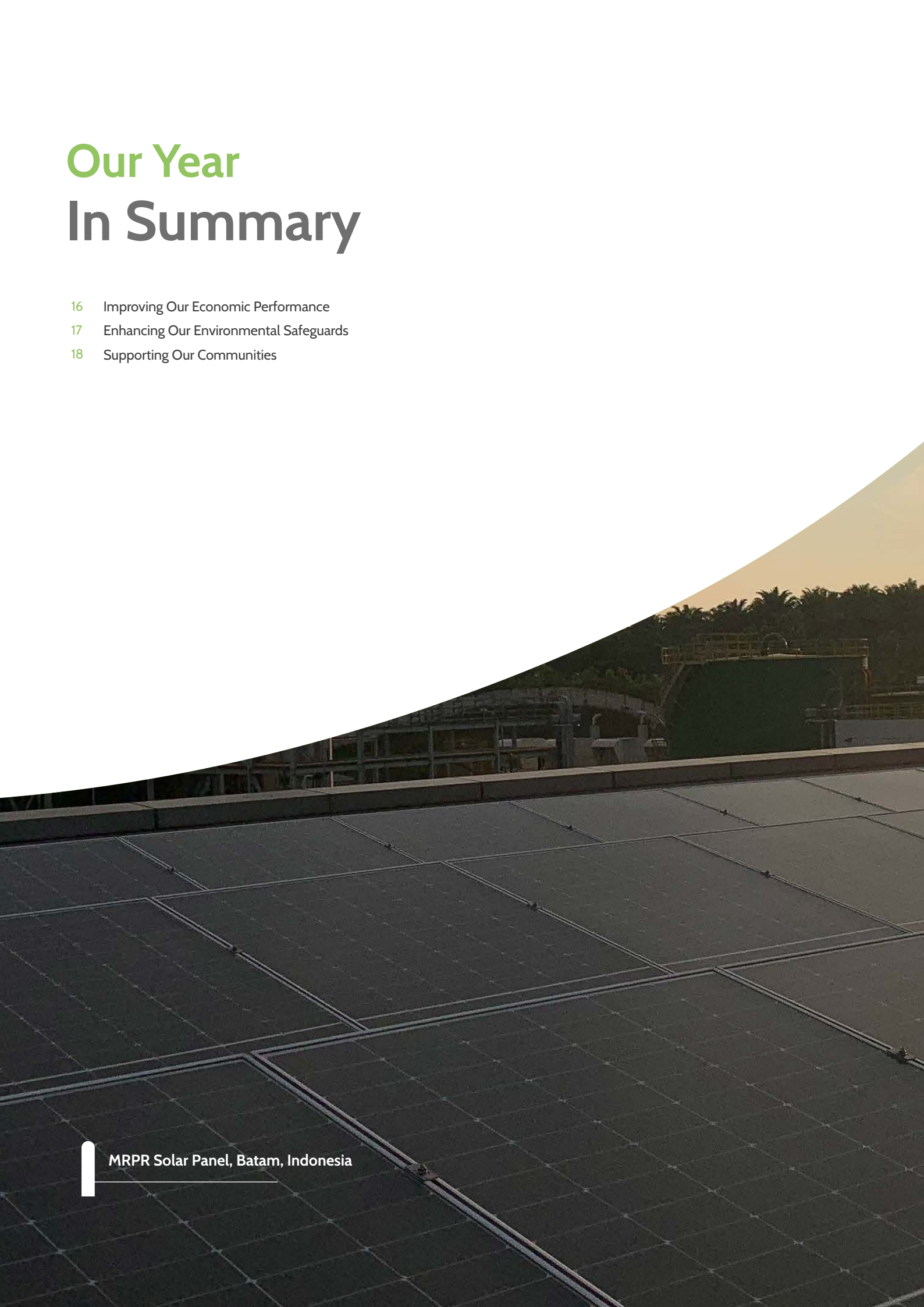
¹ PacificLight is an electricity retailer based in Singapore.

² Gallant Venture Ltd. is an investment holding company with focus on regional growth opportunities, headquartered in Singapore.

³ Ormat Technologies, Inc. is an international company based in Reno, Nevada, United States, that supplies alternative and renewable geothermal energy technology.

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MRPR Solar Panel, Batam, Indonesia



02

Improving Our Economic Performance

As a leading Southeast Asian energy natural resources company, we strive to build long-term value for our stakeholders by conducting our business with the utmost integrity and transparency.

	2021	2022	2023
Production ¹	94 mbopd Oil & Gas	163 mbopd Oil & Gas	160 mbopd Oil & Gas
	2,718 GWh Total IPP Sold	3,993 GWh Total IPP Sold	4,155 GWh Total IPP Sold
Revenue ² (USD)	1,252,106,573	2,312,227,602	2,249,337,578
Net Profit/(Loss) ² (USD)	47,019,404	530,882,676	330,675,261
Third Party Supplier Breakdown ³ (USD)	109,361,475 (66%) Indonesia	157,045,120 (83%) Indonesia	198,269,182 (80%) Indonesia
	55,308,644 (34%) International	33,105,393 (17%) International	49,873,090 (20%) International
New and Renewable Energy Products	<p>Sumbawa Solar PV Project 26 MWp, solar PV facility</p> <p>Cibalapulung and Pusaka Parahiangan Mini Hydropower Two 9 MW mini-hydropower plants in West Java</p> <p>Sarulla Geothermal Project 330 MW geothermal power plant located in North Sumatra</p>		

		2021	2022	2023
Oil & Gas Production (mbopd)	Target	94–95	160	160
	Realisation	94	163	160
Oil & Gas Capital Expenditure (million USD)	Target	150	250	250
	Realisation	83	269	261
Power Sales (in GWh)	Target	2,700	4,000	4,000
	Realisation	2,718	3,993	4,155
Power Capital Expenditure (million USD)	Target	65	80	80
	Realisation	31	33	72

1 Production figures are net working interest and aligned with the MedcoEnergi 2023 Annual Report.

2 Based on Indonesia Statement of Financial Accounting Standards.

3 Based on third-parties Trade Payable data.

Enhancing Our Environmental Safeguards

Our environmental safeguards include managing our greenhouse gas emissions, energy usage, and resource consumption to minimize environmental impact and protect the surrounding biodiversity. Further details regarding our efforts can be read in Chapter 6 and 7.

	2021	2022	2023
Emissions (Scope 1 and Scope 2) (million tCO ₂ e)	4.6 (↓3%) Oil & Gas	4.4 (↓5%) Oil & Gas	4.2 (↓3%) Oil & Gas
	0.9 (↑10%) Power	1.4 (↑59%) Power	1.4 (↑4%) Power
Energy Consumption (million GJ)	36.6 (↑5%) Oil & Gas	37.0 (↑1%) Oil & Gas	38.7 (↑5%) Oil & Gas
	9.5 (↑11%) Power	14.4 (↑51%) Power	15.1 (↑5%) Power
Water Withdrawal (thousand m ³)	35,883 Oil & Gas ¹	42,912 (↑20%) Oil & Gas ¹	42,172 (↓2%) Oil & Gas ¹
	37 Power ²	1,614 (↑4,312%) Power ²	1,375 (↓15%) Power ²
Non-hazardous Waste Generation (tonnes)	924 Oil & Gas	1,257 (↑36%) Oil & Gas	1,207 (↓4%) Oil & Gas
	122 Power	67 (↓45%) Power	74 (↑10%) Power
Hazardous Waste Generation (tonnes)	1,914 Oil & Gas	4,283 (↑124%) Oil & Gas	6,413 (↑50%) Oil & Gas
	56 Power	45 (↓18%) Power	101 (↑123%) Power
Biodiversity and Conservation Initiatives	66 hectares Total planted area for regulatory requirements ³	236 hectares Total planted area for regulatory requirements ³	205 hectares Total planted area for regulatory requirements ³
	12 hectares Total planted area beyond regulatory requirements	11 hectares Total planted area beyond regulatory requirements	14 hectares Total planted area beyond regulatory requirements ⁴

For the information on year-on-year changes and restatement of Water, Waste and Biodiversity Data, please refer to Chapter 6: Enhancing Our Environmental and Social Safeguards page 88.

1 In-scope water withdrawals for oil & gas include fresh surface water, groundwater, third-party water use and seawater

2 In-scope water withdrawals for power include fresh surface water and third-party water use

3 Regulatory requirements include revegetation according to the Forest Area Usage Approval (PPKH) for domestic oil & gas assets and environmental permits (SKKL) specific to Corridor.

4 We conducted a major planting activity beyond the regulatory requirement in 2023 under the Medco & I - Two Trees programme, but the planted area is excluded from this total.

Supporting Our Local Communities

We implement community development programmes aimed at fostering self-reliance and resilience, with a focus on sustainable livelihoods and infrastructure development. Further details regarding our programmes can be read in Chapter 8.

The following table summarise MedcoEnergi's support over the past three years:

	2021	2022	2023
Total Funding for Community Development Programme (USD)	1,981,992 (+13%)	2,304,408 (+16%)	1,812,866 (-21%)

MedcoEnergi has implemented programmes and initiatives to address various local needs, including:



Promoting Community Education and Well-being

- Continued our programmes at the CWomen and Children Empowerment Center (*Rumah Pemberdayaan Ibu dan Anak/RPIA*) in East Aceh and welcomed 20,000 people in 2023 alone.
- Contributed to combating stunting in Aceh, Riau Islands, South Sumatra, and East Java through health screenings, improved healthcare services, and the provision of clean water and nutritious meals.



Climate Village Programme in Tarakan

- Empowered residents of Mamburungan Village, Tarakan to adapt to climate change and improve their livelihoods.
- Provided assistance in integrated organic farming, a spring water 9,000 litre storage tank, and the infrastructure to process animal manure into compost.



Business Development for Local and Women Entrepreneurs

- Assisted women's groups producing cassava chips in Musi Banyuasin and Sumenep Regency by providing tools, resources, and business support.
- Assisted village-owned enterprises (BUMDes) in Bangkanai, Kalimantan, to enhance their management skills and business productivity.




Improving Community Housing in Aceh and Tangerang

- Medco Foundation, in collaboration with Habitat for Humanity, engaged 170 MedcoEnergi employee volunteers to renovate 10 homes, provided free medical services for 100 individuals, distributed staple food to 400 families, and provided clean water and advice on nutrition.
- Renovated 31 houses across four districts in Aceh by providing them with safe and healthy living environments.



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North Belut, South Natuna Sea Block B, Indonesia



03

MedcoEnergi in Brief

MedcoEnergi is a leading Southeast Asian energy and natural resources company listed on the Indonesia Stock Exchange (MEDC-IDX) and focused on three key business sectors: Oil & Gas, Clean Power and Copper and Gold Mining. MedcoEnergi produces oil & gas in Indonesia and internationally. The Group operates gas, solar PV, geothermal and hydro power plants in Indonesia through Medco Power Indonesia. It also owns a 20.9% non-consolidated interest in Amman Mineral Internasional (AMMN-IDX), an Indonesian copper and gold company that debuted on the Indonesia Stock Exchange in July 2023. However, considering the non-controlling nature of our interest, we do not include AMMN Environmental, Social and Governance (ESG) activities in this Sustainability Report.

In December 2023, MedcoEnergi acquired a 20% interest in two Exploration and Production Sharing Agreements (EPSAs) in Oman: Block 60, a producing field, and Block 48, still in its exploration phase. These blocks are located onshore in western Oman, near the border with Saudi Arabia. Block 60 covers 1,485 km² and produces over 60 mboepd from the Bisat oil and Abu Butabul gas fields. The EPSA will expire in 2048. The adjacent Block 48 covers 2,995 km² and has significant prospective oil and gas potential. The interests were bought from OQ Exploration & Production LLC, Oman's third-largest producer and a subsidiary of OQ Group SAOC, the state-owned integrated energy group. OQ Exploration & Production is the Operator of both blocks, while MedcoEnergi will support the development activities through secondment of senior personnel.

Currently, MedcoEnergi has interests in 15 oil and gas properties in Indonesia, 12 of which are producing. The Company also has interests in 12 international oil and gas properties, with those in Thailand, Oman and Yemen in production. It has additional development assets in Libya and Tanzania and exploration assets in Oman. In 2023, the Company continued the process of relinquishing two deepwater exploration license in Mexico, Blocks 10 and 12. In Block 12W, Vietnam, the Company signed a Sale Purchase Agreement in December 2022, with transaction closed in April 2024. In 2023, average oil and gas production was 160 mboepd, comprising 80% gas and 20% liquids. Unit costs were USD8.3 per boe, within the Company's long-term sub USD10 per boe commitment.

MedcoEnergi remains well-placed to benefit from economic growth and increasing demand for energy in Southeast Asia. In its 2021 Climate Change Strategy, the Company committed to reach net zero greenhouse gas (GHG) emissions for Scope 1 and Scope 2 by 2050 and Scope 3 by 2060. In 2023, MedcoEnergi's Sustainalytics score improved to 29.6 (medium risk) from 36.7 (high risk), while the Company's MSCI ESG rating was maintained at A and its CDP climate change rating at B, at par with the average for the oil & gas extraction and production group sector.

MedcoEnergi, through its wholly owned subsidiary Medco Power Indonesia, promotes cleaner energy via its operated gas, solar PV, geothermal and mini hydro power plants in Indonesia. Medco Power Indonesia, which already operates Indonesia's largest ground-based solar PV project, is developing two 25 MWp solar power plants in Bali and the first geothermal power plant for East Java, located in Ijen. In 2023, Medco Power Indonesia and its partners were awarded a conditional import license by the Energy Market Authority of Singapore for 600 MW solar power, the Bulan Project.

Medco Power Indonesia owns and operates 14 IPPs including three operational and maintenance, providing services to its own and third-party power plants. Power sales were 4,155 GWh in 2023, 19% from renewable sources and 81% from gas-fired facilities.

In 2023, Amman Mineral Internasional (AMMN-IDX) listed on the Indonesia Stock Exchange, in the year's largest IPO in Indonesia. The capital raised will support further expansion, including construction of a copper concentrate smelter (capacity 900,000 tonnes per annum) and a combined cycle power plant. The smelter will process ore from Batu Hijau and Elang, the latter being one of the world's largest undeveloped copper-gold porphyry deposits. Mining of high-grade ore from Batu Hijau Phase 7 continued in 2023, and waste removal for Phase 8 progressed with production expected in 2025.

In 2023 MedcoEnergi paid a final 2022 dividend of USD40 million and an interim 2023 dividend of USD25 million. The Company will finalize a second 2023 dividend at the AGMS in 2024.



2023 Sustainability Performance at a Glance

Highlights



Environmental and Climate Change Management

- **Achieved the 2025 interim targets** from base year 2019 for our oil & gas Scope 1 and 2 GHG and methane emissions reduction, two years ahead of plan.
- Implemented **41 GHG Emission Reduction initiatives in 2023**, resulting in emission reductions of up to 147,963 tCO₂e/year¹ and achieving a one-time reduction of 94,860 tCO₂e.
- **On track to achieve our 2030 interim targets** to further reduce both Scope 1 and 2 GHG and methane emissions and on our trajectory to achieve net zero.
- Conducted a **Climate Change Risk Assessment (CCRA)** for physical and transition risks in Block A and JOB Tomori.
- **Studies on CCS are progressing** at South Natuna Sea Block B, Corridor and South Sumatra Block.
- **Continuous progress in the renewable development** of East Bali Solar PV, Ijen Geothermal, and Pulau Bulan Solar PV.



Social Management and Community Empowerment

- Enhanced our **Social Management System (SMS)** implementation through awareness campaigns, documented commitments to social policies, risk identification and mitigation efforts, capacity building workshops, and the use of an Integrated Dashboard. Additionally, our meticulous SMS Monitoring process was instrumental to identify and improve key social issues, which in turn enabled us to improve our social performance.
- Continued to **empower local communities, youth, women, SMEs (small and medium enterprises) and journalists** through capability building, local economic development, educational support programmes, and initiatives related to health and environment.



People Engagement and Development

- Conducted an **Employee Engagement Survey (EES)** with a response rate of 92%.
- Strengthened **Sustainability and Climate Change capacity building** among assets and functions through certification and online learning initiatives.
- Strengthened the ways we implemented our **Medco Leadership Behaviours (MLB)** through various campaigns and trainings.



Health and Safety

- **Zero fatalities in 2023**, for the third consecutive year.
- **Zero Lost Time Incidents (LTI) and Process Safety Event (PSE) Tier-1 incidents.**
- Reduced **Total Recordable Incident Rate (TRIR) to 0.15** from 0.21 in 2022.



Governance

- Established a **2023 – 2027 Sustainability Key Performance Indicators (KPI)** as our second 5-year sustainability roadmap in 2022.
- Completed a corporate-level human rights assessment and established our **standalone Human Rights Policy**.
- Obtained **ISO 37001 Anti-Bribery Management System (ABMS) certification for Corridor** and maintained certifications for all other certified assets.
- **Improved the Sustainability ESG risk rating score to 29.6 (Medium Risk)** from 36.7 (High Risk), **maintained 'A' for our MSCI ESG Rating score**, and **maintained a 'B' for our CDP Climate Change score**.

Lowlights



Community Grievances

We actively monitored **public reports regarding claims of odours** in Block A in 2023 and prioritized **strong engagements with all stakeholders** before and during operational activities. We maintained **open communication** with the public, government agencies, and civil society organisations to ensure transparency and collaboration. This engagement enabled us to respond swiftly to all such reports.

After careful investigation, these claims were found to be unsubstantiated with no evidence; the air quality parameters were within safe and permitted thresholds.

We will continue to **regularly and thoroughly monitor air quality** and implement **thorough HSE readiness procedures** wherever we operate as part of our commitment to ensure public health.

¹ The numbers indicate the peak annual reductions.

Vision, Mission, and Corporate Values

To be the Energy Company of Choice for investors, shareholders, partners, employees, and communities where we operate.

VISION MISSION

To build long-term value with a portfolio of sustainable energy and natural resources businesses.

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 an ethical manner by:

- 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:

- 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:

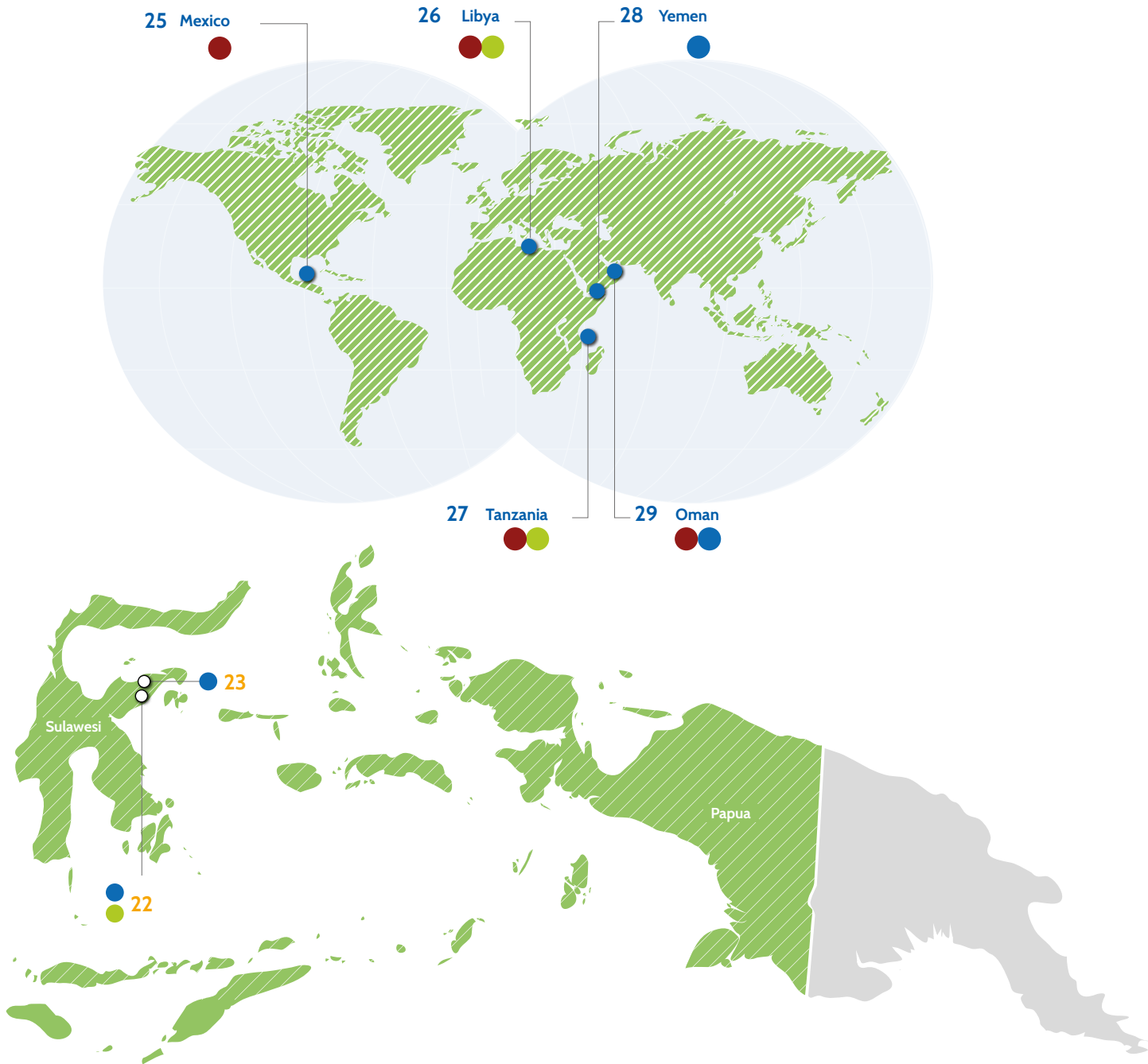
- Building a culture of trailblazers.
- Continuously searching for innovative solutions to achieve better, safer and cost-effective outcomes.
- Having intellectual and emotional maturity.



- 1 Block A Aceh
- 2 Sarulla Geothermal
- 3 Riau CCPP
- 4 Corridor
- 5 South Sumatra Region
- 6 South Sumatra IPP
- 7 Cibalapulang Mini Hydro
- 8 The Energy Building (HQ)
- 9 Sampang
- 10 Ijen Geothermal
- 11 Madura Offshore
- 12 Bali Solar PV
- 13 Sumbawa Solar PV
- 14 Batu Hijau & Elang
- 15 Batam IPP
- 16 South Natuna Sea Block B
- 17 North Sokang
- 18 Bangkanai
- 19 West Bangkanai
- 20 Tarakan
- 21 Simenggaris
- 22 Senoro-Toili
- 23 Donggi Senoro LNG
- 24 Beluga

- 25 Block 10, Mexico
- 26 Area 47, Libya
- 27 Block 1, Tanzania
- 28 Block 9 Malik, Yemen
- 29 Block 60, Oman
- 30 Onshore Receiving Facility, Singapore
- 31 Chim Sao and Dua, Vietnam
- 32 Bualuang, Thailand
- Block 48, Oman
- Block 56, Oman
- Karim Small Fields, Oman

Acquired December 2023 Divested April 2024



Oil and Gas

- Production
- Development
- Exploration



Power

- Installed
- Development



Copper & Gold Mining

- Production
- Development
- Exploration

Business at a Glance



Oil & Gas

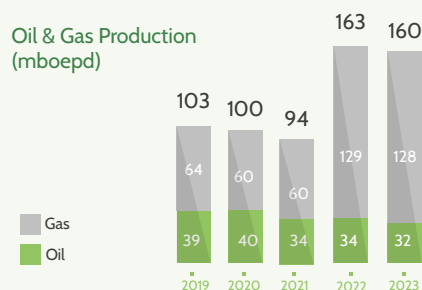
12 Onshore Production Assets

5 Offshore Production Assets

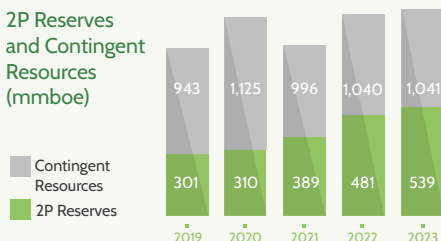
10 Exploration Assets

9 Presence in Countries

Oil & Gas Production (mboepd)



2P Reserves and Contingent Resources (mmbob)



80% Onshore Production

80% Gas Production

20% Offshore Production

20% Oil Production



Power

926 MW IPP Power Capacity

7 Operated Gas-fired IPPs

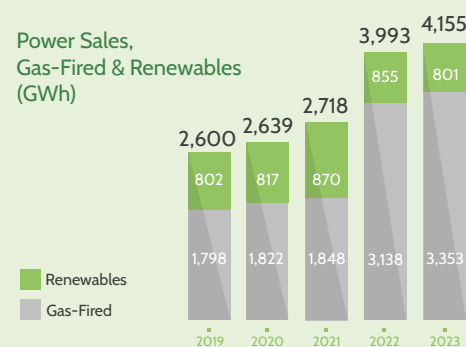
1 Operated Geothermal IPP

1,925 MW O&M Power Capacity

2 Operated Mini Hydro IPPs

1 Operated Solar PV

Power Sales, Gas-Fired & Renewables (GWh)



Environmental, Social & Governance (ESG)

ZERO FATALITY
Employees & Contractors



Established **Standalone Human Rights Policy** in early 2024

ACHIEVED

CLIMATE CHANGE INTERIM TARGET 2 YEARS AHEAD FROM 2025

Oil & Gas Scope 1 & 2 GHG Emissions Reduction¹



Oil & Gas Methane (CH₄) Emissions Reduction¹



¹ Reduction from 2019 base year.



Sarulla Geothermal Power Plant's Fan Condenser, North Tapanuli, Indonesia

Supply Chain Management

We are dedicated to conducting our business with integrity and to ensure that the procurement of goods and services is both transparent and accountable. Our aim is to foster robust business relationships, empower our vendors to comply with regulations and adopt the best environmental, social, and governance practices.

We require all our vendors to adhere to our Code of Conduct, including the Code of Suppliers, and all relevant laws and regulations. We include compliance to our Code of Conduct in our selection documents and in our contract terms and conditions. We expect suppliers to uphold the same high ethical standards we set for ourselves. These stipulations cover, but are not limited to:

- complying with Health, Safety & Environment (HSE) standards and procedures,
- respecting human rights,
- protecting company's assets,
- safeguarding confidentiality and proprietary information, including the intellectual property rights of others,
- conducting fair competition and business dealings,
- abstaining from any form of bribery and corruption.

In accordance with local labour laws, we prohibit the employment of child and forced labour in our operations and require our vendors to adhere to the same standards. This commitment is also reinforced in our standalone Human Rights Policy¹ that was approved in 10 January 2024.

Engaging Our Vendors

We hold a Vendor Day annually to share with vendors our company policies, systems, and expectations. In 2023, we hosted two virtual Vendor Days, one in Indonesia and one in Thailand, with over 400 vendors attending. The event in Indonesia featured discussions on important topics, including our IOG e-Commerce platform², business ethics, audit practices, procurement process, sustainability policies, climate change strategies and initiatives to address Scope 3 greenhouse gas

(GHG) emissions. The Vendor Day for the Bualuang asset in Thailand specifically addressed sustainability and climate change for the first time. It emphasised the importance of these issues to our vendors.

We actively engage with our current and potential vendors through various initiatives, which include coaching sessions on our Contractor HSE Management System and the Special Task Force for Upstream Oil & Gas Business Activities (SKK Migas) Centralized Integrated Vendor Database (CIVD), led by our Subject Matter Experts.

In a similar approach, Medco Power in January 2023 engaged with 37 local vendors by hosting a Contractor Forum in Pekanbaru, Riau.

We also launched our inaugural Supply Chain Management (SCM) e-Newsletter in October 2023. This initiative is an additional channel to keep our vendors informed about MedcoEnergi's initiatives and updates, including sustainability and climate change.

Our close engagement with vendors on sustainability and climate change has been commended in our CDP Climate Change disclosure. We improved our score for Value Chain Engagement category to a B in the 2023 CDP results from a D in 2022. This improvement recognises that our best practices are comparable to those of our global peers.

We recognise the challenges in engaging our vendors in relation to Scope 3 GHG emissions³. We have begun influencing them to start disclosing their products' and services' Scope 1 and 2 GHG emissions which become our Scope 3 GHG emissions. However, considering this topic is still nascent in the Indonesian market and the local content policy mandates the maximum use of local vendors, little progress have been achieved to date.

¹ MedcoEnergi established its Human Rights Policy in early 2024. This policy builds upon existing human rights related policies and best practices at MedcoEnergi into a standalone corporate policy.

² The Indonesia Oil & Gas (IOG) e-commerce platform, developed by SKK Migas, serves as a marketplace for upstream oil and gas industry stakeholders. It showcases products from goods and service providers who have partnered with Production Sharing Contract (PSC) operators.

³ Category 1-Purchased Goods and Services: includes all upstream (i.e., cradle-to-gate) emissions from the production of products, whether goods or services, purchased or acquired by the reporting company in the reporting year. Category 2-Capital Goods: includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company in the reporting year.

Milestones in 2023

In giving recognition to our vendors who demonstrated outstanding performance during contract implementation, we began presenting certificates of appreciation in 2023. This initiative was a progressive step following the establishment of the Service Quality Review (SQR) in 2022. The SQR standardised the performance appraisals of our vendors in HSE, contract implementation, and management attitudes. Through this process, we aim to enhance our supply chain's resilience by mitigating risks and improving supply and market access, aligning our SCM systems with the industry's best practices.

Supply Chain Management Performance

In 2023, we participated in the SKK Migas' SCM key performance indicator (KPI) assessments for Production Sharing Contract (PSC) operations. We achieved an Excellence rating for all our Indonesian Medco Oil & Gas assets based on their 2022 performance. In addition, our Block A asset repeated its accomplishments by achieving the Best KPI Award for the 2022 financial year from the Aceh Oil and Gas Management Agency (*Badan Pengelola Migas Aceh/BPMA*). These recognitions highlight not only the excellence of our assets, but also the way we provide goods and services, adhere to customs procedures, and use domestic products.

MedcoEnergi was honoured with two awards for excellence in the State-Owned Asset Management category from the Centre of State-Owned Asset Management¹ of Indonesia's Ministry of Energy and Mineral Resources. We also received two awards from the Directorate General of State Assets of the Ministry of Finance that acknowledged our outstanding achievements in maximising the use of state-owned assets.

Our dedication to empowering local and small enterprises was acknowledged with a prestigious award from SKK Migas for The Highest Local Content (*Tingkat Komponen Dalam Negeri/TKDN*). We were awarded this during the SKK Migas' National Capacity Forum in 2022 for achieving a local content score of 66%.



MedcoEnergi's Director & Chief Administrative Officer, accompanied by Vice President (VP) of SCM and other representatives from other PSCs, receiving the Highest TKDN Award 2023 from SKK Migas (right). The VP of SCM receiving the SCM 2022 KPI 1st rank award from BPMA (left), Jakarta, Indonesia

¹ In Indonesian it is called Pusat Pengelolaan Barang Milik Negara/PPBMN

Pursuing Sustainable Procurement Practices

We continually engage with our vendors regarding sustainable procurement practices. Our local vendors' capabilities are further developed as we aim to improve our programmes' structures to encourage sustainable supplies. We also continue to integrate sustainability considerations into our own procurement practices, such as sourcing renewable energy.

Action Plans

	Short-Term Actions	Medium/Long-Term Actions	Status
Responsible Procurement Practices	Select priority supply chain partners for initial engagements on climate related disclosures.	Partnership programme to promote data transparency and implement best practices in the value chain.	<ul style="list-style-type: none"> Conducted internal capacity building on sustainability and climate topics for SCM leaders as an initial step prior to engagement. Initially engaged selected supply chain partner on climate-related disclosures.
	Conduct routine 3rd party engagement through Vendor Days.		<p>Oil & Gas assets:</p> <ul style="list-style-type: none"> Conducted monthly online Contractor Health, Safety and Environment Management System (CHSEMS), coaching current and potential vendors on the tender process. Conducted Vendor Day for Medco Oil & Gas Indonesia and Thailand; this included sustainability and climate change topics. <p>Power assets:</p> <ul style="list-style-type: none"> Conducted a Contractor Forum, which covered, Contractor Safety Management System (CSMS), and business ethics in Pekanbaru. Familiarised potential vendors in Bali PV Project with vendor registration and CSMS. Coached Medcopower Servis Indonesia (MPSI), Timor-1's local security vendors in East Nusa Tenggara (NTT), on CSMS.

Economic Performance

Direct Economic Value Generated and Distributed

	Value (USD)	Value (USD)	Value (USD)
	2021 ¹	2022	2023
Direct Economic Value Generated	1,261,224,118	2,351,843,555	2,298,832,099
Revenues	1,261,224,118	2,351,843,555	2,298,832,099
	2021 ¹	2022	2023
Economic Value Distributed	1,030,150,606	1,486,127,196	1,609,809,122
Operating costs	490,056,949	602,901,808	858,973,110
Employee wages and benefits	93,957,547	113,973,552	130,549,749
Payments to providers of capital	222,475,433	259,424,691	276,002,381
Payments to host countries governments	222,831,712	507,971,978	339,666,380
Community investments	828,965	1,855,167	4,617,501
Economic Value Retained	231,073,512.6	865,716,358.8	689,022,977.2

¹ In accordance with the provisions of Indonesia Statement of Financial Accounting Standards/PSAK No. 58, the Group restated the profit and loss accounts pertaining to the operations of Ophir Vietnam Block 12W B.V and Medco International Ventures Ltd which have been previously presented under "Continuing Operations" for the year ended December 31, 2021. Accordingly, the Group restated its consolidated financial statements for the year ended December 31, 2021.


Our Approach to Sustainability

36 MedcoEnergi's Three Pillars of Sustainability

38 Journey to Sustainability

46 Engaging Our Stakeholders

48 MedcoEnergi Memberships



**Tree Planting by Energy Listrik Batam (ELB) Power Plant Employee,
Riau Islands, Indonesia.**

This picture is the 1st winner under the 'Environmental & Climate Change' category of the 2023 MedcoEnergi Photography Competition.



04

MedcoEnergi's Three Pillars of Sustainability


MedcoEnergi aims to create long-lasting, positive impacts, not only within our organisation but also the broader community. The three pillars of our Sustainability Policy embody our commitment to protect the health and safety of our people, safeguard the environment and empower local communities. Guided by these pillars, we operate our business with integrity and transparency to safeguard our social license to operate.

Our Sustainability Policies set the expectations for all employees and business units. The three pillars reflect our Corporate Values and Good Corporate Governance Principles.



The Women and Children Empowerment Center in Block A asset, East Aceh, Indonesia.

This picture is the 1st winner under the 'Social & Culture' category of the 2023 MedcoEnergi Photography Competition.

 **MedcoEnergi's Three Pillars of Sustainability**

 **Leadership of and
by Our Employees**



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 recognising 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**



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.

 **Local Community
Empowerment**



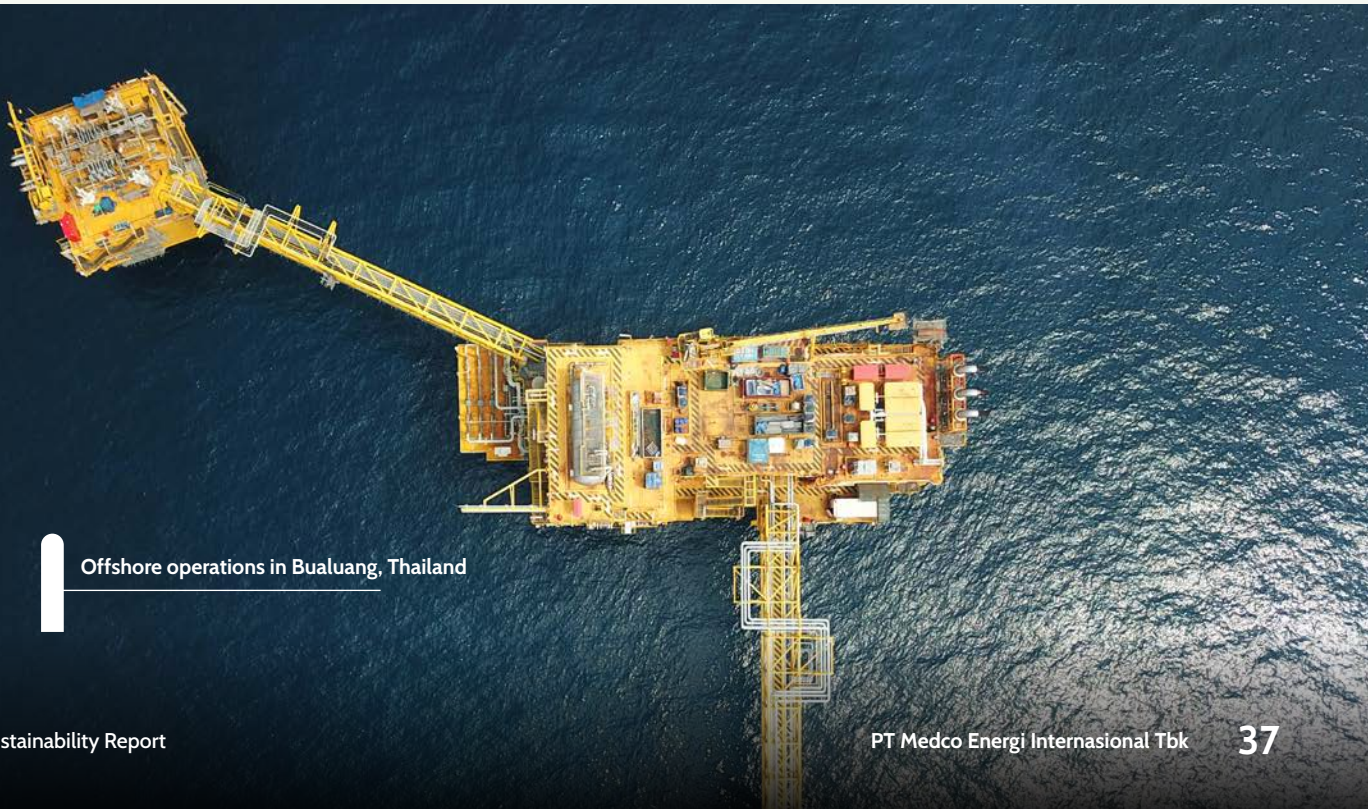
Local Community Empowerment

MedcoEnergi endeavours 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 SDGs.



Governance

Anti-Bribery & Corruption (ABC); Human Rights; Public Policy; Socio-economic Compliance; Supply Chain Management; Enterprise Risk Management



Offshore operations in Bualuang, Thailand

Journey to Sustainability

We aim to cultivate a culture centered around sustainability across our operations, integrating environmental, social, and governance (ESG) factors along with climate considerations into our business. We monitor the evolving landscape to uphold our aspirations and enhance our sustainability. As a result, we have consistently improved our ESG and climate ratings over the years.

Our 2017-2022 Sustainability Roadmap can be accessed in MedcoEnergi's 2022 Sustainability Report page 28, while 2023-2027 roadmap is presented below. This timeline showcase our journey in sustainability.

MedcoEnergi Sustainability Roadmap 2023-2027¹

2023

- Update goals and KPIs based on the 2022 materiality assessment
- Enhance sustainability & climate change capability
- Establish Human Rights Policy
- Conduct a Quantitative Climate-related Risk Assessment



2024

- Develop a Just Transition Plan
- Embed Climate Change Strategy in Corporate Business and Financial Plan
- Enhance governance, systems, capability building for Human Rights

2027

- Further integrate sustainability into business to enhance value creation
- Reach Top Quartile ESG performer in the Oil & Gas Exploration and Production Sector in Southeast Asia
- Maintain or improve MSCI score of an A, Sustainalytics score of 36.7 and CDP Climate Change score of a B
- Materiality assessment update for the next five-year roadmap

2026

- Internal carbon pricing and carbon trading: credit and offset
- Partnership programmes to promote data transparency and for implementation of best practices along value chain

2025

- Reduce 20% of Oil & Gas Scope 1 & 2 GHG Emissions²
- Reduce 25% of methane emissions for our oil & gas business²
- Increase renewable energy installed capacity to 26%
- Disclose Scope 3 GHG emissions
- Commit to upstream Carbon Capture and Storage (CCS) pilot project

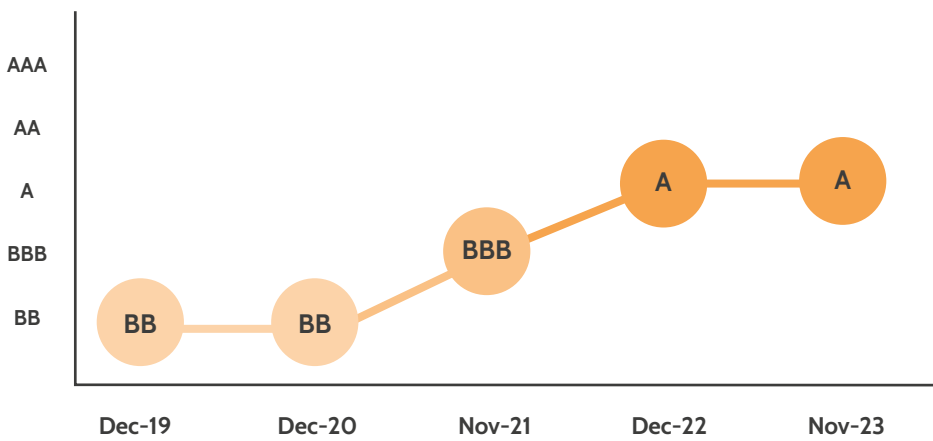
¹ We conducted double materiality assessment in 2022 to establish our 2023-2027 Sustainability Roadmap.

² Reduction from 2019 base year.



ESG Ratings

ESG Rating History



MSCI ESG Rating



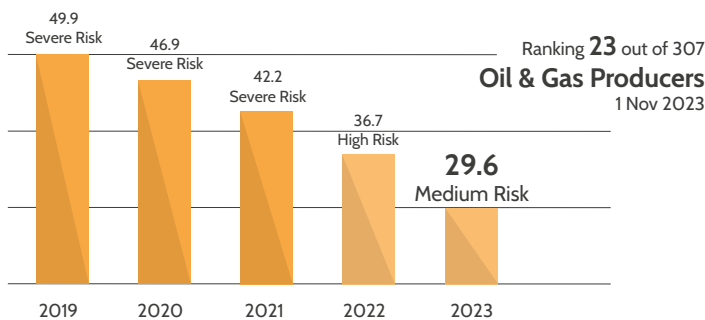
CCC	B	BB	BBB	A	AA	AAA
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As of 2023, PT Medco Energi International Tbk received an MSCI ESG Rating of A. MSCI Disclaimer Statement refers to page 1.

Sustainalytics ESG Risk Rating

Risk Categories

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-10	30-40	40+



Ranking **23** out of 307
Oil & Gas Producers
1 Nov 2023

Sustainalytics Disclaimer Statement refers to page 1.

CDP Score Report - Climate Change



MedcoEnergi's CDP Score

Average Performance

Year	MedcoEnergi's CDP Score	Average Performance		
		Oil & Gas Extraction & Production	Asia	Global Average
2021	C ¹	C	B-	B-
2022	B	C	C	C
2023	B	B	C	C

¹ MedcoEnergi's 2021 CDP Score was not disclosed publicly as first time reporter

Our ESG and climate performance has been assessed by the following rating agencies/organisations, showing our best-in-class¹ ESG performance.



MSCI ESG Ratings measure a company's management of long-term, financially relevant ESG risks and opportunities. Companies are rated on a scale of AAA (leader) to CCC (laggard).

We have maintained our A from the previous year for our MSCI ESG Rating score.



Sustainalytics' ESG Risk Ratings measure a company's exposure to industry-specific ESG risks and their approach in managing those risks. The ratings are categorised across five risk levels: negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+).

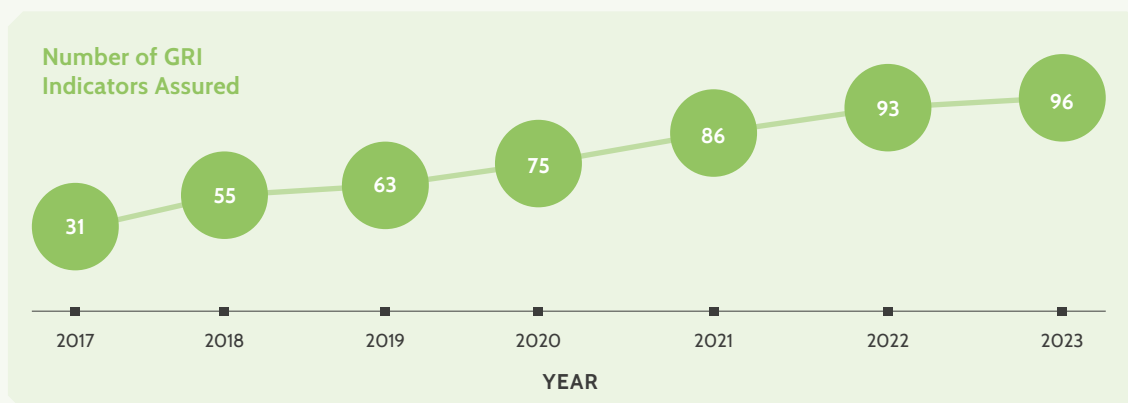
We have improved our Sustainalytics risk rating score from 36.7 (high risk) to 29.6 (medium risk), ranking 23rd out of 307 oil and gas production companies, an improvement from 70th out of 291 oil & gas production companies in 2022.



CDP Climate Change assesses how well climate-related risks and opportunities have been identified and managed by companies and cities. Responding bodies are scored on a scale of A (Leadership) to D- (Disclosure).

We achieved a B for our CDP Climate Change score, placing us in the Management-level band. This score is higher than both the Asia and Global average and at par with average in the oil and gas extraction and production sectors.

We improved the quality of disclosure in our sustainability reporting by increasing the number of assured GRI Performance Indicators by KAP PSS - EY year-on-year.



We are also aware of the recently issued Taskforce on Nature-related Financial Disclosures (TNFD) framework which has developed a set of disclosure recommendations and guidance that enable businesses and financial institutions to assess, report, and act on their nature-related dependencies, impacts, risks, and opportunities. We are currently exploring the framework to understand the recommendations of TNFD.

¹ Oil & Gas Exploration and Production sector.

Our Updated Material Topics

In 2022, we conducted a double materiality assessment to address the increasing sustainability and climate expectations from our stakeholders. This assessment enabled us to identify key risks, opportunities, and impacts pertinent to our oil & gas and power businesses. We have aligned our sustainability reporting with the results of the new assessment.

With assistance from the Business for Social Responsibility¹ (BSR) and engagements with our internal and external stakeholders, we identified a total of 27 material topics, divided into Tiers based on their importance. This categorisation was determined by their likelihood and the severity of their impact on our enterprise value, society, and the environment. This process was carried out in consultation with the Board.

Below is the map of our Tier 1 material topics against the three pillars of our Sustainability Policy:



¹ BSR® is a sustainable business network and consultancy. It was founded in 1992 by a group of entrepreneurs and businesses who sought to create a not-for-profit organization that could help companies act in a more responsible manner.

The Tier 1 material topics were defined as follows:



Workplace health, safety, and wellbeing

The practice of ensuring a safe, healthy, and conducive work environment that promotes the physical and mental well-being of employees.



Security Practices

Measures and protocols to protect our assets, personnel, and information systems from threats and unauthorised access.



Talent Attraction, Retention, and Development

Strategies that attract, maintain, and enhance the skills and engagement of employees to ensure a competent and motivated workforce.



Climate Risk and Resilience

Risks posed by climate change are assessed and managed. Strategies are developed to enhance our ability to mitigate, withstand and adapt to climate-related impacts.



Climate Mitigation

Actions and policies aimed at reducing or mitigating greenhouse gas (GHG) emissions to tackle climate change.



Climate Adaptation

The process of adjusting systems, strategies and assets to minimise potential damage or seize opportunities associated with climate change.



Water

The management, conservation, and quality control of water resources in business operations, emphasising its sustainable usage and impact reduction.



Air Quality

The control and improvement of the atmospheric quality around business operations, focusing on reducing emissions and pollutants.



Effluents and Waste

The management of waste products and effluents (liquid waste and sewage discharged into a water body) to minimise environmental impacts and ensure sustainable disposal or recycling.



Asset Integrity & Security

Ensuring the operational reliability and safety of physical assets while protecting them from risks like malfunctions, accidents, and external threats.



Local Communities

The engagement with and impact on the communities surrounding our areas of operation. These impacts include social, economic, and environmental aspects.



Anti-Corruption & Business Ethics

Upholding ethical practices and combating corruption to ensure the integrity and transparency of our business.



Human Rights

The commitment to uphold and protect fundamental human rights in all aspects of our business operations and supply chains.



Stakeholder Engagements

The process of interacting with and involving stakeholders, including employees, customers, investors, and communities, to inform and enhance business strategies and decision-making.



Policy & Regulatory Environment

Navigating and complying with all applicable legal and policy frameworks governing business operations.



Responsible Procurement Practices

Implementing procurement methods that prioritise ethical, environmental, and social considerations.

Our Tier-1 and Tier-2 material topics have been translated into 104 goals and key performance indicators (KPIs) in year 2023 as part of our 2023-2027 Sustainability Roadmap. This roadmap is aligned with MedcoEnergi's sustainability objectives and climate aspirations, which incorporate contributions from the Board of Directors (BoD), functions and subsidiaries. These KPIs serve as the basis for our action plans, which are detailed at the conclusion of each chapter in this Sustainability Report.

By the end of 2023 we achieved 86% of our 2023 sustainability goals and KPIs derived from the 2022 materiality assessment. The 2023 goals we have yet to achieve will be carried forward for completion in 2024.

Human Rights Policy

As we expand our horizons, MedcoEnergi acknowledges that our business growth inherently exposes us to various risks that may impact the human rights of individuals. We identified Human Rights as a key material topic during our initial materiality assessment in 2018 and reaffirmed it as a Tier 1 topic while revisiting it in 2022.

Our commitment to respect human rights has always been integrated into various aspects of our business and reflected in our policies such as the Sustainability Policy, Code of Conduct, Community Development and Security policies, as well as our Corporate Recruitment Guidelines. Additionally, we have a comprehensive grievance and whistleblowing system to effectively address any concerns related to human rights.

Following the corporate-level human rights assessment in 2022, we established MedcoEnergi's Human Rights Policy in early 2024. This policy builds upon existing human rights-related policies and best practices at MedcoEnergi into a standalone corporate policy. Developing this policy involved extensive consultations with representatives from our external and internal stakeholders, including the representatives from Medco Oil & Gas and Power assets, Heads of Division and labour unions to ensure comprehensive perspectives. The policy received formal approval from our Board and was officially signed off in January 2024.

Our standalone Human Rights Policy encompasses the following key aspects:

- The commitment to respect human rights as outlined in the Universal Declaration of Human Rights (UDHR), International Labour Organization (ILO) Declaration, and other relevant instruments.
- Guidance was provided by the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Voluntary Principles on Security and Human Rights (VPSHR), and the International Finance Corporation (IFC) Performance Standards.
- Adherence to applicable laws in the countries where we operate.
- Implementation of robust risk management policies and procedures: these include all policies related to our Code of Conduct, Code of Supplier, Sustainability, Health, Safety & Environmental, Community Development and Security.
- Protection of the human rights of our employees, communities, and business partners. This includes, among others, fair working conditions, recognition of rights to unionise and bargain collectively, and zero tolerance for child labour, modern slavery, harassment, and discrimination.
- Identification and mitigation of potential risks faced by vulnerable groups, including minorities, women, children, and migrant workers.
- Requirements for business partners to adhere to our Code of Conduct and Code of Supplier, which ensure legal compliance and protection of employee rights.
- The use of grievance and whistleblowing mechanisms to address impacts of company activities, with procedures to investigate and remedy.
- Governance and oversight through involving the Board of Commissioners, Board of Directors, Corporate Sustainability and Risk Management Division, and all functional teams.

Our Human Rights Policy is available [here](#).

The timeline below highlights our milestones in developing this policy:



MedcoEnergi's Human Rights Milestone

2018

- Human Rights was identified as a priority issue from our materiality assessment
- Initiated study on Human Rights-related regulatory requirements
- Conducted Voluntary Principles on Security and Human Rights (VPSHR) training for security and public affairs departments

2020

- Inclusion of Human Rights aspect in the Community Development and Security Policy
- Launched the revised Code of Conduct ("Our Code") to align with international best practices for Human Rights

2021

Initiated the corporate Human Rights Assessment with Business for Social Responsibility

2022

- Completed the corporate Human Rights Assessment with Business for Social Responsibility
- Identified human rights risks exposures, in-place mitigations and systems, and rooms for improvements. The identified risks provide the bases of developing the standalone Human Rights policy based on existing policies.

2023

- Developed Human Rights Policy
- Conducted VPSHR training for selected participants from MedcoEnergi and its subsidiary
- Conducted Human Rights Impact Assessment (HRIA) for Block A and Senoro (JOB Tomori)

We disclosed and assured for the first time in this reporting year our policy commitments for responsible business conducts. Moreover, we described how our policy commitments for responsible business conducts are embedded throughout the activities and business relationships. A complete disclosure of GRI 2-23 Policy Commitments and GRI 2-24 Embedding Policy Commitments can be found in [2023 GRI Performance Data](#).

2023 Block A and JOB Tomori Human Rights Impact Assessment

As part of the Equator Principles 4 (EP4) requirements¹ for Block A and JOB Tomori, we conducted an independent site-level human rights impact assessment (HRIA). While conducting this assessment, we referred to the United Nations Guiding Principles on Business and Human Rights (UNGPs). This assessment aimed to understand what the human rights risks were based on their severity and likelihood.

The HRIA can be defined as a systematic approach to identify, analyse, evaluate, and mitigate the adverse effects of a business venture or operation on the human rights well-being of stakeholders who are influenced, including workers and local community members. This process, also called the Human Rights Due Diligence, serves to pinpoint, prevent, minimise and take responsibility for how businesses resolve adverse human rights consequences. The HRIA procedures evaluate both existing and potential human rights ramifications, integrate and execute the findings, monitor responses, and take transparent measures to address these impacts.

The design and implementation of this HRIA methodology adhere to the growing best practices for conducting HRIA and the essential requirements for human rights impact assessments. These include using national law and international human rights standards as the primary benchmarks and criteria for assessment. They actively involve affected parties, employees, and civil society, including vulnerable groups, and adapt general strategies that place human risks above potential company business risks.

Through HRIA, we can gain an understanding of how the company safeguards the rights of its workforce and local communities. Additionally, it allows us to integrate human rights principles into day-to-day activities that align with international standards and relevant legal obligations.

Conversely, this process can unveil existing, recognised, or unforeseen human rights violations committed by our operations.

¹ The Equator Principles is a risk management framework adopted by financial institutions, for determining, assessing and managing environmental and social risk in project finance. The reviewed fourth iteration of the Equator Principles (EP4) were published in July 2020.

In the context of the Declaration of Human Rights, all human beings are rights holders. Identifying the rights holders in this project will be tailored according to the company's landscape. This will include certain conditions, such as resource requirements, both socioeconomic and cultural. The following were identified as rights holders; they have been divided into internal and external rights holders:

- Internal rights holders are temporary or permanent employees, registered labour unions, and third parties in the project cycles, such as contractors and their workers.
- External rights holders are communities living around the company areas, especially community settlements or other social activities within a one-to-two kilometre range. This also includes people directly or indirectly affected by the company's activities.

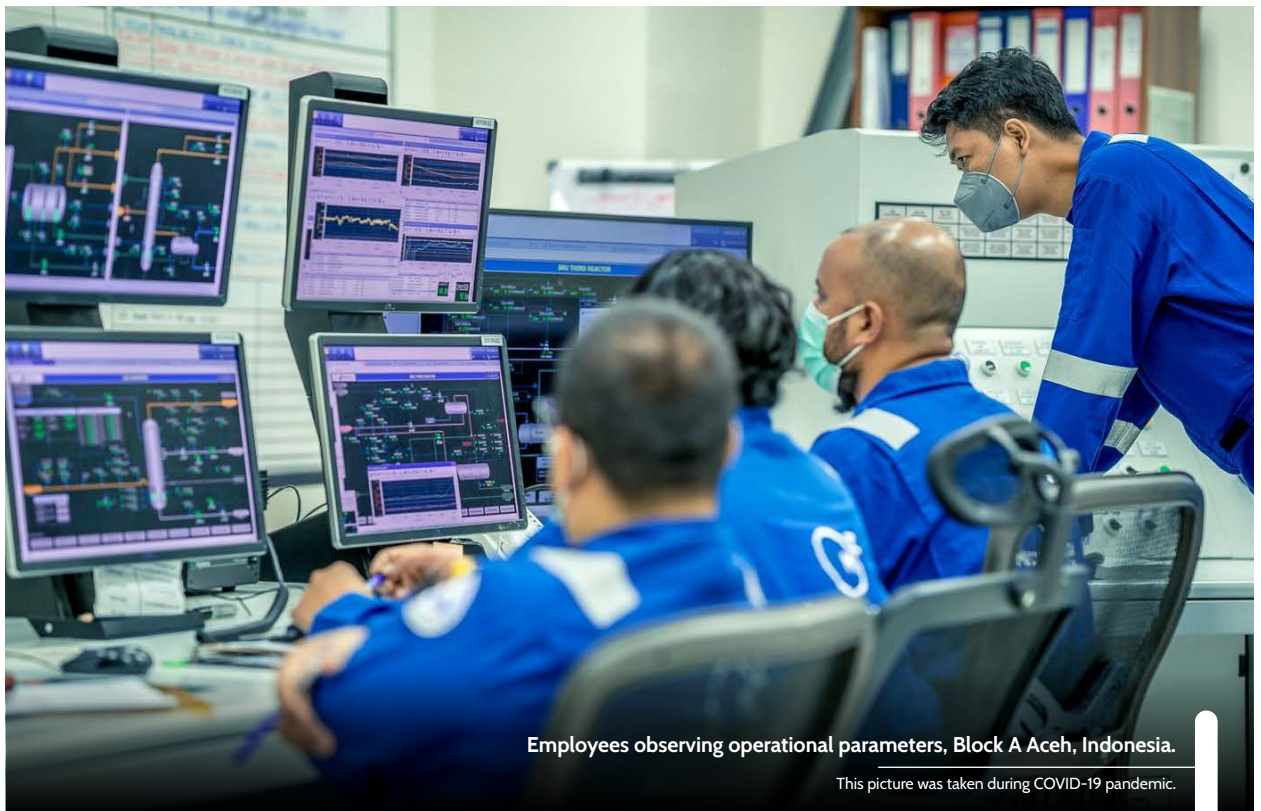
These rights holders are considered since the company's activities may potentially disrupt their livelihoods, asset ownerships, living conditions, and access to natural resources, which may result in impacts on their health and safety.

Potential human rights impacts are assessed as follows:

- Labor rights
- Freedom of association and collective bargaining rights
- Civil and political rights
- Indigenous people's rights
- Women's rights
- Community health, safety, and security

The assessment results will be used to manage Block A's and JOB Tomori's human rights issues. Based on the risk matrix, most risks are categorized as negligible, except those categorised as moderate risks to the health and safety of the communities, or security risks in Block A and labour rights risks in JOB Tomori.

The actions from this assessment will be embedded in Block A's and JOB Tomori's Environmental Social Action Plans (ESAP). The progress is monitored every month by the assets' management.



Employees observing operational parameters, Block A Aceh, Indonesia.

This picture was taken during COVID-19 pandemic.

Engaging our Stakeholders

We conduct various engagements with our stakeholders to gather their input and strengthen our sustainability programmes. Our interactions with our stakeholders keep us well-informed about their expectations, priorities, and needs. This is key to effectively addressing their concerns and safeguarding our social license to operate. Our goal through these efforts is to foster long-term stakeholder value and cultivate relationships based on mutual trust and transparency.

In 2023, we continued our engagement with BSR and other international and national organisations, among them the Indonesia Business Council for Sustainable Development (IBCSA) and the Global Reporting Initiative. We actively contributed to sustainability initiatives, such as providing

feedback to the government during the emerging climate change-related regulations through the Indonesian Petroleum Association and Indonesian Renewable Energy Society. As further testament to MedcoEnergi's active contributions, Hilmi Panigoro, our President Director, was awarded "Best Sustainability Leadership Initiatives" by the Indonesian Energy and Mining Editor Society¹ for his outstanding contributions to driving sustainable practices within MedcoEnergi.

In December 2023, we also established a Memorandum of Understanding with KADIN (Indonesian Chamber of Commerce and Industry) Net Zero Hub, as part of Indonesian companies' network with the global net-zero movement and guidance to the journey towards net zero emissions.



MedcoEnergi employees, including members of the Board of Commissioners and Board of Directors, served as volunteers in collaboration with Habitat for Humanity to complete the construction of livable houses in Mauk, Banten, Indonesia

¹ Indonesian Energy and Mining Editor Society is a prominent organization consisting of senior editors from reputable national media outlets focused on energy and mining sectors.

The following table lists MedcoEnergi's stakeholder groups and the engagement and support we provide:



Shareholders

- General meetings with shareholders to present MedcoEnergi's annual results, material decisions and other significant corporate actions.
- Regular meetings between our management team and investors.



Employees

- Regular engagements with worker unions representatives on a quarterly basis every year.
- Communications forums to resolve matters related to employee relations and employment benefits, terms, and conditions.



Contractors, Suppliers and Business Partners

- Regular familiarisations of our Corporate Governance principles, Corporate Values, Code of Conduct, Code of Supplier and initiatives in Sustainability and Climate Change in the quarterly newsletter for our domestic oil & gas contractors, suppliers and business partners, as well as during the annual Vendor Days, held for our partners in oil and gas and power subsidiaries.



Communities

- Facilitations and implementations of stakeholder engagements and community development plans.
- Familiarisations of our grievance mechanisms in our Social Management System (SMS).
- Anti-corruption collective action programmes with the focus on engaging the youth to cultivate a culture of integrity and awareness about anti-corruption measures.



Government and Regulators

- Regular consultations and cooperations with government agencies and authorities to empower local communities, support our workforce, mitigate adverse environmental and social impacts and work on our efforts to mitigate and adapt to climate change.
- Regular engagements with the authorities to provide inputs for drafts of climate change and environmental regulations.
- Participation in government initiatives, such as the Annual SDG Forum, EBTKE (Renewable Energy & Energy Conservation) Conference and Exhibition, SKK Migas Media Engagement, etc.



Banks and Investors

- Annual disclosures of our ESG data in our Sustainability Reports.
- Submissions of monitoring reports to our lenders.
- Publications of quarterly investor updates in our website.
- Collaborations with banks to adhere to the Equator Principles (EP) to finance our projects.
- Online and in-person non-deal roadshows focusing on sustainability/ESG themes.



Non-Government Organisations (NGOs) / Civil Society

- Consult with and collaborate on programmes and initiatives to empower local communities, support our workforce and mitigate adverse environmental and social impacts.
- Maintain correspondence and communication to gather their feedback.



Consumers

- Contribute to the governments' objectives of increasing natural gas use for Indonesia, Singapore, and Vietnam.
- Supply gas to the Indonesian state-owned enterprise PT Pupuk Sriwidjaja Palembang, which produces fertilisers for farmers in South Sumatra.
- Provide electricity to the Indonesian state-owned electricity company PT Perusahaan Listrik Negara Persero via Medco Power.



Media

- Engage the media and hold press conferences at the local and national levels.
- Conduct awareness and competency training for journalists in the oil and gas industry.



Academia

- Collaborate with universities to provide access to cutting-edge research and expertise.
- Work on various capacity building programmes as well as knowledge sharing sessions for our workforce.

MedcoEnergi

Memberships

Engaging with various associations empowers us to collaborate and broaden our influence in the energy sector. These associations provide platforms for MedcoEnergi to contribute not only as members, but also as leaders and initiators to secure sustainable energy and natural resources.

Country	Name of Association	Position
Indonesia	Association of Indonesian Oil and Gas Industry Remuneration Practitioners (APRIMI)	Member
	Auditors Forum of SKK Migas - KKKS (FAMI)	Steering Committee
	Indonesia Carbon Capture and Storage Center (ICCS)	Member
	Indonesia Corporate Secretary Association (ICSA)	Member
	Indonesia Public Relations Association (PERHUMAS)	Member
	Hydropower Plant Developers Association (APPLTA)	Member
	Indonesian Business Council for Sustainable Development (IBCSD)	Co-founder & Member
	Indonesian Employers Association (APINDO)	Member
	Indonesian Chamber of Commerce and Industry (KADIN)	Member
	Indonesian Electrical Power Society (MKI)	Member
	Indonesian Environmental Impact Assessment Forum (FAI)	Chairman
	Indonesian Geothermal Association (INAGA)	Member
	Indonesian Petroleum Association (IPA)	Board of Directors
	IPA – Ethics and Compliance Committee	Chairman
	IPA – Environmental and Safety Committee	Secretary
	IPA – Energy Transition Committee	Member
	Indonesian Independent Power Producers Association (APLSI)	Member
	Indonesian Renewable Energy Society (METI)	Board of Supervisors
	International Society of Sustainability Professionals (ISSP)	Member
	National Committee for Sustainability Reporting - Energy Sector (NCSRE)	Chairman 1
Public Relations Forum of SKK Migas - KKKS	Steering Committee	
The Climate Reality Project Indonesia	Leader	
Thailand	Oil Industry Environmental Safety Group Association (IESG)	Member
	Petroleum Institute of Thailand (PTIT)	Member
	Society of Petroleum Engineers (SPE)	Member
Oman	Oman Chamber of Commerce and Industry (OCCI)	Member
	Oman Society for Petroleum Services (OPAL)	Member

In addition, our company is a member of BSR and CDP¹. Our membership in these platforms ensures we remain current with the latest trends and regulations and understand the most effective strategies.

¹ Formerly the Carbon Disclosure Project, CDP is an international non-profit organisation that helps companies and cities disclose their environmental impact (www.cdp.net).



Pursuing Excellence in Our Governance

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05

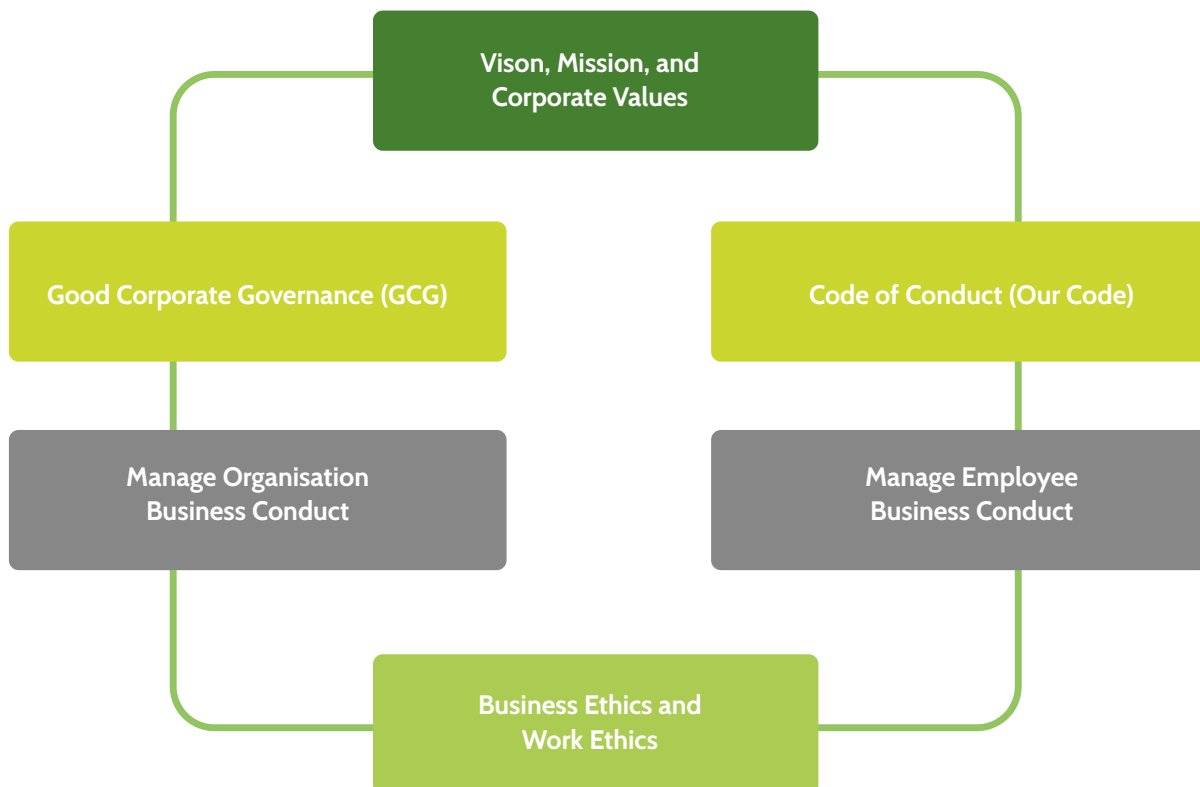
MedcoEnergi is dedicated to fostering sustainable business operations and cultivating a culture of compliance and openness. We believe that ethical and accountable governance is essential to ensure enduring value for stakeholders and the resilience of our business. A robust leadership framework is pivotal to achieve MedcoEnergi's vision and mission.

Approach, Commitments and Goals

We have adopted ethics-focused strategies supported by a culture that prioritises and incentivises sustainable, long-term connections with stakeholders. For this reason, we apply our Good Corporate Governance (GCG) Principles and Code of Conduct (Our Code) throughout our subsidiaries and business divisions.

We uphold these GCG principles and Our Code by adhering to a regulatory framework that complies with laws, regulations, and both international and industry best practices and standards.

Relationship between GCG and Our Code



Good Corporate Governance

Our governance is based on the principles of Transparency, Accountability, Responsibility, Independence, and Fairness. These GCG Principles guide the MedcoEnergi Board of Commissioners (BoC) and Board of Directors (BoD) as they govern our organisation.

We have integrated these principles into our operations to ensure responsible management, ethical business practices, compliance, and sustained stakeholder trust. The MedcoEnergi GCG Implementation Guideline is available [here](#).

MedcoEnergi's Good Corporate Governance Principles



MedcoEnergi Code of Conduct

Rooted in MedcoEnergi's Corporate Values – professionalism, ethics, openness, and innovation – Our Code carries the tagline "Know the Code, Know the Commitment." It outlines the standards, duties, and responsibilities expected of our personnel. This Code aligns with global best practices in human rights, data privacy, anti-corruption, and anti-money laundering.

Our Code

 <p>Our Commitments & Responsibilities</p>	<ul style="list-style-type: none"> • Our Corporate Values and Code of Conduct • Our Expectations of Everyone • Our Expectations of Supervisors • Raising Our Concerns • Disciplinary Actions
 <p>Protecting Our Employees & Workplaces</p>	<ul style="list-style-type: none"> • Equal Opportunity and Discrimination • Workplace Harassment • Personal Data Privacy • Safe Workplace • Human Rights
 <p>Protecting Our Company's Interests & Assets</p>	<ul style="list-style-type: none"> • Conflicts of Interest • Accuracy of Financial Reporting • Protection of Company Assets • Intellectual Property Rights • Information Technology and Communication System • Insider Trading
 <p>Respecting Our Stakeholders</p>	<ul style="list-style-type: none"> • Our Business Partners • Our Communities • Our Government
 <p>Obeying the Law</p>	<ul style="list-style-type: none"> • Corruption and Bribery • Preventing Money Laundering • Involvement in Politics

At MedcoEnergi, we require all stakeholders to adhere to Our Code consistently, regardless of their locations. Access Our Code [here](#).

Code of Suppliers

We outline our expectations for business partners through the MedcoEnergi Code of Suppliers, established in December 2022. This Code of Suppliers sets our standards, identifies potential legal, regulatory, and compliance risks, and facilitates the management of both current and future impacts arising from our business interactions. The Code of Suppliers is available for reference [here](#).

We distributed newsletters in 2023 to enhance our engagements with domestic and international oil and gas vendors.

Corporate Governance Structure

Our GCG framework outlines the responsibilities of MedcoEnergi's Board of Commissioners (BoC) and Board of Directors (BoD). These boards guide and oversee how sustainability and climate considerations are integrated into our responsible business practices.

Board of Commissioners (BoC)

The BoC oversees the BoD, ensuring that the GCG principles are applied throughout the organisation. The BoC also:

- guides issues based on the Articles of Association;
- chairs the Annual General Meeting of Shareholders (AGMS);
- monitors internal and external audits;
- oversees risk management processes;
- makes performance-based remuneration recommendations.

The BoC executes its duties with the support of the Audit Committee, Nomination and Remuneration Committee, Sustainability and Risk Management Committee (SRMC) and GCG Committee.

It oversees and offers direction to the BoD in managing risks across all business areas, including those related to climate, with the support of the SRMC.

Board of Directors (BoD)

MedcoEnergi's BoD ensures the company's business and operations are in line with shareholder interests and goals. Their roles involve:

- executing the company's business and climate strategies in accordance with our core values;
- managing risks;
- integrating climate initiatives;
- developing the annual Work Programme and Budget;
- evaluating our business and climate objectives and key performance indicators (KPIs).

To manage and leverage climate-related risks and opportunities, the BoD is supported by the expertise of the Climate Change and Energy Transition working groups. Support is also provided by key corporate functions like Corporate Sustainability and Risk Management (CSR), Health and Safety (HSE), and Corporate Planning & Investment Appraisal.

The BoD is responsible for reviewing and approving the sustainability related disclosures i.e. sustainability report, CDP report etc., including material topics as identified in the materiality assessment.

Good Corporate Governance Committee

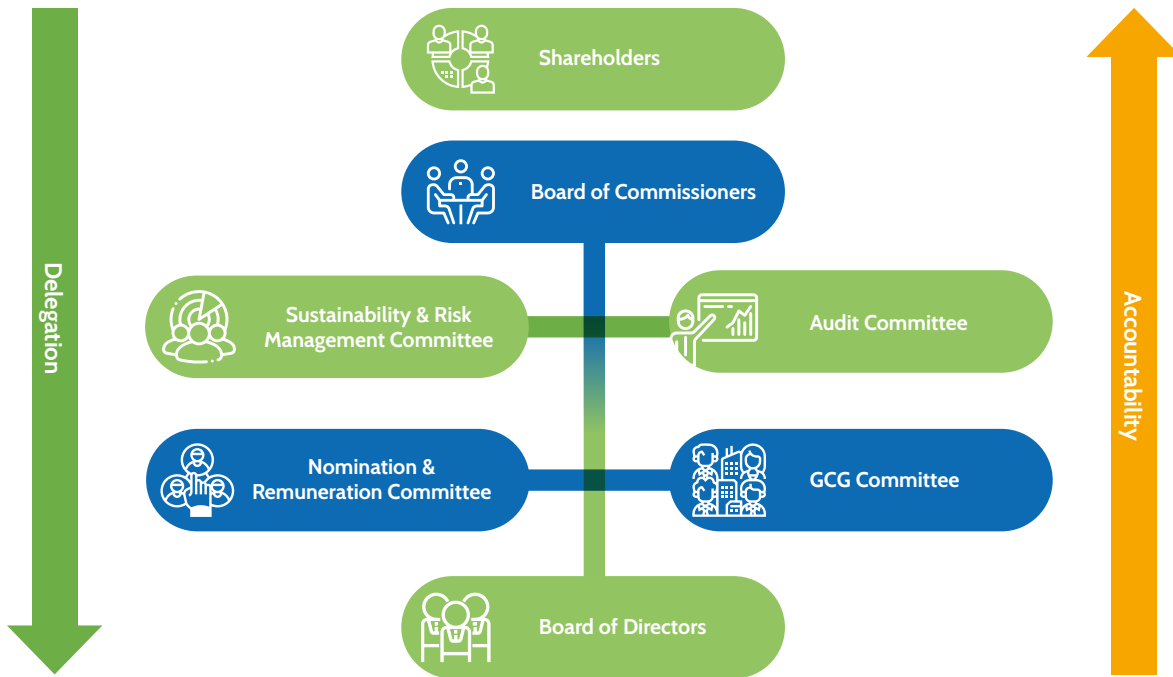
We prioritise fairness and ethics in all our business activities; these are fundamental to MedcoEnergi's corporate governance and are supervised by the GCG Committee. This Committee oversees the assessments and reviews of GCG principles and ethical standards within the company. It also examines potential conflicts of interest and breaches of conduct by the BoD and proposes necessary measures to maintain our ethical framework.

As of 2023, this committee, comprising three Commissioners and four Directors, provided oversight of ethics issues within the Company. Furthermore, the Committee reviews the BoD's yearly reports on GCG practices and promotes the consistent implementation of these principles.

Sustainability-linked Remunerations

MedcoEnergi’s sustainability performance is considered when determining remuneration for all BoD members. The Nomination & Remuneration Committee considers the Company’s annual sustainability performance, scopes of work, duties and responsibilities, as well as the industry’s best practices. This committee prepares all remuneration proposals, which are presented by the BoC at the Annual General Meeting of Shareholders (AGMS) to be approved by shareholders.

Corporate Governance Structure



Sustainability and Risk Management Governance

Sustainability and Risk Management Committee (SRMC)

The BoC oversees sustainability, climate, and risk management through the SRMC, focusing on significant risk with major impact to the company, including climate-related risks and their mitigation through the implementation of the climate change strategy.

Corporate Sustainability and Risk Management (CSRSM)

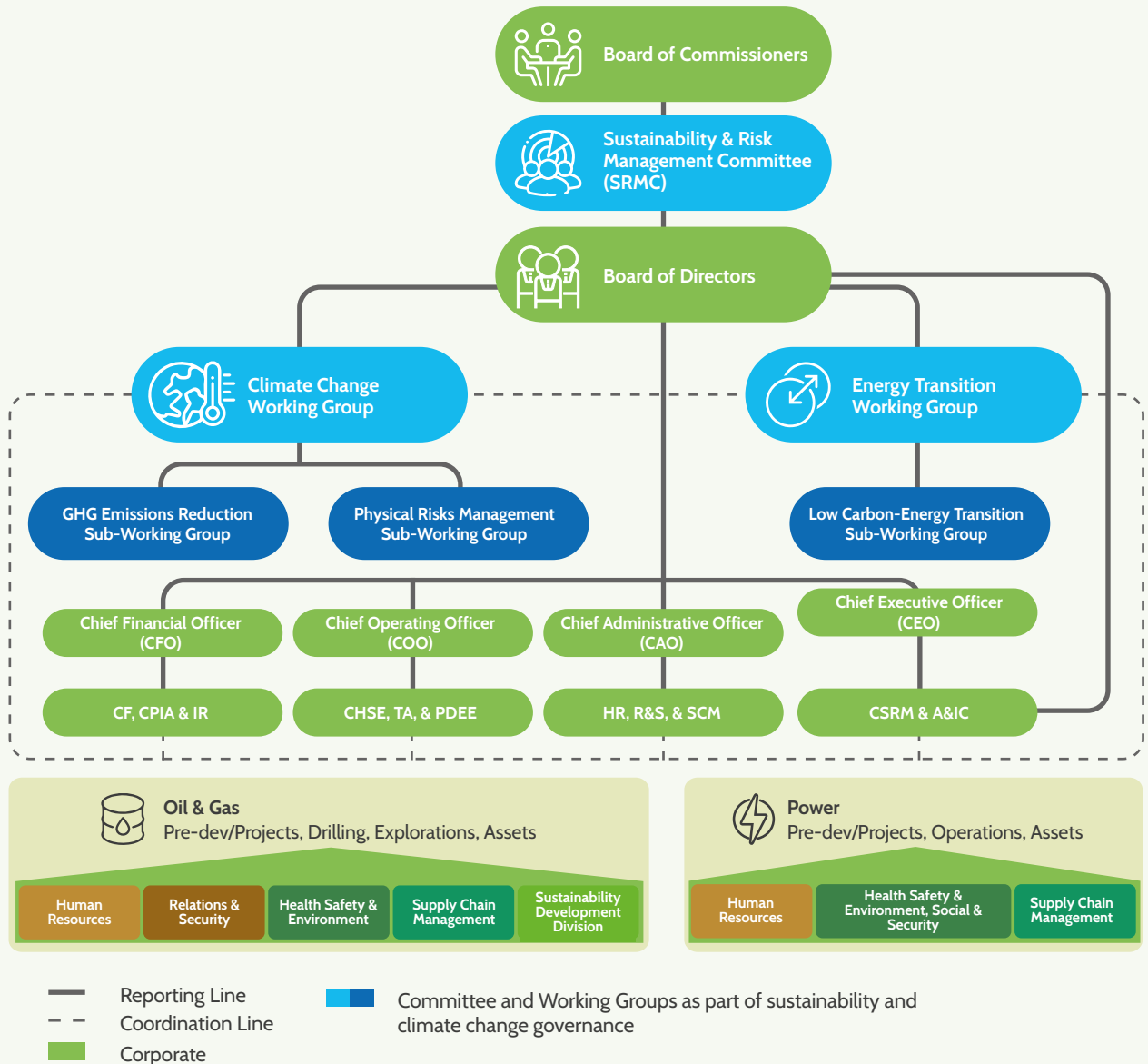
The CSRSM division supports the Board of Directors (BoD) to advance our sustainability, climate, and risk management agendas. It collaborates with various divisions, such as Corporate HSE (CHSE), Human Resources (HR), Relations and Security (R&S), and Audit and Integrity Compliance (A&IC), to track the progress toward our sustainability goals, ensuring these priorities are incorporated into asset levels and across business sectors.

During our Quarterly Performance Reviews (QPR), the functional teams report their risk registers and sustainability performance to the BoD. The BoD then provides updates to the BoC at SRMC meetings.

Climate Governance and the Working Groups

We manage both physical and transition climate risks and opportunities as we strive to achieve our climate goals. These efforts are led by our BoD and assisted by various functions within our Climate Governance structure. Both the Climate Change Working Group and the Energy Transition Working Group govern these climate-related initiatives. The former oversees GHG emissions reductions and physical climate risk management while the latter focuses on transitioning to low-carbon energy as we expand our natural gas and renewable energy portfolio.

Organisational Structure of MedcoEnergi Climate Governance



Notes:

CF : Corporate Finance

CPIA : Corporate Planning & Investment Appraisal

IR : Investor Relations

CHSE : Corporate Health, Safety & Environment

TA : Technical Assurance

PDEE : Project Development and Engineering Excellence

HR : Human Resources

R&S : Relations & Security

SCM : Supply Chain Management

CSRM : Corporate Sustainability & Risk Management

A&IC : Audit & Integrity Compliance

The BoD is responsible for integrating all relevant climate-related risks and opportunities; it is supported by key functions within their areas of work (please refer to the chart above). The BoD members have the following responsibilities:

- President Director: Climate-related strategic key stakeholder engagement.
- Chief Executive Officer: Developing, reviewing, and implementing the Climate Change Strategy, and overseeing corporate-level coordination and implementation of climate-related risk management.
- Chief Financial Officer: Financial aspects, business planning, and investor relations in the implementation of the Climate Change Strategy.

- Chief Operations Officer: Climate-related operational aspects of our oil & gas business and ensuring progress towards our greenhouse gas emission (GHG) targets.
- Chief Administrative Officer: Overseeing corporate-level coordination and implementation of the Climate Change Strategy.

The BoD consistently addresses climate issues and tracks progress toward achieving our climate goals during their weekly meetings, monthly and quarterly performance reviews, project gate reviews, and SRMC meetings.

Risk Management

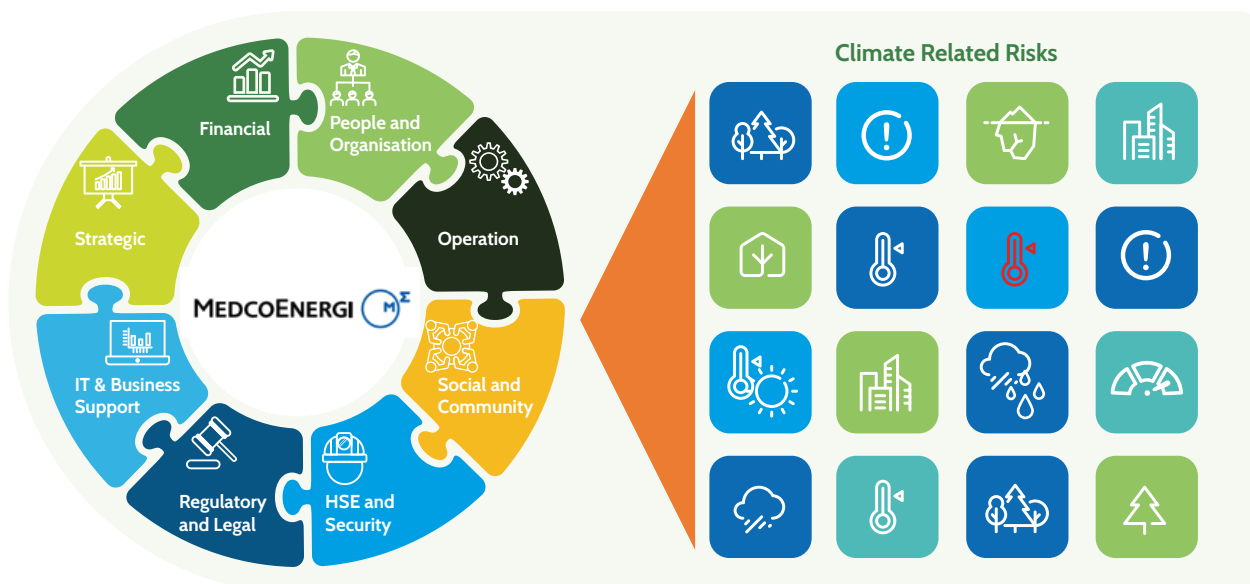
At MedcoEnergi, we employ an Enterprise Risk Management (ERM) framework to detect, assess, and mitigate both existing and potential risks affecting the Company.

The ERM framework is aligned with ISO 31000:2018 standards and constitutes the governance component of our sustainability framework. It enables us to thoroughly identify, assess, monitor and report risks. This includes risks associated with our business partners and spans all strategic, operational, social, and community categories.

Climate-related impacts influence all risk categories. We acknowledge that energy transitions and the physical effects of climate change offer both challenges and opportunities for our business since we are a prominent player in the energy and natural resources sector.

The diagram below illustrates MedcoEnergi's risk universe:

Risk Universe of MedcoEnergi



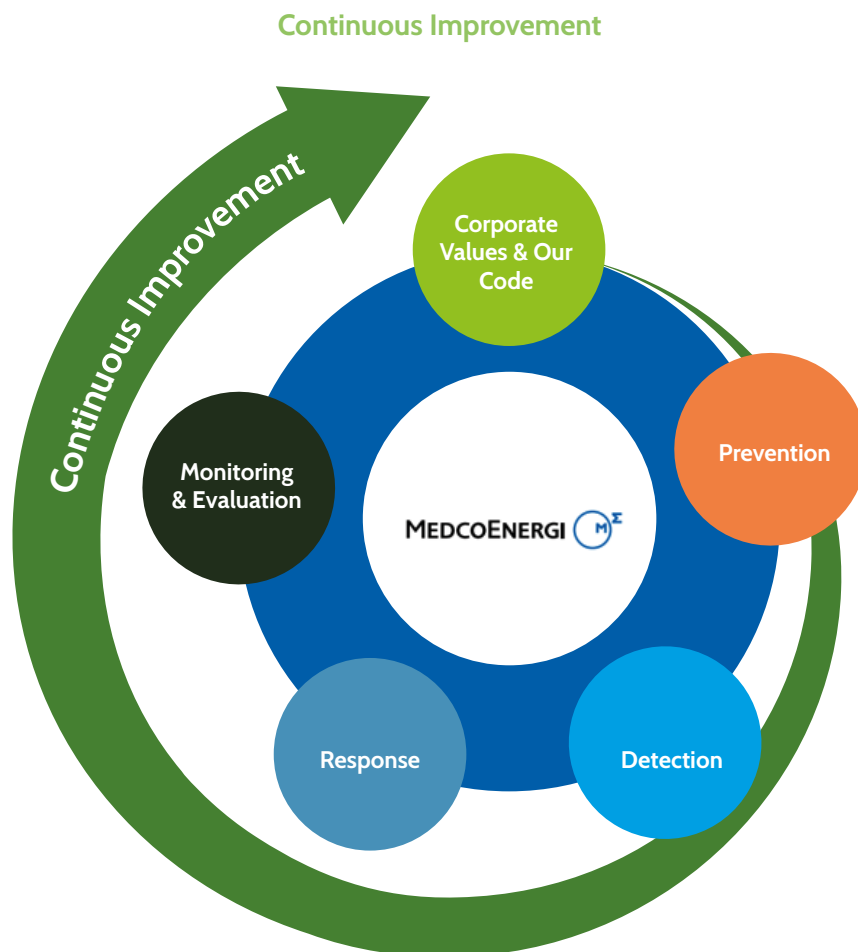
In 2021, we conducted a climate scenario analysis to identify physical and transitional risks and opportunities relevant to MedcoEnergi. We then used the findings to develop mitigation measures that led to the establishment of our Climate Change Strategy. This exercise complied with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). A detailed breakdown of the assessment's methodology and findings can be accessed in our [TCFD report](#), issued in 2022.

In 2023, we conducted a Climate Change Risk Assessment (CCRA) that enabled us to better understand the financial impacts of climate change on our business. These CCRA results can be read in page 115-117.

Corporate Governance Assurance Framework, Programmes and Policies

We have established the Corporate Governance Assurance Framework to support our board in upholding and implementing MedcoEnergi's GCG and Our Code. It aims to support our Board's oversight on compliance, accountability, and transparency within the Company.

This framework comprises six components: Corporate Values and Our Code, Prevention, Detection, Response, Monitoring & Evaluation and Continuous Improvement.



Corporate Values and Our Code

Our Corporate Value and Our Code define the standards that govern how our people conduct their work, carry out responsibilities and behave according to ethical values.

International Compliance Programmes

MedcoEnergi’s operations involve shipping and trading with business partners. However, geopolitical dynamics tend to expose our marine operations to international sanctions. As part of our efforts to mitigate these risks, in 2023 we expanded our compliance efforts in the following marine sectors:

- Marine contractors due diligence during marine certification services tendering processes in the Corridor asset.
- Marine sanctions workshops for our marine operations leadership.
- International Ship and Port Security Code (ISPS) and code audits for international export terminals in Indonesia used by MedcoEnergi.

The following table provides an overview of our international compliance programmes in corporate sanction compliance, anti-money laundering, and due diligence:

International Compliance Programmes

Corporate Sanctions Compliance

In 2023, we continued the implementation of our Corporate Sanctions Compliance Policy and Programme.

Our Sanction Compliance Journey is highlighted in the timeline below:

2021

MedcoEnergi issued our **Corporate Sanction Compliance Policy** and launched our **Sanction Compliance Programme**. This involves a series of Sanctions Awareness and Risk Assessment sessions attended by our divisions.

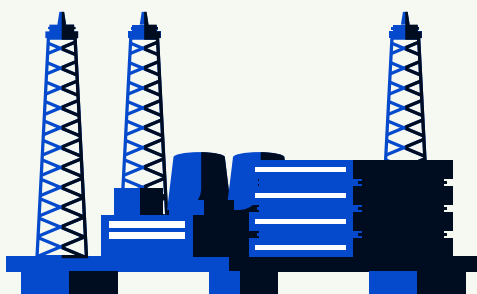
2022

MedcoEnergi conducted our first **Compliance Awareness session** for Medco Power. The session was attended by various business functions from Finance & Treasury, Supply Chain Management, Business Development, to Legal and Corporate Communications.

2023

We targeted **sanction compliance in the marine sector** to prevent smuggling, criminal activities, and the facilitation of terrorist operations and weapons of mass destruction (WMD). Focus areas included Iran, North Korea, and Syria.

The A&I and CSR divisions held a **2023 Marine Sanction Risk Assessment workshop** in June, educating 10 key marine personnel from Corridor, South Natuna Sea Block B, and East Java assets. In August, we conducted a similar workshop at JOB Tomori, attended by 13 marine personnel.



Anti-Money Laundering

We have established an Anti Money Laundering (AML) Policy which was formalised in March 2024. The policy is one of our commitments to compliance in managing the risks of money laundering arising from extensive engagements with Business Partners.

The upgrade began with a revised Our Code in May 2020 to prevent money laundering and ensure compliance. In improving MedcoEnergi’s AML policy, we have:

2021

Extended the campaign of MedcoEnergi’s AML Commitment, Real Situation examples, and mitigation measures to our registered suppliers through one of the common risks in the **Business Ethics Awareness Session at the annual SCM Vendor Day** event. This initiative has been implemented every year until now.

2022

- Communicated our **AML commitment and expectations** to our vendors through the **4th Edition of the Compliance e-Newsletter to our suppliers**.
- Launched our **Code of Supplier**, including the AML expectation.
- A&I representatives **participated in the external online webinar “AML Trends & Challenges,”** held in collaboration with United Nations Office on Drugs and Crime (UNODC) & Hogan Lovells DFNP
- **Conducted a self-assessment** on the current adequacy of our AML compliance programme based on reputable standards.

2023

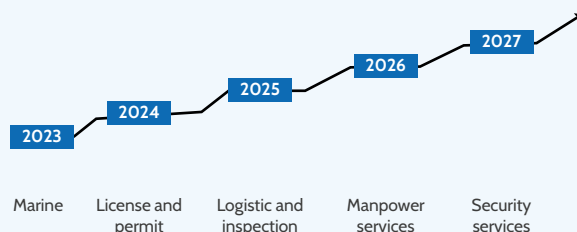
- Started a project to develop and benchmark the mapping of **AML Corporate Policy**.
- Related employees were trained on **AML Awareness & Understanding** by a reputable training provider.
- Attended the Southeast Asia Financial Crime Symposium conducted by Deloitte.
- Consulted with an external law firm related to AML Corporate Policy.

2024

Launched the AML Corporate Policy and relevant training programmes. As the next step, we aim to embark on a Corporate AML Programme in 2024. Our commitment to Anti Money Laundering is available on our website [here](#).

Due Diligence

Continuing our Due Diligence (DD) efforts to cover third-party risks, we conducted focused due diligence on marine contracts and related licenses and permits for Marine Operations in 2023. This aligns with our DD focus areas for the next five years, which are determined by risk escalation.



Our DD journey is summarised below:

	2021	2022	2023
Oil & Gas Domestic	11	20	8
Oil & Gas International	2	27	15
Power	9	9	3
JOB Tomori	3	3	3
Total number of Vendor Due Diligence Conducted	25	59	29

Note: The 2021-2022 data have been related to include updated figures and oil & gas international

Prevention

We prevent violations of our ethical standards and policies through several initiatives that uphold good governance within our organisation.

Ethics Ambassador Programme

Our Ethics Ambassador Programme cultivates ethical compliance by actively involving employees. Selected participants undergo a comprehensive training programme focused on ethics, compliance, and risk management. After completing the training, they serve as "Ethics Liaison Officers" (ELOs) in Corporate and

Medco Oil & Gas and as "Ethics Ambassador" in Medco Power. This Ethics Ambassador Programme was evaluated during the first half of 2023 to measure its success. It offered key opportunities to provide feedback, which was highlighted by the COO's involvement.

Asset	Corporate and Oil & Gas	Power
Programme Title	Ethics Liaison Officers (ELO) Programme	Compliance Champion Programme
No. of Personnel in 2023	76	28
Roles and Responsibilities of Personnel	<ul style="list-style-type: none"> Lead discussions and deliver presentations on ethics to the group. Provide awareness and support to the group by using ELO materials (e.g. presentations, case studies, posters and infographics). Participate in corporate campaigns (including Ethics & Compliance Weeks and Anti-Corruption Day) and distribute campaign tools coordinated by the A&IC divisions. 	<ul style="list-style-type: none"> Communicate and discuss issues related to ethics and compliance from subsidiaries to Medco Power's head office. Monitor the design and implementation of the Anti-Bribery Management Systems (ABMS) and other bribery-related matters. Monitor compliance of ABMS with ISO 37001 requirements. Report on ABMS performance to top management and other compliance-related functions.

The outreach of our Ethics Ambassador Programme is shown in the table below¹:

Asset	2021	2022	2023
Corporate and Domestic Oil & Gas	1,360	2,530	2,036
International Oil & Gas	83	74	38
Corridor ²	-	1,311	-
Power	13	13	359
Number of Participants	1,456	3,928	2,433

¹ The number of participants in the ELO Programme includes employees and contractors. Figures for 2021-2022 have been restated to include Medco Power. Outreach for 2021-2022 was calculated based on offline and online attendance records, while in 2023 it was based on records that were made fully online.

² Corridor was integrated into MedcoEnergi in 2022. Outreach is therefore shown as part of domestic oil & gas in 2023.

Communication and Educational Initiatives

Communicating and educating ethics & compliance to employees are keys to successfully establishing a high integrity culture in any organization. Employees are empowered to directly participate in the culture building. MedcoEnergi considers that these preventive efforts are more effective than corrective actions in combating corruption and other compliance risks. The following communication and education initiatives were conducted in 2023:

- Compliance sessions in Block A, Rimau, Lematang, Palembang Office, and JOB Tomori. In 2023, we were able to conduct more compliance sessions for the assets and reach out to more participants because the travel ban due to Covid-19 was revoked.
- The Year-End Town Hall for Finance Division in the Oil & Gas assets.
- Nine new ethics awareness materials were introduced, focusing on the Code of Suppliers and the implications of the upcoming political year.
- We emphasized the suppliers to meet ethical standards and support sustainability. We also provided guidelines to help our employees engage more ethically in the election year.
- We celebrated International Anti-Corruption Day by hosting a quiz competition involving all employees at our oil & gas assets. Meanwhile, we organised a GCG-COC online quiz as well as rhyme and photoshoot competitions at our power assets and held three anti-corruption seminars at JOB Tomori.
- Corridor Youth Integrity – Take Actions as part of International Anti-Corruption Day commemoration. Please refer to page 72 and 76.
- A social media guidance seminar was conducted to promote ethical online conduct among employees in Medco Power.

Contractor Employee Ethics Awareness

A&IC Division, in collaboration with HR and Digital Information Technology (DIT), held a virtual Contractor Employee Ethics Awareness Training on 29 November 2023. This session is part of A&IC's educational efforts to underscore our commitment to ethics. The training was attended by 669 oil & gas Indonesian contractor employees. It aimed to raise awareness about associated risks, such as undue influence and conflicts of interest, and to address the challenges of a digital work environment.

Annual Statement of Adherence (SoA) and Conflict of Interest (Col) Deterrence

MedcoEnergi manages conflicts of interest by requiring employees to submit Statements of Adherence (SoA) and Conflict of Interest (Col) declarations which we review and monitor their completions annually. Assurance tests in SoA were expanded in 2023 to cover personal data privacy, human rights, political involvement, and anti-money laundering awareness. We received 97.57% or 2,534 submissions for SoA from permanent employees of Medco Oil & Gas and 99.89% or 900 submissions from permanent employees of Medco Power in 2023.¹ In total, we received 5,733 SoA submissions from permanent employees and third party contractors in Medco Oil & Gas and Medco Power in 2023. However, the limited assurance process, at the moment, only covers the permanent employees. The results indicated employees' thorough understanding of Our Code and related policies. We also received 5,855² Col submissions as part of annual Col declaration process. The Col submissions helped us evaluate and mitigate risks across ten categories, enabling us to enhance our campaign programmes. We also conducted pilot project of 2023 Col declaration for Contractor Services in Corridor. Please refer to page 68.



Medco Power hosted sharing sessions on Col declarations to SCM Division (left picture) and PT Tanjung Jati B Power Services, Indonesia (right picture)


1 SoA numbers (GRI 205-2) are assured.
2 Col numbers are not assured.

Detection

MedcoEnergi has established a fraud detection programme to flag unusual patterns in financial transactions, employee behaviour, and other assets that may indicate fraudulent activities. This programme includes fraud detection procedures, such as data analysis, transaction monitoring, and monitoring of both employees and third-parties. The Company has also implemented systems to detect and report misconduct against its Our Code, allowing for appropriate action to be taken by the relevant parties.

MedcoEnergi Internal Ethics Hotline

Our employees have access to an internal hotline for any compliance-related enquiries and an external hotline for reporting fraud and concerns regarding misconduct.



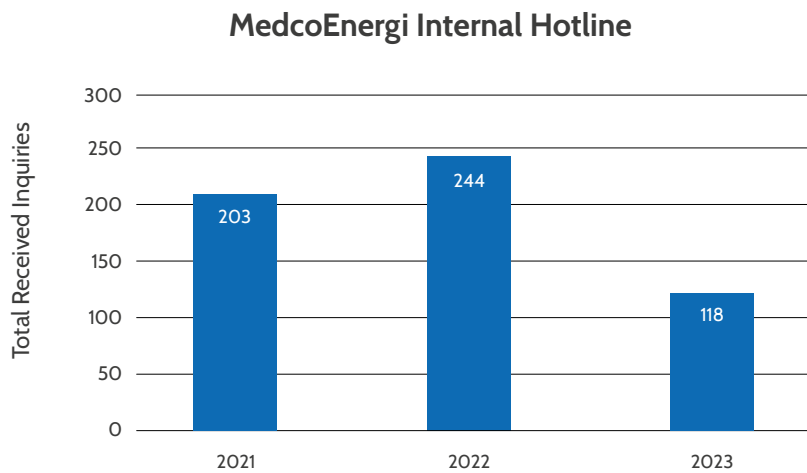
Internal Ethics Hotline

Office Visit: The Energy Bulding - Audit & Integrity Compliance Division, 50th Floor, SCBD Lot 11A, Jl. Jendral Sudirman Kav 52-53, Jakarta 12190

Hotline Email: EthicsHotline@medcoenergi.com

Most inquiries on our internal hotline in 2023 were requests for guidance on conflicts of interest, gifts and entertainment, legal compliance, and anti-corruption policies.

We observed a decline in the number of inquiries received in 2023. It corresponded with an increase in our communication and training, particularly classroom training sessions and Fraud Risk Assessment workshops. These trainings enabled us to directly address inquiries during the sessions.

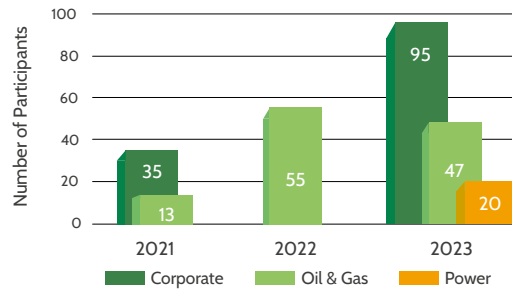


Fraud Risk Assessment (FRA) Workshops

Fraud Risk Assessment is a powerful tool to identify fraud risks. It is a tool that staffs of key divisions need to use and require certain skillset. We continuously enhance our efforts to combat fraud through our FRA Workshops, which are aimed at training participants to recognise and counteract fraud within their areas of responsibility.

Both Corridor and Medco Ratch Power Riau (MRPR) hosted two FRA Workshops in 2023 with 47 and 20 attendees respectively. These workshops focused on anti-bribery management systems, procurement fraud, and case studies. In addition, two refresher courses for both our Onshore Asset Leadership employees and the Corporate Relation & Security team had 33 and 62 participants each. Both fraud management and past case studies were revisited.

MedcoEnergi FRA Workshop Participants



2023 Fraud Risk Assessment Workshop Batch 2 in Corridor, Indonesia



2023 Fraud Risk Assessment Refresher Workshop, Indonesia

Internal Audits

We conduct risk-based internal audits of all our operations at least once every three years to provide independent objective assurances and advice to the MedcoEnergi BoD, corporate divisions, and business units. These audits also enable us to assess the efficiency and effectiveness of our operations

In addition, we conducted the annual Internal Audit of the Anti-Bribery Management System (ABMS) to monitor our compliance with ISO 37001:2016 ABMS requirements and prepare for regular surveillance audits conducted by the independent certification body. Please refer to page 70-71.

In 2023, we extended the International Ship and Port Facility Security Audit, originally implemented in the Corridor Asset, to South Natuna Sea Block B and JOB Tomori. It ensures that our terminals/special terminals and ports fully comply with the ISPS Code¹.

		2021	2022	2023
Internal Audit - Oil & Gas	Corporate	PT Donggi Senoro LNG (DSLNG)	Mexico Block 10, Tanzania Block 1 & 4	Mexico Block 12, PT Transportasi Gas Indonesia
	Division/ Department	-	Operation Technology Sampang, Well Operation, Security and Marine Corridor	ISPS Code Audit for Corridor, Natuna and JOB Tomori
	Oil & Gas (Domestic and International)	Sampang, Madura Offshore	South Natuna Sea Block B, Bangkanai	Medco Oman (MLCC), Rimau & Lematang, Block A (in progress)
	Partnership with JOB	JOB Tomori, JOB Simenggaris	JOB Simenggaris	DSLNG (in progress), JOB Tomori (in progress)
	Internal Control Evaluations	COVID-19 handling, Contractor Safety Management System (CSMS), and social programmes	COVID-19 handling, CHSEMS, marine, social programmes	-
Internal Audit - Power	Headquarters	-	-	-
	Subsidiaries	PT Energi Listrik Batam (ELB), PT Medco Cahaya Geothermal (MCG), PT Bio Jatropha Indonesia (BJI), PT Pembangkitan Pusaka Parahiangan (PPP), PT Tanjung Jati B Power Services	PT Energi Prima Elektrika (EPE), PT Multidaya Prima Elektrindo (MPE), Sarulla Operations LTD (SOL), PT Medco Ratch Power Services (MRPR), PT Medco Power Servis Indonesia (MPSI), PT Mitra Energi Batam (MEB), PT Dalle Energy Batam (DEB)	PT Mitra Energi Batam (MEB), PT Dalle Energy Batam (DEB), Sarulla Operations LTD (SOL), PT Medco Hidro Indonesia (MHI), PT Medco Power Solar Sumbawa (MPSOS), PT Tanjung Jati B Power Services (TJBPS)
Internal Audit on Anti Bribery Management System (ABMS)	Oil & Gas	Domestic: Procure-to-Pay (P2P) Oil & Gas Domestic, South Natuna Sea Block B, JOB Tomori	International: Bualuang Domestic: P2P Oil & Gas Domestic, South Natuna Sea Block B, JOB Tomori	International: Bualuang Domestic: Corridor, P2P Oil & Gas Domestic, South Natuna Sea Block B, JOB Tomori
	Power	Medco Power Head Office, MEB/DEB, ELB, TJBPS	Medco Power Head Office, MEB/DEB, ELB, TJBPS	Medco Power Head Office, MEB/DEB, ELB, TJBPS

¹ The ISPS Code is a set of measures to enhance the security of ships and port facilities.

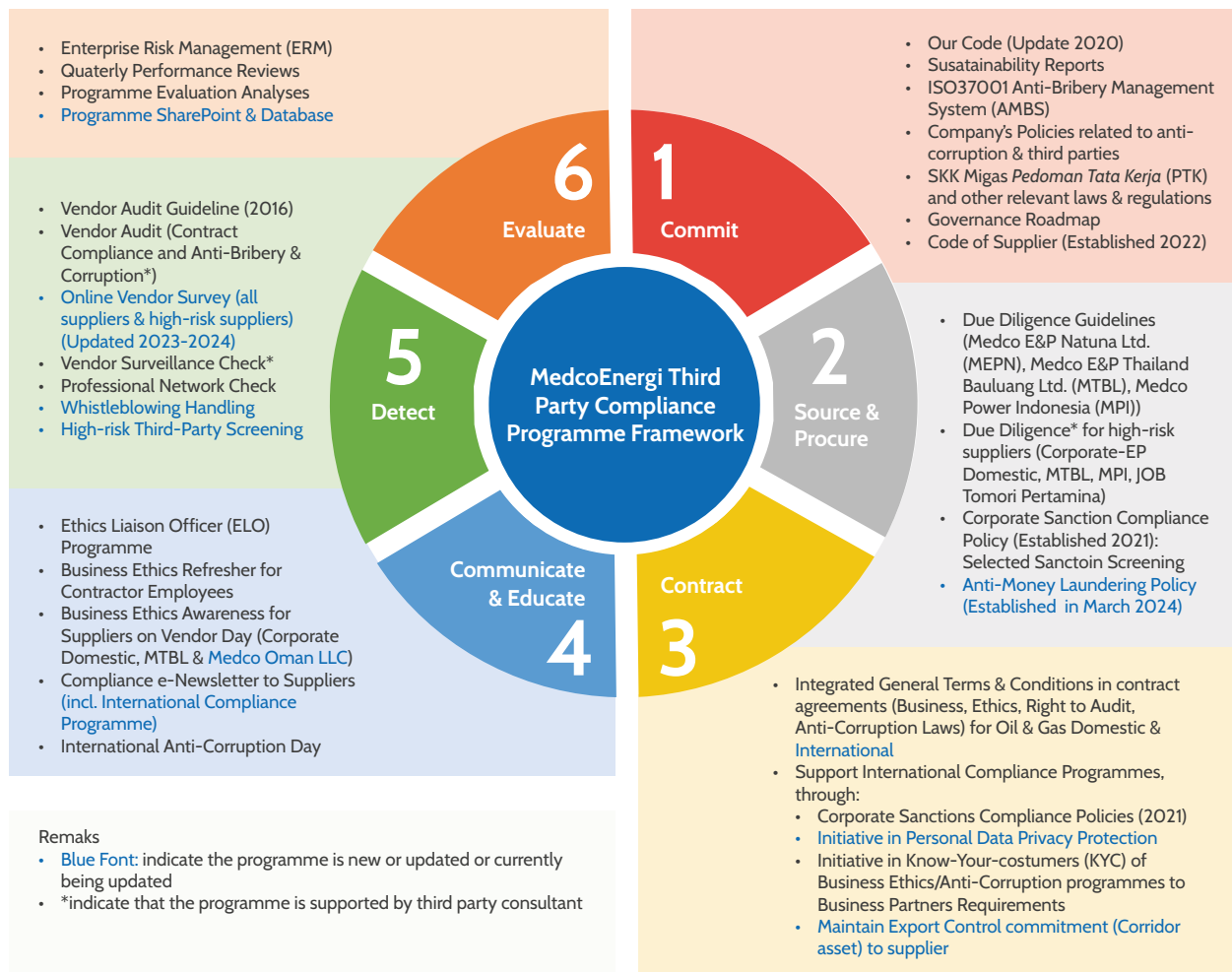
Third Party Risk Management Programmes

Engaging Third Parties

MedcoEnergi proactively communicates with business partners as part of our third-party risk and compliance management.

We reviewed the programme and adopted risk-based approaches to establish long-term action plans that enhance our Corporate Third-Party Compliance programmes between 2023-2027. In 2023, we also familiarised the Code of Suppliers to our oil & gas domestic and international vendors, including in Thailand and Oman.

2023-2024 MedcoEnergi Third Party Compliance Programme Framework



Our Third Party Compliance Programme

Meeting the Know-Your-Customers (KYC) Requirements from Our Partners

KYC is a due diligence process used by our buyers and lenders to assess and mitigate third-party risks. At MedcoEnergi, we do not only undergo the KYC process but also apply it to evaluate our partners. In 2023, our A&IC Division, along with Marine Operations, Corporate Finance and Treasury, and SCM, conducted KYC efforts to ensure we meet all KYC inquiries thoroughly. These efforts addressed anti-corruption, business ethics, human rights, sanction compliances, and anti-money laundering topics.

Third-Party Risk Detection Initiatives

Our initiatives maintain business transparency and stakeholder trust in our governance with third parties.

Anti-Bribery and Corruption (ABC), Contract Compliance, and Internal Control Vendor Audit

MedcoEnergi carries out three types of vendor audits: ABC, Contract Compliance, and Internal Control Vendor Audits. We completed 22 ABC Vendor Audits, including at our Bualuang asset in Thailand. In 2023, our Internal Control Vendor Audit identified compliance risks, assessed contract compliance, and enhanced operational and business controls. We evaluated the internal controls of selected vendors at the corporate level and within our domestic oil and gas assets, with plans to extend these audits to our international assets in the future.

No	Categories	Assets	2021	2022	2023
1	Oil & Gas	Domestic	16	13	13
		International	-	4	2
2	Power		5	4	3
3	JOB Tomori		1	1	4
Number of ABC, Contract Compliance, and Internal Control Vendor Audits			22	22	22



Vendor Day

On September 7, 2023, the Bualuang asset and together with A&IC Division hosted the 2023 Vendor Day via online, attended by 160 participants from 140 of our 179 active vendors. This event enhanced all vendors' understanding of Bualuang's procedures in HSE, SCM, sustainability, and ethics & compliance. It did not only introduced the new top management and their expectations, but also covered standard requirements, such as the HSE Management System, Operational Excellence, and ISO37001 ABMS.

The focused on topics related to HSE, SCM, ethics & compliance, and climate change. Highlights included a presentation on the HSE Vendor Audit, MedcoEnergi's sustainability and climate change commitments, ethical compliance due diligence, and the Code of Suppliers.

A separate Vendor Day for domestic oil & gas operations took place in December 2023. It hosted 305 attendees from 263 vendors and focused on HSE, climate change, business ethics, service quality, loG e-Commerce, procurement, Centralised Integrated Vendor Database (CIVD), and local content.

Vendor Day Participants in 2023

Assets	Oil & Gas Indonesia	Power	JOB Tomori	Bualuang, Thailand
Participants	263 vendors	37 vendors	33 vendors	140 vendors



Strengthening Our Third Party Compliance Programmes

We implemented several initiatives in 2023 to strengthen our third-party compliance programmes:

1. Vendor Compliance Survey in Oman: We conducted a compliance survey for a select group of vendors in Oman, targeting 20 high-risk and local community contractors. The survey focused on key topics related to the Anti-Bribery Management System (ABMS).
2. Col Declaration for Contractor Services in Corridor: We broadened the Col declaration process for service contractors in the Corridor Asset using a Microsoft platform, achieving a 100% completion rate with 2,152 submissions.
3. Joint Vendor Audit with HSE: For the first time, we carried out a joint vendor audit with the HSE team for Bualuang.

Responses

We are committed to adhering strictly to Our Code, enforcing a Zero Tolerance policy against bribery, corruption, fraud, and other ethical violations. Validated claims will result in immediate remedial actions.

Ethics and Compliance Working Group

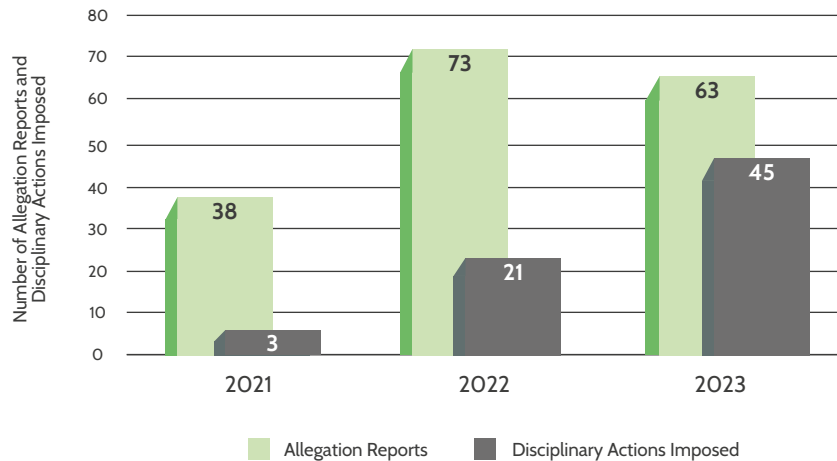
We examined all allegation reports and implemented corrective measures. We determined the appropriate disciplinary actions that complied with our procedures for addressing allegation reports. These procedures involved a thorough review process by the Ethics and Compliance Working Group, consisting of the Board of Directors (BoD) level, the Head of Corporate A&IC, HR, Legal and other relevant function as necessary. This collaborative approach ensures an objective and fair process for making impartial, uniform, and equitable resolutions. This working group will effectively become the Ethics and Compliance Committee in 2024.

Incidents Disclosures

We received 63 reports of alleged violations through whistleblowing channels in 2023, a decrease from the 73 reports received in 2022¹. These reports covered a wide range of concerns, including counterfeiting, intellectual property rights, theft, inappropriate use of assets, procurement frauds, and other fraudulent activities.

The actions taken in 2023 involved imposing appropriate sanctions on 45 individuals, including employees, contractors, and business partners. These ranged from verbal warnings and reprimand letters to formal written warnings and terminations of employment.

In addition to imposing disciplinary actions, we have also implemented a Person Checking System. This system was introduced to prevent hiring employees with poor integrity records. It will serve as a critical component in our employee recruitment process.



¹ Allegation reports in 2021-2022 covered all operating assets, while in 2023 they also included our non-operated asset of JOB Tomori.

Monitoring and Evaluations

Monitoring and evaluating our responses to claims or reports help us measure how effective our actions are. This in turn enhances the transparency and accountability of our corporate governance.

Anti-Bribery Management System (ABMS)

ABMS is designed to detect, prevent and respond to bribery and corruption. We have continuously enhanced it since its inception in 2018.

We achieved two ISO 37001 ABMS recertifications for this reporting year for Procure-to-Pay (P2P) oil & gas domestic assets, which included expansions to Sampang, Madura Offshore, and Bangkanai, and the Medco Power head office.

Our ISO 37001 ABMS progressed well with the following milestones:

- 2nd surveillance for South Natuna Sea Block B, JOB Tomori, and Power assets (MEB/DEB, ELB, and TJBPS);
- 1st surveillance for Bualuang asset in Thailand;
- Completed audits and expanded certification to our Corridor asset.

Further details on our corporate-level ABMS journey can be accessed [here](#).

ABMS Implementations in the Corridor Asset

Our Journey

We are steadfastly committed to maintaining the highest ethical standards as we apply our GCG principles across our operations, irrespective of location. As a result, in 2023, our Corridor asset obtained the ISO 37001 ABMS Certification.

November 2022 - February 2023

Conducted two batches of Fraud/Bribery Risk Assessment Workshops

March 2023

- Issued a memo to formalise the ABMS commitment and implementation in the Corridor
- Held ISO 37001 ABMS awareness training for the Corridor Leadership Team
- Conducted a self-assessment to identify gaps of ABMS requirements

June 2023

Conducted a series of ABMS awareness campaigns for Corridor employees.

July 2023

Completed an internal audit on ABMS.

October 2023

Successfully completed the 1st and 2nd Certification Audits.

December 2023


Obtained ISO 37001 ABMS Certification.

Our Programmes and Initiatives


The following highlights our key programmes and initiatives implemented in Corridor:

ABMS Implementation in Corridor: Key programmes and initiatives in 2023


Prevention




Established and implemented **ABMS guidelines**




99.6% of our Corridor employees signed the **SoA**




Conducted two batches of **Fraud & Bribery Risk Assessment Workshops** involving the Corridor Leadership Team, with a focus on Anti-Bribery Management Systems and procurement fraud.




Implemented a **due diligence** process for government intermediary contracts, marine contracts, and sanctions compliance




Conducted **Marine Sanctions Workshop**




Held a series of **ABMS awareness sessions** for the Corridor Leadership Team, field employees, and the Community Development Implementing Partners



263 oil & gas domestic vendors, including Corridor, attended our **2023 Vendor Day** and participated in the vendor compliance session




Implemented the **Gift & Entertainment (G&E) and Government Hosting (GH) Declarations**




Completed the alignment of the Integrity Champion roles in Corridor into **Ethics Liaison Officer (ELO) programme**


Detection




100% of Corridor employees signed the **Col declaration form**



Completed **vendor audits** to review ABMS maturity and ensure contract compliance among high-risk vendors




100% of our selected service contractors in Corridor signed the Col declaration form, resulting in 2,152 submissions




Completed **internal audit** of ABMS for Corridor


Response



Conducted a **Maturity Assessment of the ISO 37002 Whistleblowing Management System** and benchmarked it against other Production Sharing Contracts (PSC)




Raised awareness of the whistleblowing channel and disciplinary actions for violations related to our Code during our **ABMS awareness sessions**




Implemented **Person Checking System**

Monitoring and Evaluation



Conducted regular reviews of our **Seeking Guidance report**



Conducted the **ABMS Maturity Assessment** and the **ISO 37001 ABMS Certification Audit**

2023 Youth Integrity Workshop At Corridor

As part of the Corridor ISO 37001 ABMS implementation, we launched our first Youth Integrity Programme at Medco Oil & Gas, themed "Empowering Future Leaders." The event was attended by 112 participants from 19 prominent universities in Palembang, all of whom are scholarship recipients from Corridor, and engaged in an interactive workshop. They deepened their understanding of corruption, ethics, integrity, explored MedcoEnergi's ESG initiatives, discussed social management systems, professional competencies, and compliance-related professions.



2023 Youth Integrity Programme in Palembang, Indonesia

Continuous Improvement

We continuously update our standards, policies and initiatives in line with MedcoEnergi's expanding portfolio. These also provide feedback mechanism to the organisation on room for improvements.

Assurance and Consulting Excellence (ACE) and Integrity Compliance and Ethics (ICE) Award 2023

At the 4th International Convention on Indonesia Upstream Oil & Gas September 2023 in Bali, MedcoEnergi was presented with two SKK Migas awards in the Audit & Compliance category:

1. Medco E&P Indonesia (MEPI) obtained the ACE Award for its exemplary internal audit functions, which offer independent assurances and advice, use advanced technologies, and uphold the highest standards.
2. The non-operated asset, JOB Tomori, received the ICE Award for its excellent integrity compliances, ethical practices, and fraud preventions via its anti-bribery management system.



MEPI, represented by Mr. Ronny Siahaan (left), and JOB Tomori, represented by Mr. Benny Sidik (right), received the ACE and ICE Awards in Bali, Indonesia

Harassment – Free Workplace (HFW)

We are dedicated to fostering a harassment-free workplace, as outlined in our Code and communicated throughout the organisation. We reviewed Minister of Manpower Decree No. 88 Year 2023 concerning Sexual Harassment Prevention and Mitigation Guidelines and conducted a thorough analysis, benchmarking against industry standards to enhance our workplace environment.

We are also developing comprehensive programmes such as awareness campaigns, reporting channels, task forces, and guidelines, which are to be launched in 2024. Our commitments extend beyond mere compliance with laws: we strive to create a culture where everyone feels respected and can thrive.

Personal Data Protection Act (PDPA)

We are actively preparing for upcoming regulatory changes, including the Indonesia Personal Data Protection (PDP) Law No. 27 Year 2022, which is set to be enacted in October 2024. We began assessing our readiness for compliance, evaluating policies, procedures, and systems. We conducted two half-day workshops in August 2023 with our HR Function to identify strengths and areas for improvement in safeguarding personal data.

We plan to extend this assessment to our Digital Information Technology, Supply Chain Management, Relations & Security and other relevant functions in 2024.

Whistleblowing Channels

We offer whistleblowing channels to protect our employees and the Company against violations and misconduct. These channels encourage all parties to report concerns, especially regarding fraud, corruption, bribery, conflicts of interest, breaches of our Code, and unethical behaviour. These also provide feedback mechanism to the organisation on room for improvements.

We use platforms such as our website, telephone, SMS, and WhatsApp, available in Indonesian, English, Thai, Arabic, and Mandarin. Our whistleblowing channels maintain anonymity to prevent retaliation. MedcoEnergi seriously addresses retaliation reports, thoroughly validating them and determining the necessary actions. Acts of retaliation are considered misconduct

and may lead to disciplinary measures, including potential terminations of employment. Whistleblowing reports are processed under the direct oversight of our Board of Directors.

As part of our commitment to continuous improvements, we plan to adopt the ISO 37002 Whistleblowing Management System as guidelines to implement, manage, evaluate, maintain, and improve our whistleblowing management systems. This reporting year, we began preparations that include personnel competency development, maturity self-assessments, and benchmarking with other oil & gas companies. We aim to complete the adoption of ISO 37002 by 2024.

External Ethics Hotline

External Ethics Hotline (managed by appointed independent party)			
INDONESIA	THAILAND	OMAN	MANDARIN
Phone 0800-150-3020 Text Messages (SMS) & WhatsApp Messenger (+62-813)8870-3300	Phone 1800-010-316 Text Messages (SMS) (+66)65986 1887 WhatsApp Messenger (+62-813)8870-3300	Phone 80074565 Text Messages (SMS) (+27)72 014 4445 WhatsApp Messenger (+62-813)8870-3300	Phone 0800-150-3020 Text Messages (SMS) & WhatsApp Messenger (+62-813)8870-3300
Direct website: https://idn.deloitte-halo.com/lapor-medcoenergi/ Email: lapor-medcoenergi@tipoffs.com.sg			

To maintain independence, we employ PT Deloitte Advis Indonesia (Deloitte) to operate our external whistleblowing channels. Deloitte helps screen and categorise incoming information and submits reports to the President Director and Head of Corporate Audit & Integrity Compliance. MedcoEnergi then conducts an independent investigation and takes the necessary follow-up actions.

Anyone may file a report of a violation via channels listed on the MedcoEnergi website [here](#) or via the Deloitte website [here](#).

Transparency in Payment to Government

Interactions with the government exposes us to potential ethical risks since we are heavily regulated. We therefore believe that transparency is essential to not only maintain trust and accountability, but also promote fair competition and mitigate ethical risks.

Our approach includes:

- Comprehensive system reporting and documentation: accurately recording all transactions, including gifts, entertainment, and facilities provided to government officials, with standardized processes to simplify the process across our operations.
- Strict compliance with laws: adhering to Indonesia's anti-corruption laws and international regulations governing financial transactions with government bodies.
- Employee education and awareness: educating employees at all levels about the importance of transparency, conducting regular training to ensure compliance with laws, company policies, and best practices.

Our commitment to transparency in payment to government is also demonstrated by our contribution to Indonesia's Extractive Industry Transparency Initiative¹ (EITI). The latest Report from Indonesia can be accessed [here](#).

Anti-Corruption Collective Actions

MedcoEnergi's anti-corruption efforts include partnerships with the stakeholders to foster integrity in the industry. These collective actions are important because they allow us to work together to build an anti-corruption culture that could otherwise not be done by an individual company.

- Engagements with the Indonesian Petroleum Association Ethics and Compliance Committee (IPA ECC)
- Contributions to local anti-corruption initiatives
- Joint anti-corruption efforts with international organisations

In 2023, we participated in the several anti-corruption events, including the ones below.

- IPA ECC and Pertamina University held a lecture on "Achieving Business Sustainability through Personal Integrity" in March 2023



IPA ECC and Pertamina University held a general lecture with a theme of Achieving Business Sustainability through Personal Integrity

¹ The Extractive Industries Transparency Initiative (EITI) is a Norwegian-based organization that seeks to establish a global standard for the good governance of oil, gas and mineral resources.

- MedcoEnergi spoke on “Compliance and Governance in Sustainable Energy” at the IPA Convex in July 2023.



MedcoEnergi presented “Compliance and Governance in Upstream Oil & Gas Industry” in 2023 IPA Conference and Exhibition, South Tangerang, Indonesia

- MedcoEnergi and BP shared integrity-building strategies in a knowledge-sharing session with Petronas in November 2023.
- We joined the Indonesian Oil and Gas Auditor Forum (Forum Auditor Migas Indonesia/FAMI) Summit in Bali on September 2023 to discuss the following:
 - Governance, Risk, and Compliance (GRC) transformations;
 - IT audits and their roles in digital security;
 - Integrated frameworks for fraud prevention, detection, and investigation;
 - Cyberattacks.

Youth Integrity – Taking Actions

Following its Youth Integrity Workshop, our Corridor asset held a competition from October to November 2023 involving 14 college students. This event was conducted as part of the International Anti-Corruption Day. This competition further supported these university students’ efforts to promote integrity in public service while combating corruption and promoting social justice.

After the event, these students were motivated to raise awareness about corruption, collaborate with universities and government institutions, advocate transparency and policy reforms, and monitor public funds, all while upholding their own integrity. These students will be key contributors to creating a more equitable, transparent, and thriving society. We also believe that the anti-corruption culture should be developed from an early age.



2023 Youth Integrity Programme, Palembang, Indonesia

Promoting Children’s Rights and Reducing School Bullying

Our Bualuang asset conducted training for 70 students from the Ban Pak Nam Chumphon School. This training promoted children’s rights and aimed to reduce school bullying. It was followed by an educational trip to the Chumphon Marine Learning Centre. Our efforts sought to instil a culture of respect for human rights and foster ethical education from an early age. This initiative is part of our commitment to adopt best practices for communicating human rights within communities.



A training programme for Ban Pak Nam Chumphon School students to promote children’s rights and prevent school bullying in Thailand





Public Policies

As reflected in Our Code: MedcoEnergi does not support any political party and does not make contributions or donations to any political party or affiliated organisation in any location we operate.

Nevertheless, we fully respect the freedom of our employees to participate in political processes and support their choices of parties and candidates. However, individuals actively participating in political activities (including as members of a political party or campaigning for elections), must do so in accordance with our policies and regulations. All employees receive internal communications regarding our stance on donations and contributions before an election takes place.

Alignment of Sustainability Initiatives with the UN SDGs

The following table maps our sustainability initiatives to pursue excellence in our governance against the UN's SDG targets. Please note that this mapping does not mean that MedcoEnergi claims to have measured or set targets for host governments in our operational areas in terms of achieving the UN's SDGs.

UN SDGs	Relevant Targets	Key Initiatives
 <p>4 QUALITY EDUCATION</p>	4.7	<ul style="list-style-type: none"> • Policies and initiatives on ethics and compliance, fraud risks, human rights, anti-bribery and corruption; • Ethics Ambassador Programme; • Anti-Corruption Collective Actions
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	12.6	<ul style="list-style-type: none"> • Publication of sustainability reporting
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	16.3, 16.5, 16.6, 16.7	<ul style="list-style-type: none"> • Policies and initiatives on ethics and compliance, fraud risks, human rights, anti-bribery, anti money laundering, and corruption; • Annual SoA and Col declarations; • Regular risk-based internal audits of all our operations • Third party risk management programme; • Whistleblowing Channel
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	17.17	<ul style="list-style-type: none"> • External collaborations in promoting business transparency, integrity and anti-corruption measures.

Action Plans

The following action plans have been developed to help us meet our objectives and continue pursuing excellence in governance. We regularly measure, monitor, and report on our progress and performance against these actions.


Category	Short-Term Actions	Medium/Long-Term Actions	Status	
Anti-Corruption	Require all employees to sign an annual anti-corruption declaration after completing online evaluations.		Employees have signed anti-corruption declarations annually (May - June)	
	Conduct communication and education training in anti-corruption		Conducted 2023 compliance sessions in Block A, Rimau, Lematang, Palembang office, South Natuna Sea Block B, JOB Tomori and Finance functions. Total participants: 858 people	
	Conduct training for hosting government officials, Advanced Fraud Risk Assessments (FRAs) for new assets (post-mergers and acquisitions) to support growth strategies as well as one refresher session for organisations in high-risk areas. Also discuss anti-corruption programmes in oil & gas forums.		Completed FRA Workshops in Corridor in January & February 2023, in MRPR in December 2023 and 2 refresher sessions in Onshore Leadership in June 2023 and in Corporate Relations & Security in July & Aug 2023 Total participants: 162 people	
	Align Integrity Champion ex Corridor Programme with Ethics Liaison Officer (ELO) programme. Continue this programme in international business units.	Continue the ELO programme in domestic and international business units.		Completed the alignment of Integrity Champion in Corridor in Ethics Liaison Officer (ELO) programme and continued implementation of ELO programme in Medco Oil & Gas. Total ELO: 76 people
	Continue Compliance Champion Programme for Medco Power.			Continued the implementation of Compliance Champion in Medco Power. Total Compliance Champions: 28 people
	Implement and obtain ISO 37001:2016 ABMS certification in Medco Oil & Gas and Power high risk assets.			Plan to implement it and obtain the certification in Oman and MRPR in 2024.
	Obtain and implement ISO 37001:2016 ABMS certification in South Natuna Sea Block B.			The recertification was obtained on 6 September 2022. Passed first surveillance ISO 37001: 2016 ABMS in 2023.
	Obtain and implement ISO 37001:2016 ABMS certification for Procure to Pay (P2P) process in oil & gas domestic assets such as Rimau, South Sumatra Block, Lematang, Block A, Tarakan, South Natuna Sea Block B, Corridor, Sampang, Madura Offshore, West Bangkanai, and Bangkanai.			The recertification for P2P oil & gas domestic assets was obtained on 27 November 2023
	Obtain and implement ISO 37001: 2016 ABMS Certification for Medco Power's assets.			The recertification for Power headquarters was obtained in August 2023. The certifications in MEB/ ELB, DEB and TJBPS subsidiaries were obtained in August 2021 and passed second surveillance of ISO 37001: 2016 ABMS in 2023.
Obtain and implement ISO 37001: 2016 ABMS Certification for Bualuang, Thailand.			The certification was obtained in November 2022 and passed first surveillance of ISO 37001: 2016 ABMS in 2023.	

Category	Short-Term Actions	Medium/Long-Term Actions	Status
	Plan to obtain and implement ISO 37001: 2016 ABMS Certification for the Corridor Asset.	Obtain and implement ISO 37001: 2016 ABMS Certification for Corridor	Development of the ABMS implementation was started in 2023 and certified on 7 December 2023.
	Plan to develop ISO 37001: 2016 ABMS for Oman	Obtain and implement ISO 37001: 2016 ABMS Certification for Oman	Collaborated with several corporate functions to strengthen the control environment in Oman.
	Conduct anti-bribery and corruption, Contract Compliance and Internal Control, vendor audits (minimum of 22 vendor audits per year)		Conducted 22 vendor audits in 2023
	<ul style="list-style-type: none"> Establish standards for vendors' due diligence processes. Complete targeted selected vendor compliance surveys in Oman. 	<ul style="list-style-type: none"> Conduct due diligence on high-risk criteria based on current compliance risks. Complete vendor compliance surveys in Indonesia and Thailand 	<ul style="list-style-type: none"> Conducted a sanctions and desktop due diligence workshop related to Marine. Conducted a Human Rights Due Diligence Workshop for A&I Conducted desktop reviews on due diligence of Corridor contracts - pre qualification stage for licenses. Conducted four desktop reviews on due diligence and sanctions due diligence in Marine. Completed 14 vendors compliance surveys in Oman.
Business Ethics	Carry out Our Code Assurance: Statements of Adherence (SoA) self-tests.		<ul style="list-style-type: none"> In 2023, the SoA was expanded to include statements on personal data privacy protection, human rights, and political involvement to align with the declaration on the Sustainability Governance 5-year roadmap. This included anti-money laundering awareness in assurance test. Received 97.57% or 2,534 submissions for SoA from permanent employees of Medco Oil & Gas and 99.89% or 900 submissions from permanent employees of Medco Power in 2023, in which passing the SoA Assurance Test was required. The results indicate that our employees have demonstrated a thorough understanding of Our Code and Conflict of Interest policies & procedures. In total, we received 5,733 SoA submissions from permanent employees and third party contractors in Medco Oil & Gas and Medco Power in 2023. However, the limited assurance process, at the moment, only covers the permanent employees.
	Automate Conflicts of Interest (Col) deterrence systems and train new personnel (if we have any new assets).		Not applicable since we did not acquire any new assets.
	Standardise Our Code Practices related to SoA declarations, Conflicts of Interest (Col) declarations, Governance & Ethics Policies, Government Hosting Guidelines and Gift Entertainment Guidelines.		<p>In 2023, we expanded the declaration process of Conflicts of Interest (Col) to our targeted service contractor employees within the Corridor Asset. We used the Microsoft platform. We received 2,152 submissions representing a 100% completion rate.</p> <p>The Standardised Government Hosting Guidelines and Gift Entertainment Guidelines are being developed.</p>
	Finalise and implement a standardised, rigorous compliance programme (covering prevention, detection, responses) across MedcoEnergi.		<ul style="list-style-type: none"> Implemented one Our Code Standard across MedcoEnergi, Implemented ABMS in key overseas assets, Standardised third-party risk managements.

Category	Short-Term Actions	Medium/Long-Term Actions	Status
Internal Audit	Ensure the effectiveness of the 2023 audit plans (>90% audit plan completion) covering key business risks and controls within assets, partnerships and functional areas.		Completed plans for oil and gas at Rimau, Lematang, Bangkanai, and DSLNG; but still in progress at Block A and JOB Tomori
			Corporate: Medco Oman (MLCC), Mexico Block 12, PT Transportasi Gas Indonesia International Ship and Port Facility Security Audit: Corridor, South Natuna Sea Block B, and JOB Tomori
			ISPS Code Audit: Corridor, South Natuna Sea Block B, and JOB Tomori
			Internal Audit Anti Bribery Management System: Bualuang, P2P Oil & Gas Domestic, South Natuna Sea Block B, Corridor, Medco Power Head Office, MED/DEB, ELB, TJBPS, JOB Tomori
Sanction Compliance Programme	Conduct the Sanctions Workshop in high-risk areas.		Completed Marine Sanction Workshop in South Natuna Sea Block B, Corridor, East Java and JOB Tomori
Anti Money Laundering (AML) Programme	Established AML Policies in 2023.	Review AML Controls in relevant functions, develop working procedures to detect money laundering risks.	AML Policy launched in March 2024 and available in MedcoEnergi website .
Personal Data Protection (PDP) Programme	Increase awareness of PDPA related to HR, IT, HSE, SCM.	Regularly conduct PDP training and workshops.	Held mini workshops with Human Resources & General Services (HRGS) and legal functions and conducted initial discussions with external Subject Matters (SME) to assess potential support on market Develop a PDPA action plan prior to the enactment of the law in October 2024
Whistleblowing Management System (WMS) Programme	Implemented WMS in partnerships.		WBS had been implemented in DSLNG since year 2022 as well as in JOB Tomori.
	Assess Conformity ISO 37002	Full adoption and conformity of ISO 37002	Assessed the maturity of our WMS based on ISO 37002 standards.
	GRI 205-3 Disclosure (without assurance)	GRI 205-3 Disclosure in year 2024 (without assurance) and ensure that GRI 205-3 starts assurance from 2025 to 2027.	Data related to GRI 205-3 had been disclosed in the Sustainability Report year 2021 and continued in Sustainability Report 2022 and 2023.
Human Rights	Establish Human Rights Policy and Framework	Conduct Human Rights Training for 100% employees and vendors	Established a standalone Human Rights Policy in January 2024
	Conduct human rights assessments for major assets		In March 2023, we held a workshop at the corporate level to conduct human rights due diligence sharing sessions for A&IC division.
	Harassment-Free Workplace (HFW)		Completed a benchmarking exercise regarding the Harassment policy with prominent oil and gas companies. Based on this benchmark, we developed the Draft HFW Guideline
Public Policy	Develop an accountability mechanism to monitor MedcoEnergi's public policy statements versus execution, and agenda versus implementation.		Completed the accountability mechanism and reported to BoD in 2023.
Socioeconomic Compliance	Through the IPA Ethics & Compliance Committee, support the industry's efforts to increase simplification and transparency of social and environmental permits for Medco Oil & Gas assets.		Ongoing authority engagement under the National Anti-Corruption Strategy Forum.

Enhancing Our Environmental and Social Safeguards

- 84 Approach, Commitment, and Goals
- 84 Sustainability Assessment
- 87 Health, Safety, and Environment Management System (HSEMS)
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This picture is the 2nd winner under the 'Environmental & Climate Change' category of the 2023 MedcoEnergi Photography Competition.



06

We are firmly committed to achieving zero environmental incidents and aspire to become a leader in environmental and social responsibility. To achieve this, we rely on MedcoEnergi's Operational Excellence (OE) framework. This framework, together with our Health, Safety, and Environment Management Systems (HSEMS), Social Management System (SMS), and the Medco Project Excellence Process (MPEP) safeguard our employees, stakeholders, and the vicinity of our operations. Our performance is consistently enhanced through improving our safety culture, engaging with stakeholders, and continually upgrading the quality of our social and environmental stewardship.

Approach, Commitments and Goals

Our OE framework employs systematic and collaborative methods to ensure our operations are safe, dependable, and efficient. It offers procedures that reduce adverse effects on the ecosystems around us. We consistently track our objectives and achievements in this area. Further details on our OE framework are available in Chapter 10.

We consistently assess all environmental, social, and health impacts, including those that affect biodiversity and the public, before initiating projects and operations. These assessments are also part of our compliance with host government regulations during permit approval processes. Evaluations are performed via desktop research and field investigations that incorporate Focus

Group Discussions (FGDs) and consultations with stakeholders. The results of these studies are used to formulate environmental, social, health management, and monitoring plans that aim to minimise negative effects and enhance positive outcomes for the local communities and ecosystems.

We are committed to complying with applicable laws and regulations related to our environmental and social performance. As a result, none of our operational sites experienced non-compliance incidents that could have resulted in significant monetary fines, non-monetary sanctions or dispute resolutions in 2023.

Sustainability Assessment

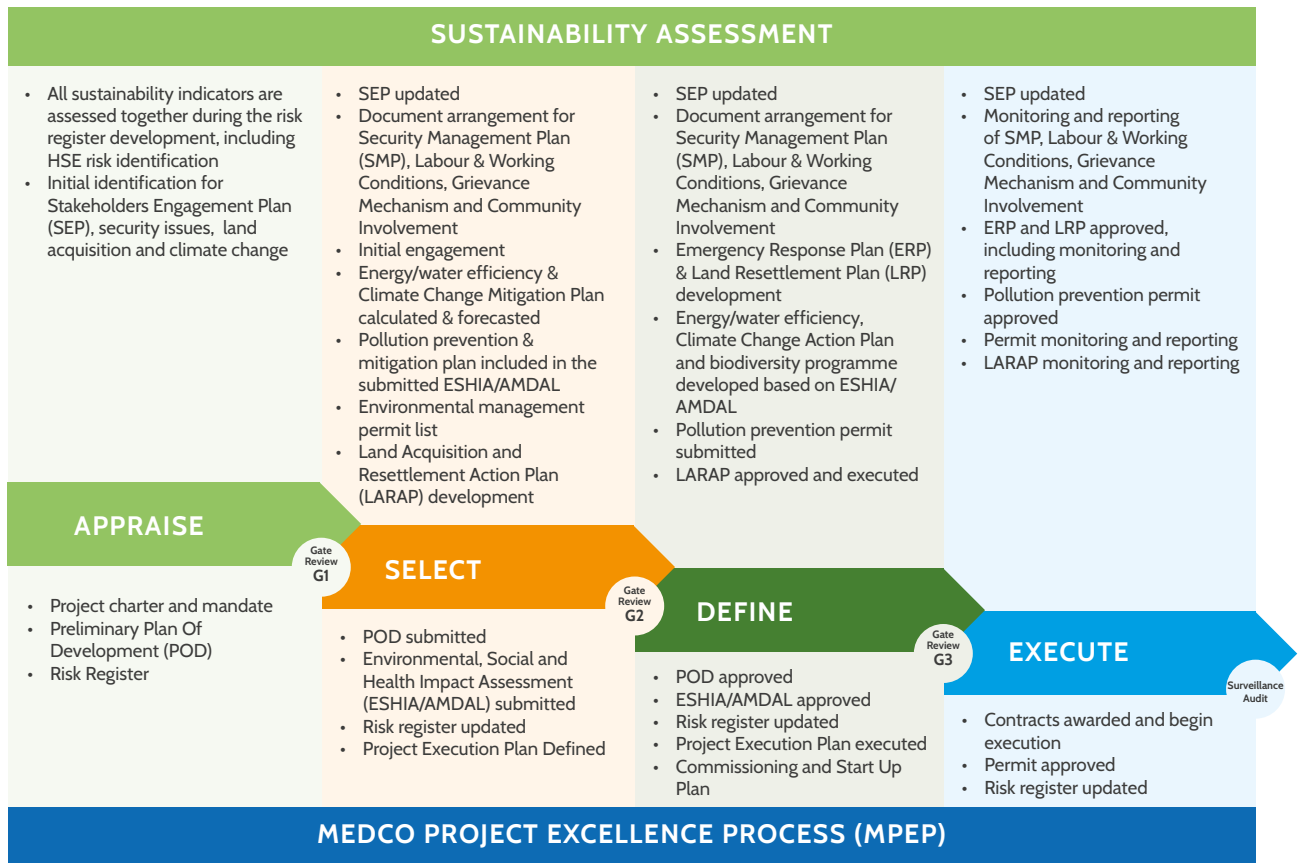
Internal challenges and stakeholder pressures can pose risks to our projects, potentially affecting their success and overall sustainability. With this in mind, MedcoEnergi is dedicated to managing both stakeholders' expectations and the risks associated with our operations and projects effectively. This commitment is evidenced through our Sustainability Assessment for environmental and social indicators, which

is conducted at every stage of our projects and operational activities. It is designed to go beyond compliance to prevent, mitigate, and manage environmental and social related risks more sustainably. Our approaches align with international standards, including the International Finance Corporation's (IFC) Performance Standards.

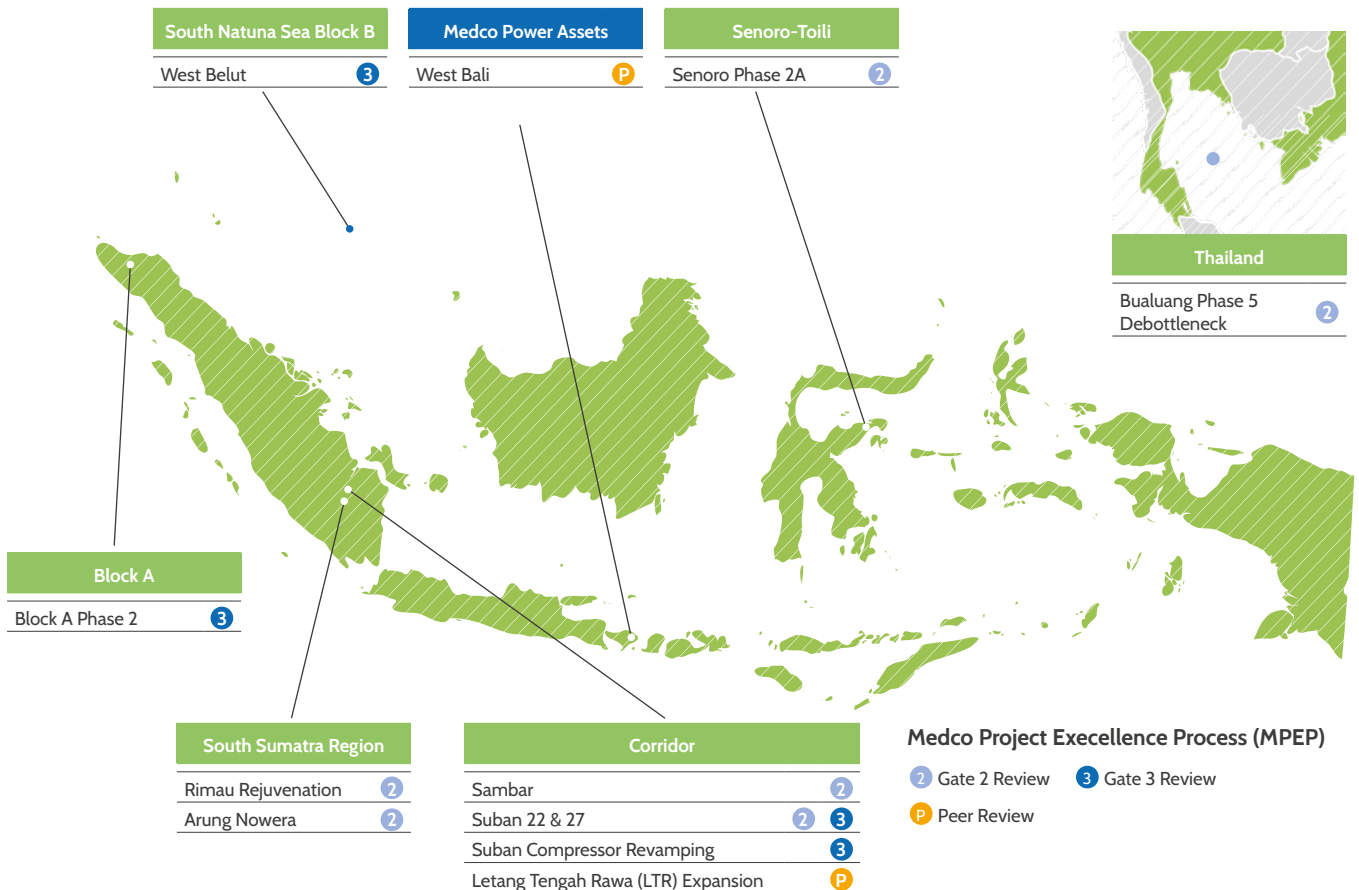
Sustainability Assessment for Projects

Since 2021 our oil and gas projects have been consistently and thoroughly evaluated through our sustainability assessments, within the framework of the Medco Project Excellence Process (MPEP). We also routinely conduct surveillance audits on projects upon reaching their 10%, 50%, and 90% progress of project execution to monitor how well the sustainability indicators are being implemented.

Medco Project Excellence Process (MPEP) and Sustainability Assessment



Below is the progress status of the major projects assessed in 2023 that have reached Gates 2, 3 and peer reviews:



Sustainability Assessment for Operations

Once projects become operational, the environmental and social indicators impacting their sustainability must be continuously managed based on operational risks. The Sustainability Assessment for Operations measures and monitors sustainable

development indicators in operational activities. It aims to fulfil the expectations of Operational Excellence (OE) in the HSE Pillar.

This assessment encompasses the 22 key indicators that reflect sustainable operations in nine dimensions, as detailed below:



Human Rights, Community Health & Safety, Security

1. Community Health & Safety Risk Identification
2. Community Emergency Response Plan
3. Stakeholder Engagement
4. Indigenous Communities
5. Security Management Plan



Labour and Working Condition

1. Working conditions and Management of Worker Relationship
2. Retrenchment Plan
3. Grievance Mechanism related to Labour



Pollution Prevention

1. Air emissions and noise management
2. Wastewater or effluent discharges management
3. Waste and Hazardous waste management



Sustainable Resource and Use

1. Water efficiency
2. Energy efficiency



Climate Change Mitigation and Adaptation

1. Climate change action plan (calculation, forecast, mitigation)



Protection of The Environment, Biodiversity and Restoration of Natural Habitat

1. Biodiversity management plan



Environmental Impact Assessment

1. License to Operate
2. Environmental and social risks and impacts identification and assessment



Local Community Empowerment

1. Land Acquisition and Involuntary Resettlement
2. Grievance Mechanism for Community
3. Livelihood restoration plan
4. Community Involvement



Media Communication and Engagement

1. Media communication plan

The Sustainability Assessment for Operation guidelines were established in 2022 to assist operations in achieving specific sustainability maturity levels and define the Sustainable Operation Strategies. In 2023, we introduced the Sustainability Assessment for Operations to the management and leadership teams in operations, HSE, and Relations & Security teams of our oil & gas assets.

We developed these sustainable operation strategies for Sampang and Lematang in 2023. The strategies were based on the assessed maturity level of each sustainability indicator determined from the initial implementation of the Sustainability

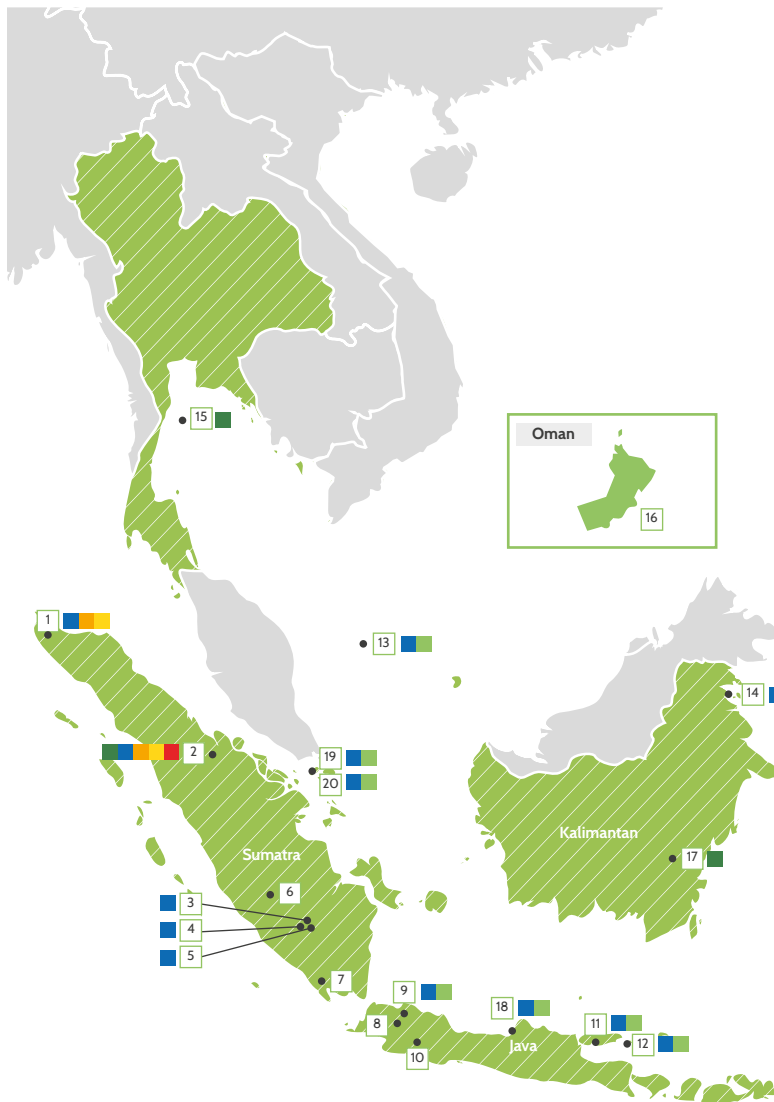
Assessment for Operations in 2022. Priority environmental and social indicators that needed to be managed were identified based on their operational risks to improve each maturity level.

The Sustainability Assessment Guidelines[©] for Projects has been implemented since January 2021 and received copyright protection from the Indonesia's Ministry of Law and Human Rights in March 2024. Holding this copyright enables us to share the guidelines with external parties, who, in turn, are prohibited from distributing them without acknowledging MedcoEnergi as the source.







Health, Safety, and Environment Management System (HSEMS)

At MedcoEnergi, we are committed to reducing the environmental impact of our operations and fostering stakeholder's trust to create long-term value. We implement integrated HSEMS across our operations to ensure our adherence to applicable environmental laws and regulations. This system is aligned with international best practices and standards, particularly ISO 14001:2015 on Environmental Management Systems. The HSEMS allows us to identify, assess, control, and monitor our environmental performance and potential risks across all our operations.

As of 2023, 60% of our assets were ISO 14001:2015 certified. Additionally, Medco Ratch Power Riau (MRPR) and JOB Tomori, a non-operated asset, adhere to the Asian Development Bank's (ADB) safeguards and the International Finance Corporation's (IFC) Performance Standards (PS). These assets were financially supported by institutions that have adopted the "Equator Principles".



1	Block A - Aceh
2	Riau IPP/MRPR
3	Rimau
4	South Sumatra Block (SSB)
5	Lematang
6	Corridor
7	Sumatra IPP
8	Cibalapulang Mini Hydro
9	Medco Power Head Office
10	Pusaka Mini Hydro
11	Sampang
12	Madura Offshore
13	South Natuna Sea Block B
14	Tarakan
15	Thailand
16	Oman
17	Bangkanai
18	Tanjung Jati B Power Services
19	MEB/DEB
20	ELB

 ISO 14001:2015 Environmental Management System (EMS) Certified	 International Finance Corporation (IFC) Standard
 ISO 45001:2018 Certified	 Equator Principle (EP)
 ISO 14001 EMS Aligned	 Asian Development Bank (ADB) Safeguards

Performance Rating Programme in Environmental Management (PROPER)

The Performance Rating Programme in Environmental Management (*Penilaian Kinerja Perusahaan Dalam Pengelolaan Lingkungan*), also known as PROPER, is an annual assessment of companies operating in Indonesia that evaluates their compliance with national environmental regulations and beyond. This programme is managed by the Indonesian Ministry of Environment and Forestry (MoEF) and covers topics such as emissions, wastewater pollution and both hazardous and non-hazardous waste. In addition to environmental regulatory adherence, the programme evaluates beyond compliance aspects by implementing environmental management systems and measuring the efficiencies of natural resource consumption, biodiversity initiatives and Corporate Social Responsibility (CSR).

In 2023, the South Natuna Sea Block B and Sampang assets received the Green PROPER, acknowledging our efforts to go

beyond compliance. This was the third consecutive year that South Natuna Sea Block B received the Green PROPER. Other domestic assets, selected to undergo PROPER assessments, received the Blue PROPER, demonstrating regulatory compliance. Meanwhile, Block A and Dalle Energi Batam (DEB) were invited to join the PROPER for the first time and each asset received the Blue PROPER.

Our non-operated assets, JOB Tomori achieved the Gold PROPER as the highest PROPER rating. The Tanjung Jati B Power Services (TJBPS) whereby Medco Power provides O&M services contract, secured the Gold PROPER for the fifth consecutive year, while JOB Tomori for the third year. These achievements were made possible by integrating eco-innovations that focused on a sustainable environment and social innovations designed to improve communities' living standards.

Environmental Management and Monitoring Programme

As part of our environmental management system, we conduct environmental management and monitoring programmes in our operating assets to improve our sustainability performance, comply with regulations and standards, and enhance our overall impact management.

Some of the environmental protection initiatives that have broader impacts on local communities are explained in Chapter 8.

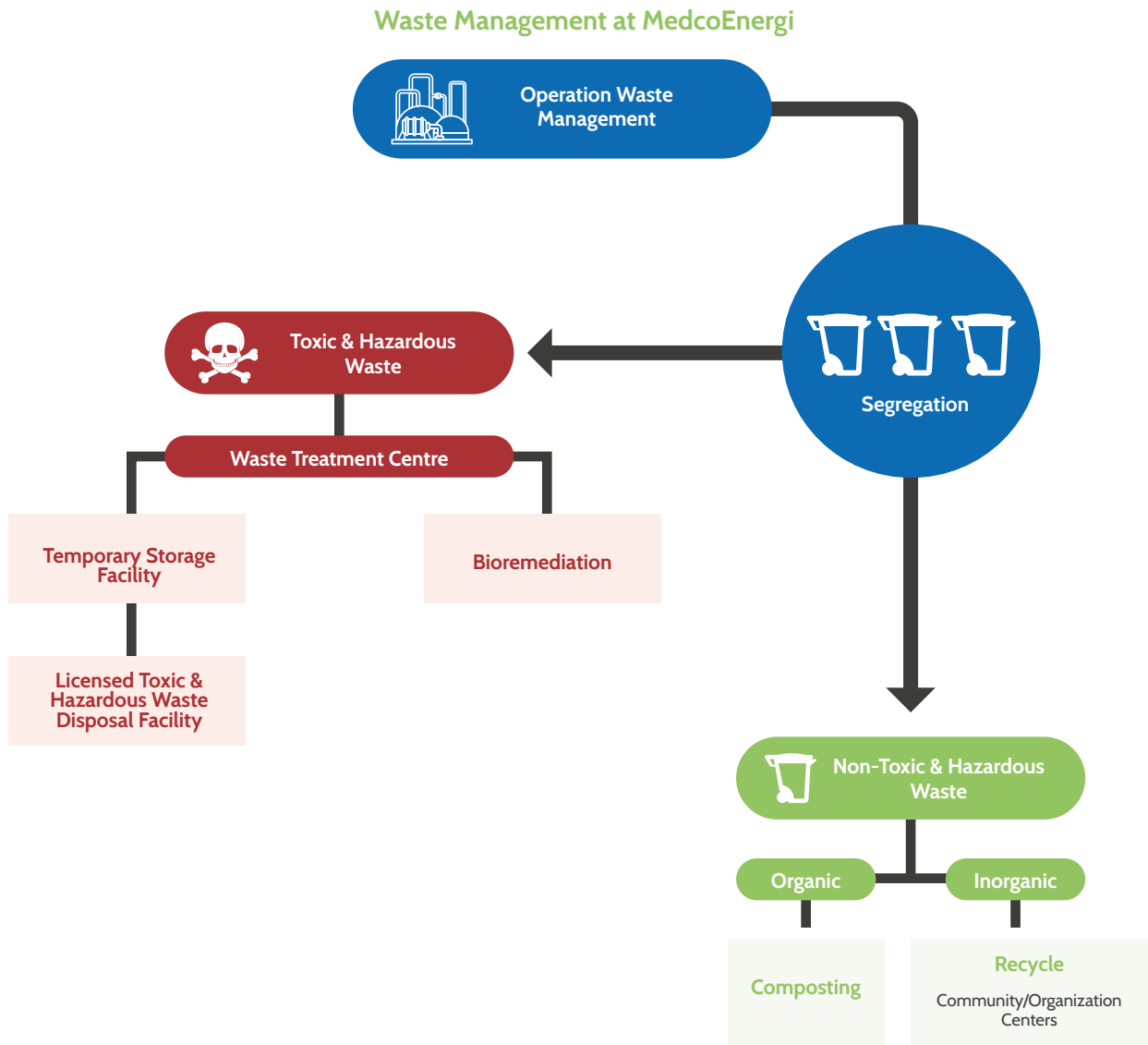
Restatement of Water, Waste and Biodiversity Data

- The restatements in oil & gas assets include non-hazardous waste data for 2021-2022 to improve our data disclosures;
- Water withdrawals in 2021-2022 included produced water, cooling water, and water for operations; and
- Revegetation beyond regulatory requirements in 2022 excluded reclamation activities by Corridor and disclosed that as separate data.

Meanwhile, the non-hazardous waste data for Medco Power in 2021-2022 were restated due to changes in the waste conversion factors. Medco Power's water withdrawals in 2022 were also restated to improve data disclosures.

Waste Management

We implement an integrated waste management approach that covers waste segregation, disposals and treatment using the Best Available Technologies (BAT). Several of our assets have their waste management practices audited by the host governments as part of the scope of their ISO 14001:2015 certification (see page 87).



Non-Hazardous Waste

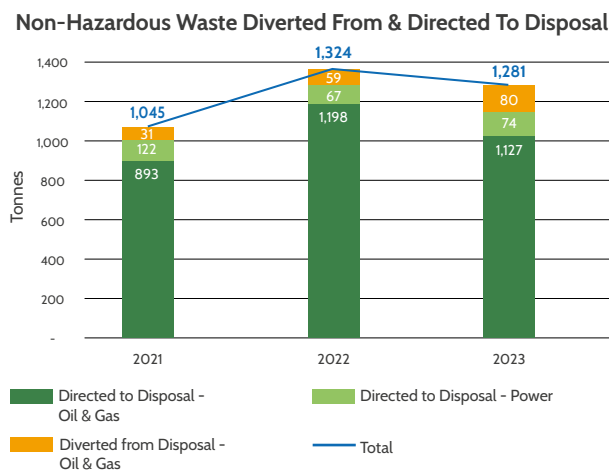
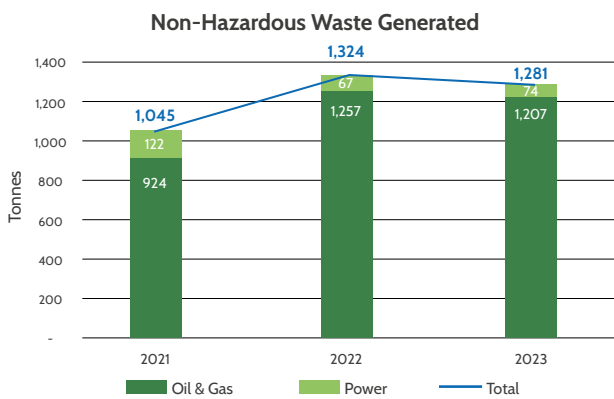
In managing waste from our operations, MedcoEnergi implements the Reduce, Reuse, Recycle (3Rs) principles. We segregate our non-hazardous waste into organic and inorganic categories, directing the organic waste to composting centres and the inorganic waste to recycling centres.

Our oil & gas assets generated 1,207 tonnes of non-hazardous waste in 2023. This showed a slight decrease from the amount in 2022 due to changes in operational policies. Over the years, we have been improving our waste management programmes

across all our oil & gas assets. This is evident in the increasing trend of waste being diverted from disposals annually, with 80 tonnes of waste diverted in 2023 alone. Of the total, Corridor contributed 70 tonnes to the diversions from disposals by implementing the 3Rs and composting.

Meanwhile, our power assets recorded 74 tonnes of waste, showing a slight increase from 2022 due to the increased number of people working on for maintenance activities.

Oil & Gas and Power Non-Hazardous Waste^{1,2}



Composting Organic Waste

We transport generated organic waste in our operational area to our Waste Treatment Centres (WTCs) to be sorted, weighed, and composted. The remaining waste that cannot be composted is sent to the nearest landfills.

Block A and Rimau diverted 3.9 and 6.1 tonnes of waste from disposal through composting in 2023. Tarakan composted 0.5 tonnes of waste through the Waste Industrial Park (*Taman Industri Sampah Kegiatan Ekonomi Berbasis Pengelolaan Lingkungan/TIS-KEBAL*), as part of its long-standing CSR programme with the local authorities. Our Corridor asset has a practice in place of composting organic waste in three of its nurseries: Keri, Grissik and Suban Camps.



1 Non-Hazardous, Hazardous Waste, and Oil Spill in Oil & Gas in 2021-2023: **International:** Thailand and Oman; **Domestic:** Block A, South Natuna Sea Block B, Corridor, South Sumatra Block, Rimau, Lematang, Madura Offshore, Sampang, Bangkanai, Tarakan. Non-Hazardous and Hazardous Waste in **Power** from 2021 to 2023: Medco Ratch Power Riau (MRPR), Mitra Energi Batam (MEB), Dalle Energi Batam (DEB), Energi Listrik Batam (ELB), Multidaya Prima Elektrika (MPE), Energi Prima Elektrika (EPE), Bio Jatropa Indonesia (BJI), Pembangunan Pusaka Parahiangan (PPP).

2 The 2021 and 2022 non-hazardous data in Oil & Gas have been restated to improve our data disclosures. Meanwhile, the data for Power in 2021-2022 have been restated due to changes in the waste conversion factors.



Composting activities, producing dried compost for plantations at Block A.

Non-Hazardous Waste Reduction Campaign

We implement a 3Rs management programme¹ and campaign to reduce plastic packaging²; we also encourage employees to sort waste items according to their categories.



Environmental campaign posters related to waste management in onshore and Bualuang assets.

1 3Rs management programmes are conducted in South Natuna Sea Block B, Corridor, Sampang, and Lematang.
 2 Refillable drinking bottle campaigns are conducted in South Sumatra Block, Lematang, Bangkanai, Rimau, and Sampang.

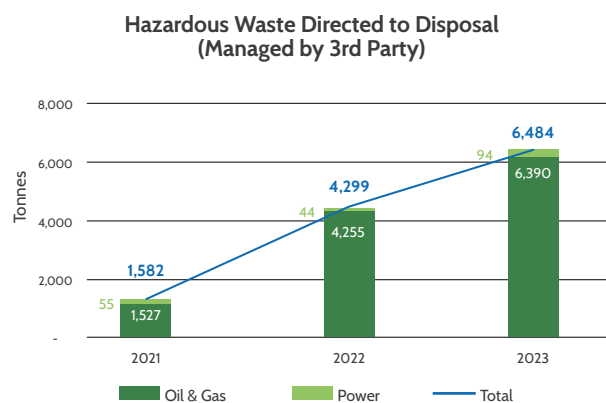
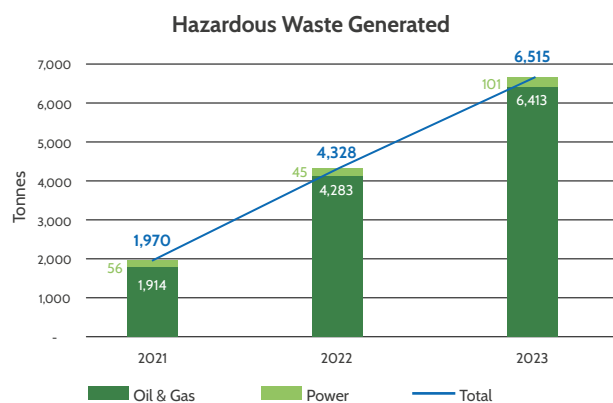
Hazardous Waste

Hazardous waste¹ from our operations accounts for 84% of our total waste. We manage hazardous waste by engaging licensed third-party disposal companies.

MedcoEnergi's oil & gas assets generated 6,413 tonnes of hazardous waste, an increase from what was generated in 2022 primarily due to the growing total length of drilling in South Natuna Sea Block B and turnaround activities in Block A.

Our power assets generated 101 tonnes of hazardous waste, an increase from the waste generated in 2022. This increase is attributed to maintenance activities in Mitra Energi Batam (MEB) and Dalle Energi Batam (DEB), cleaning of generators, and unplanned shutdowns during generator maintenance.

Oil & Gas and Power Hazardous Waste²



Hazardous Waste Reduction Efforts and Awareness Campaigns

We implemented multiple programmes to reduce our hazardous waste. They include the Mercury Guard Bed (MGB) catalyst optimisation programme in Belanak³; the quality-based lube oil replacement in South Natuna Sea Block B⁴; the replacement of fluorescent lights with LED lights⁵; and the replacement of batteries to rechargeable ones⁶. We also raised awareness among our workforce through campaign posters to ensure the safety of both our people and the environment.



1 Hazardous waste is waste containing substance, energy and/or components which, due to their properties, concentration and/or amount, may directly or indirectly pollute and/or damage the environment and/or harm the health of humans or other living creatures' lives in the areas or waste designated 'hazardous' or some similar term under the applicable regulatory requirements of the country where MedcoEnergi operates.

2 All our hazardous waste is managed by a third party. Not all waste generated is managed within the same reporting year; the waste managed in any given year may include carryovers from the previous year. In other words, waste generated in one year might be stored temporarily and then delivered to a third party in the following reporting year. These approaches account for the discrepancies between the amounts of waste generated and the waste directed for disposal in any given year. There might be a difference of one in total numbers due to rounding up of decimals.

3 The MGB catalyst optimisation includes regulating the temperature of the MGB to prevent the rapid condensation and saturation of the catalyst.

4 The aim of the replacement is to reduce the generation of waste lubricating oil since 2010 until now. We replace the lubricating oil based on the results of laboratory analyses of the lubricants – not based on the running hours of machines and equipment.

5 The light replacements took place in South Sumatra Block, Corridor, and Sampang.

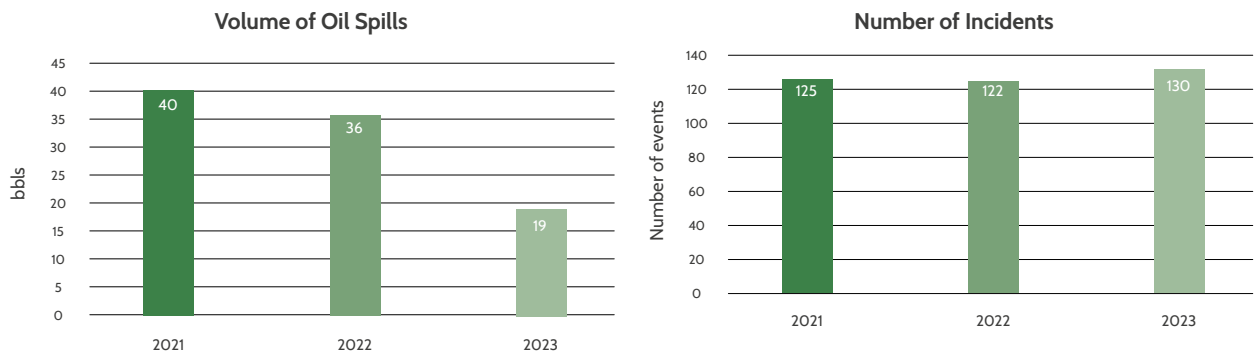
6 The battery replacements occurred in South Sumatra Block, Lematang, and Sampang.

Oil Spill Incidents

We continuously explore and implement initiatives to lower our oil spill incidents. As a result, we were able to reduce the volume of oil spills in 2023 through strategic programmes and interventions. These programmes include increasing inspections and replacements of critical pipelines, targeting ageing pipelines and those showing signs of corrosion in our onshore assets.

When oil spills occur, our prompt emergency responses have contained such incidents and minimised their negative impacts on the environment. Training sessions and drills regarding oil spills are conducted to ensure immediate emergency preparedness; these can be found on page 203-204.

Volume and Number of Oil Spills¹



Our oil-producing assets have oil spill management in place covering programmes that include:



OIL SPILL PREVENTION SYSTEM



PREVENTIVE AND CORRECTIVE MAINTENANCE



PREPAREDNESS AND RESPONSE PLANS

Our domestic offshore assets are members of the Oil Spill Combat Team (OSCT) Indonesia, a private oil spill response organisation with bases throughout the country. Membership in OSCT improves our spill preparedness and response capacities through access to services, equipment, experts, and competency training.

In addition, our Bualuang asset in Thailand is a longstanding member of the Oil Spill Response Limited (OSRL)² and the Thailand Oil Industry Environmental Safety Group (IESG)³. In collaboration with OSCT Thailand, Bualuang has established a preventive maintenance programme designed to manage oil spill risks.

¹ The oil spills include those caused by internal factors within MedcoEnergi. They exclude major spills resulting from third-party actions, e.g., vandalism, collisions by third parties, etc.
² OSRL is an international organisation providing a wide range of services in oil spill preparedness and responses.
³ IESG is a cooperative dedicated to developing Thailand's incident prevention capabilities and its ability to respond to oil spills and emergencies related to oil industry operations across the country.

Water Management

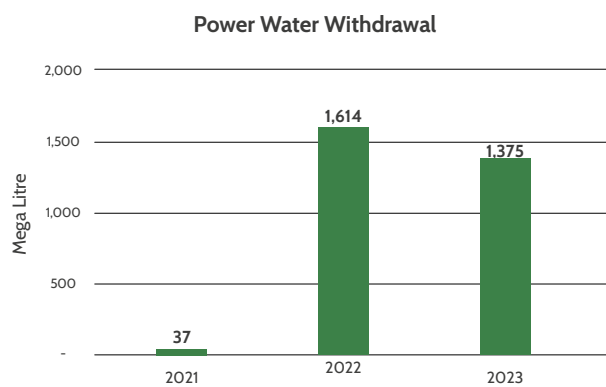
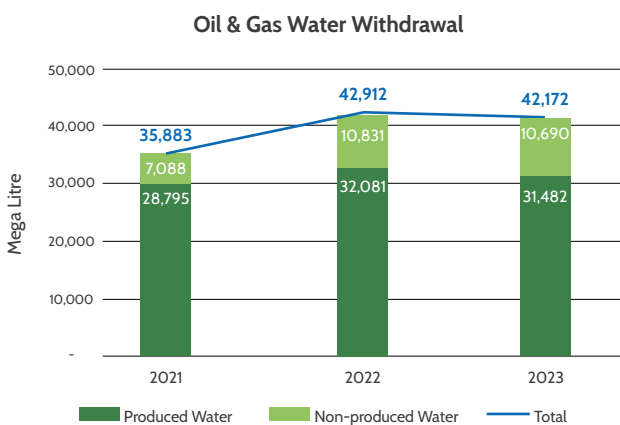
We regulate our water usage in our operations as part of our [HSE Policy](#). At MedcoEnergi, we are committed to managing water use to minimise any impact on the environment. Water is predominantly used for production activities, drilling, supporting offices, and domestic use. We adopt water recycling to reduce our intake of treated water by employing reinjection technology¹ and collecting rainwater in our facilities.

The water withdrawals detailed in this report include the total amounts extracted from surface water, groundwater, seawater, third parties, and produced water. We have incorporated produced water data for the first time in the current reporting year and have restated figures for previous years. Produced water is a byproduct of our oil & gas exploration and production processes.

Our oil & gas assets recorded a water withdrawal of 42,172 megalitres in 2023, a decrease from 2022. This is due to the Belanak sea water lift pumps being optimised – from two units to one, since July 2023.

Similarly, our power assets saw a reduction in water withdrawal in 2023 after the Medco Ratch Power Riau (MRPR) commissioning was finished in early 2022. In 2022, water withdrawals were significant as it was used for both the MRPR commissioning process and ongoing operational activities. After completing the commissioning phase, water was exclusively withdrawn for operational needs in 2023.

Oil & Gas and Power Water Withdrawals^{2,3}

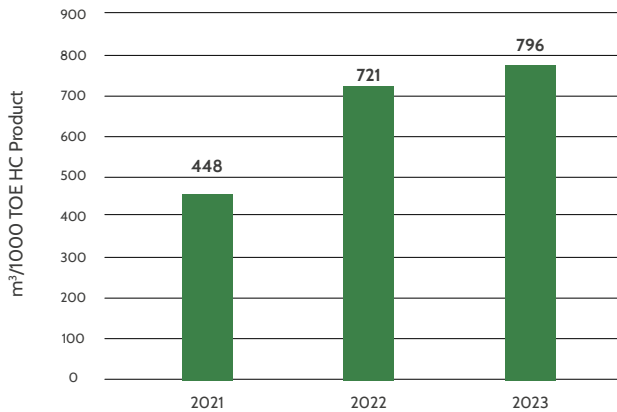


In 2023 our oil & gas water intensity increased slightly compared to 2022. This was due to decreases in water withdrawals that were lower than the decreases in production as a result of natural production declines in 2023. Our power asset water

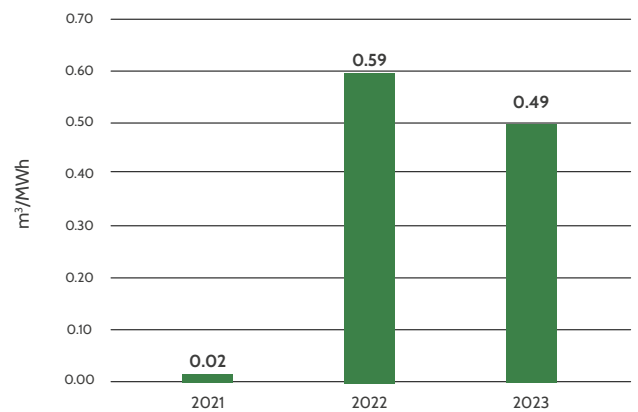
intensity decreased slightly compared to 2022. This was due to decreasing water withdrawals in MRPR as the commissioning phase was completed in 2022.

1 The reinjection technology involves returning the water produced during oil & gas production to the ground by injecting it into injection wells. This injected water increases the formation pressure, leading to improved hydrocarbon recoveries.
 2 Water withdrawals in Oil & Gas in 2021-2023: International: Thailand, Oman; Domestic: Block A, South Natuna Sea Block B, Corridor, South Sumatra Block, Rimau, Lematang, Madura Offshore, Sampang, Bangkanai, Tarakan. We exclude produced water from Oman since it is managed by our client, Petroleum Development Oman (PDO). Water withdrawals in power in 2021-2023: Medco Ratch Power Riau (MRPR), Mitra Energi Batam (MEB), Dalle Energi Batam (DEB), Energi Listrik Batam (ELB), Multidaya Prima Elektrika (MPE), Energi Prima Elektrika (EPE), Bio Jatropa Indonesia (BJI), Pembangunan Pusaka Parahiangan (PPP)
 3 Water withdrawals in Oil & Gas in 2021-2022 are re-stated by including produced water, cooling water, and water for operations. Meanwhile, the figures in power in 2022 are also restated to improve disclosures.

Oil & Gas Water¹ Intensity



Power Water² Intensity



Management of Produced Water

Our management of produced water at MedcoEnergi adheres to this three-fold strategy: discharging the treated water into a water body, reinjecting it into an injection well, and allowing it to be managed by other entities.

Our produced water is treated at our Produced Water Treatment (PWT) facilities to lower the concentration of hydrocarbons, chemicals, and hazardous substances to levels that align with relevant regulations and standards.

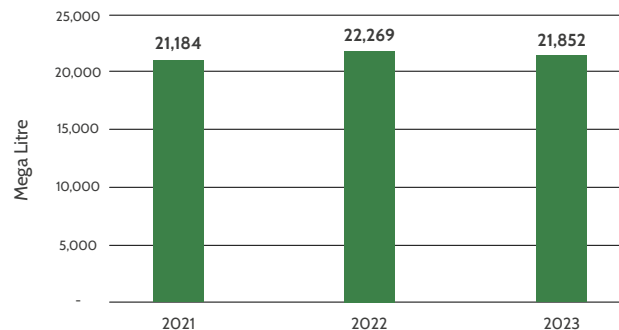
Corridor, Bualuang, and other onshore operations implement a reinjection strategy. For our operations in Oman Karim Small Fields (KSF), we send our gross liquid production to our client, Petroleum Development Oman (PDO). Therefore, we exclude Oman KSF produced water in our data as it is managed by PDO.

For domestic offshore assets, we discharge produced water into the sea after carefully assessing it to ensure it meets the required parameters.

In Lematang, we have been operating an on-site Produced Water Treatment (PWT) facility since 2011. We ensure the quality of treated produced water meets the applicable standards, so it can be safely discharged into a water body. Periodic manual monitoring and continuous monitoring tools are also in place to ensure compliance with the applicable standards.

The amounts of produced water reinjected to reservoir are detailed below. These amounts are generally stable over the years.

Reinjected Produced Water³



1 In-scope water withdrawal for Oil & Gas includes fresh surface water, groundwater, third-party water use and seawater.

2 In-scope water withdrawal for Power includes fresh surface water and third-party water use.

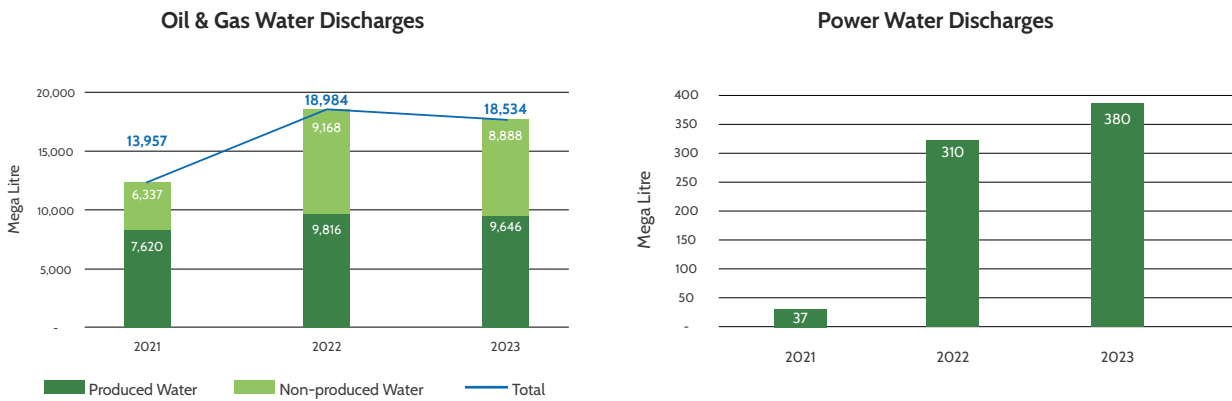
3 Reinjected produced water include: International: Thailand; Domestic: Block A, Corridor, South Sumatra Block, Rimau, Bangkanai, Tarakan.

Managing our Wastewater

Across most of our assets, domestic wastewater is treated at our Waste Water Treatment Plants (WWTPs). We regularly monitor effluents to ensure compliance with regulations mandated by the Ministry of Environment and Forestry (MoEF) and maintain levels lower than the Threshold Limit Value (TLV) before discharging. In 2023, our oil & gas assets discharged 18,534 megalitres of wastewater, a decrease from the previous year. This reduction is proportional to the decline in water withdrawal compared to 2022.

Our power assets discharged 380 megalitres of treated wastewater into water bodies during the same year, showing an increase from 2022 due to the water discharges from WWTP in MRPR's full year.

Oil & Gas and Power Water Discharges¹



Promoting Water Efficiency

Our facilities in Corridor (Corridor Storage Tanker/CST), South Natuna Sea Block B, and Madura Offshore use reverse osmosis (RO) technology for seawater purification to minimise our dependence on groundwater and secure consistent water supplies for production. This method desalinates seawater by passing it through a semipermeable membrane, producing clean water for use in our offshore platforms and storage tanks.

We also perform monthly effluent monitoring to guarantee water safety before it is discharged. At Lematang and Madura Offshore, we implemented SPARING², an automated continuous wastewater monitoring system that adheres to MoEF regulations. We continued our water efficiency efforts through water recycling³ and water-saving initiatives for both domestic⁴ and operational use⁵.



1 Water discharges in oil & gas between 2021-2023 do not have complete coverage per each asset, but the coverage became more complete in 2023. Block A, Corridor, Lematang, Madura Offshore, and Sampang covered 2021-2023; South Natuna Sea Block B and South Sumatra Block covered 2022-2023; Thailand, Oman, Rimau, and Tarakan covered only 2023;
 2 Sistem Pemantauan Kualitas Air Limbah secara Terus Menerus dan Dalam Jaringan (Continuous Wastewater Quality Online Monitoring)
 3 Water recycling includes reusing treated wastewater from WWTPs for hydrant needs and watering plants in South Sumatra Block and Rimau, as well as for car washing activities in Corridor.
 4 Water-saving initiatives for domestic use include campaigns to reduce water consumption, replacing manual taps with automatic taps in Sampang, and using stored rainwater runoffs for domestic purposes.
 5 Water-saving initiatives for operational use encompass reducing well water withdrawals for operations, reusing treated wastewater as a chemical solvent in Lematang, and optimising seawater lift pumps in Belanak.

Water Risk Management

We conducted a qualitative assessment of risks related to water resources management in most of our assets in 2021. The aim was to prevent issues concerning water scarcity, coastal floods and inland floods in neighbouring communities. Subsequently, we carried out further assessments in 2023 to update our findings. The results showed that the company is not currently at risk of facing significant impacts in any scenario across all assessed operations. According to the WRI Aqueduct tool, none of our operations in 2023 are in water-stressed areas.

Water Audits for Offshore Assets

The South Natuna Sea Block B and Sampang assets conducted water audits in 2022 and 2023. A water audit is a quantitative and qualitative assessment of water usage aimed at optimising water management in industrial processes. The audit encompassed the Kerisi field for the entire 2021 data, as well as the Belanak FPSO, OPF Grati, and Camplong Shorebase for the entire 2022 data.

The audit results revealed that there were no water losses in the Kerisi and Sampang areas. Water losses occurred in a few units of Belanak and in OPF Grati's freshwater tank, although the supplies still met the needs. This audit also identified opportunities for optimising water use at each location, such as switching to automatic water taps, optimising seawater lift pumps, installing flowmeters, and other measures. The quality of the wastewater meets all regulatory requirements.

Air Emissions

Our oil and gas operations release air emissions, including nitrogen oxides (NO_x), sulphur oxides (SO_x), volatile organic compounds (VOCs), and particulate matters (PMs). Moreover, our thermal power plants emit NO_x, SO_x, and PMs. Details of our air emissions from 2021 to 2023 are contained in the [2023 GRI Performance Data](#).

Our approach to managing and monitoring air emissions is outlined in our Environmental Management and Monitoring Plans. To ensure compliance with air emission standards for upstream oil and gas operations, we adhere to several regulations.

These include the Indonesian MoEF Regulation No. 11 of 2021 regarding emissions from internal combustion engines; MoEF Regulation No. 13 of 2009 regarding emissions from non-engine sources like boilers; and local regulations. In Thailand, our operations comply with the document entitled: Notification of the Department of Labour Protection and Welfare on Limiting Hazardous Chemical Concentration. In addition, our thermal power plants assets adhere to MoEF Regulation No. 15 of 2019 which sets air emission thresholds for thermal power plants.



Biodiversity Conservation

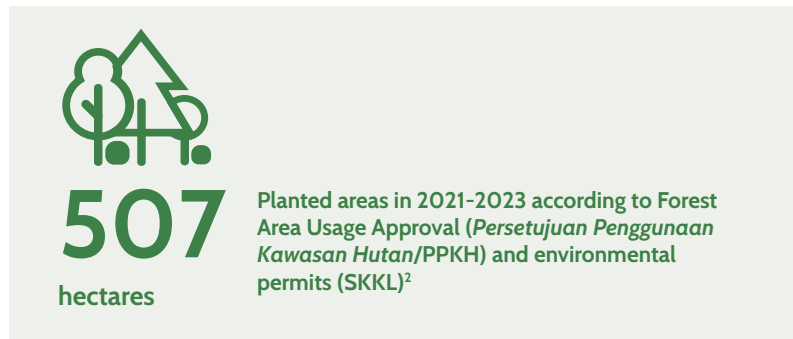
We are dedicated to protecting the environment by supporting biodiversity conservation efforts. Our concurrent restoration efforts occur at all domestic operational sites of our oil & gas assets. Our power assets are also involved in revegetation activities that go beyond compliance. Our initiatives extend beyond the mandates of regulations, focusing on activities such as tree replanting and safeguarding endangered species.

The preservation of biodiversity and ecosystems is integral to our HSE Policy; it encompasses the protection of both natural species and designated protected areas. Moreover, in compliance with Indonesian regulations, we carry out Environmental Impact Assessments (*Analisis Mengenai Dampak Lingkungan Hidup/AMDAL*).

These assessments thoroughly examine biodiversity and how well measures are implemented to prevent land degradation when opening new operational sites.

An example of our commitment to biodiversity stewardship is our approach to working in sensitive areas. In 2024 we will conduct a seismic programme to assess gas discoveries made by the previous operator. Some of these discoveries extend partially into the Dangku Wildlife Reserve in Indonesia. The seismic programme will use advanced and environmentally friendly technologies, and adhere to all relevant regulations and international best practice.

Below is an overview of our replanting efforts:
Revegetation Accomplishments



Our expenditure in replanting activities for both programmes are detailed in USD below:

Expenditure in Replanting	2021	2022	2023
Revegetation beyond regulatory requirements	30,890	86,397 ³	46,988
Revegetation as per Forest Area Usage Approval (PPKH)	545,474	595,799	450,518
Revegetation as per commitments in environmental permits (SKKL)	-	-	30,977

1 The total planted areas from 2021 to 2023 exclude the areas planted through the Medco & I - Two Trees programme.

2 *The Surat Keputusan Kelayakan Lingkungan Hidup (SKKL)*, or Environmental Permit is a permit document that outlines the environmental commitments the Company must fulfil as regulated by Government Regulation Number 22 of 2021.

3 This figure is re-stated because we excluded reclamation activities under SKKL by Corridor and disclosed that as separate data.

Tree and Mangrove Planting Initiatives

We planted trees and mangroves across our assets in 2023 to promote biodiversity in land and coastal areas, aligning with SKK Migas' national tree-planting campaigns.

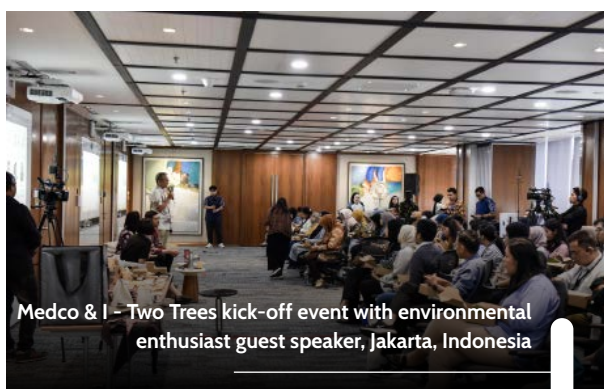


The South Natuna Sea Block B contributes to biodiversity conservation through ecosystem rehabilitations of both mangroves and coral reefs using artificial reefs. In addition, the Sampang asset participated in land rehabilitation efforts through planting Acacia mangium trees in Taddan Village and beach casuarina trees in Tambak Lekok Village.

Medco & I - Two Trees

Medco & I - Two Trees is our initiative that encourages employees to plant or adopt at least two trees. This programme ran from September to November 2023 across all MedcoEnergi operational areas in Indonesia. Our employees participated by individually planting trees or adopting them through the Medco Foundation, with the option of choosing between perennial trees or mangrove plantations.

This programme aims to engage employees to take concrete actions to combat climate change, which aligns with MedcoEnergi's Net Zero aspirations. It shares the same goal with SKK Migas, which is to encourage the oil and gas sector workforce to plant or care for at least two plants, focusing on types that can reduce carbon emissions.



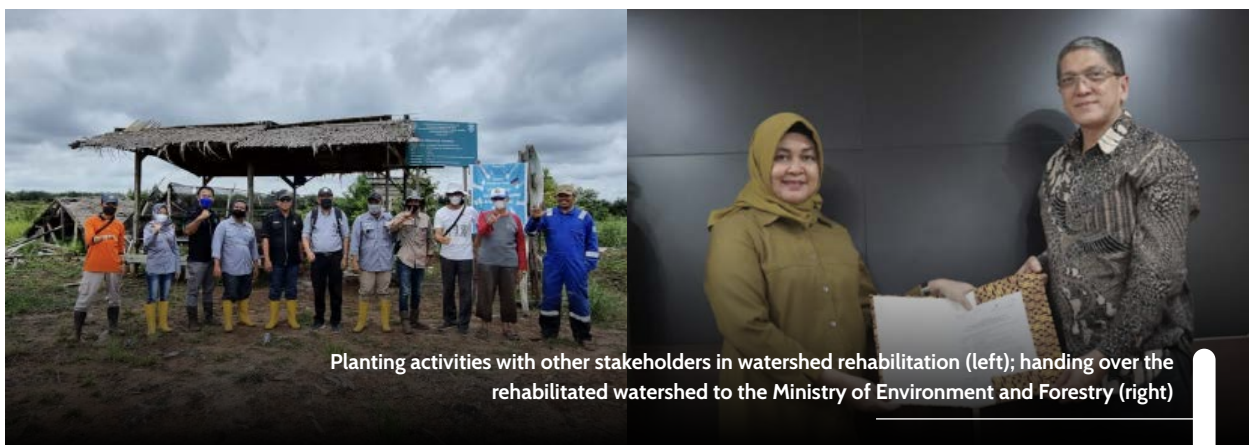


Medco & I - Two Trees Mangrove planting activities by employees, local communities, and Medco Foundation at Muara Gembong, Bekasi, West Java, Indonesia.

Watershed Rehabilitation in South Sumatra

Our assets in the South Sumatra regions consisting of Rimau, South Sumatra Block, and Lematang conducted watershed rehabilitations that complied with PPKH. These rehabilitations covered 840.5 hectares in the protected forests of Bukit Jambul Asahan and Meranti Sungai Merah between 2016 and 2023. In total, 168 hectares had already been rehabilitated and transferred to the government by 2023, with planting and maintenance activities ongoing in the remaining 672.5 hectares.

Our Rimau asset also completed a watershed rehabilitation project at the Sriwijaya Botanical Gardens in 2023. The project area covered 12.5 hectares in Bakung Village and Ogan Ilir regency, which was planted since 2021. This involved planting 10,400 seedlings of multipurpose trees species (MTP) whose fruit can be enjoyed by the local communities. These revegetation efforts also actively redouble our efforts to reduce the impact of climate change.



Planting activities with other stakeholders in watershed rehabilitation (left); handing over the rehabilitated watershed to the Ministry of Environment and Forestry (right)

Blue Crab Larvae Conservation in Mangrove Areas

The Bualuang asset in Thailand released 20 female blue crabs' with eggs and more than two million blue crab larvae in the mangrove areas. This programme was carried out at The Nature Education Centre for Mangrove Conservation and Ecotourism in the Chonburi province. We believe that mangrove forests are the best places to both restore and protect marine life, which in turn creates biodiversity and the sustainable abundance of natural marine resources.



The Bualuang Asset released blue crab larvae in mangrove areas in the Chonburi, Thailand

Coral Transplantation and Maleo Conservation at JOB Tomori

Our non-operating asset, JOB Tomori, implemented an innovative coral transplant rack that proved effective in safeguarding coral reefs against predation by crown-of-thorns (COT) starfish and other pests. In addition, coral transplanting efforts in the Tiaka and Makakata fields covered a total area of 11,125 square meters. The coral areas were also designated as a nursery ground for the endemic Banggai cardinalfish (*Pterapogon kauderni*). The population of this species increased from 891 in 2019 to 1,443 by June 2023.

In addition, JOB Tomori is actively engaged in conservating the Maleo (*Macrocephalon maleo*), a bird species endemic¹ to the Banggai Regency. These efforts resulted in the Maleo population increasing more than threefold, from 65 birds in 2019 to 165 in June 2023. Their efforts included tree planting in the Bakiriang Wildlife Reserve nesting areas, supporting egg hatching, and releasing birds back into the wild. These initiatives were recognised with an award from the Central Sulawesi Province Natural Resources Conservation Agency (BKSDA) in June 2023.

Tree Planting and Sustainable Farming by One of Our Employees

Bakhrum Rangkuti, a superintendent for East Java Operations at OPF Grati, participated in safeguarding the environment and carbon emission reduction through tree planting and sustainable farming on his land in Blitar, East Java, Indonesia.

using a greenhouse hydroponic system that minimises pesticide use and produces healthier fruits. He also raised 1,200 ducks in battery cages to produce eggs. These efforts were part of his broader vision to promote sustainability and demonstrate a lifestyle committed to environmental stewardship and food security.

As of 2023, Rangkuti successfully planted at least 2,000 sengon trees (*Albizia chinensis*) on a 10,500 m² plot. These trees require minimal care and contribute to carbon sequestration. In addition, he cultivated Intanon melons on a 1,250 m² plot

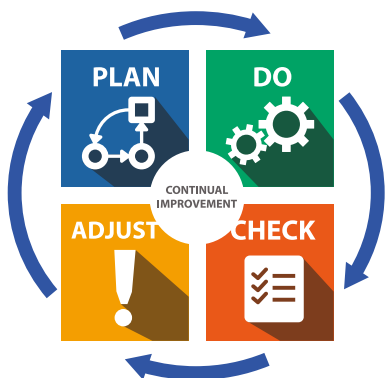


Rangkuti checking on his Intanon melons.

¹ Species that live in a limited area, such as a mountain range, lake or island, among others.

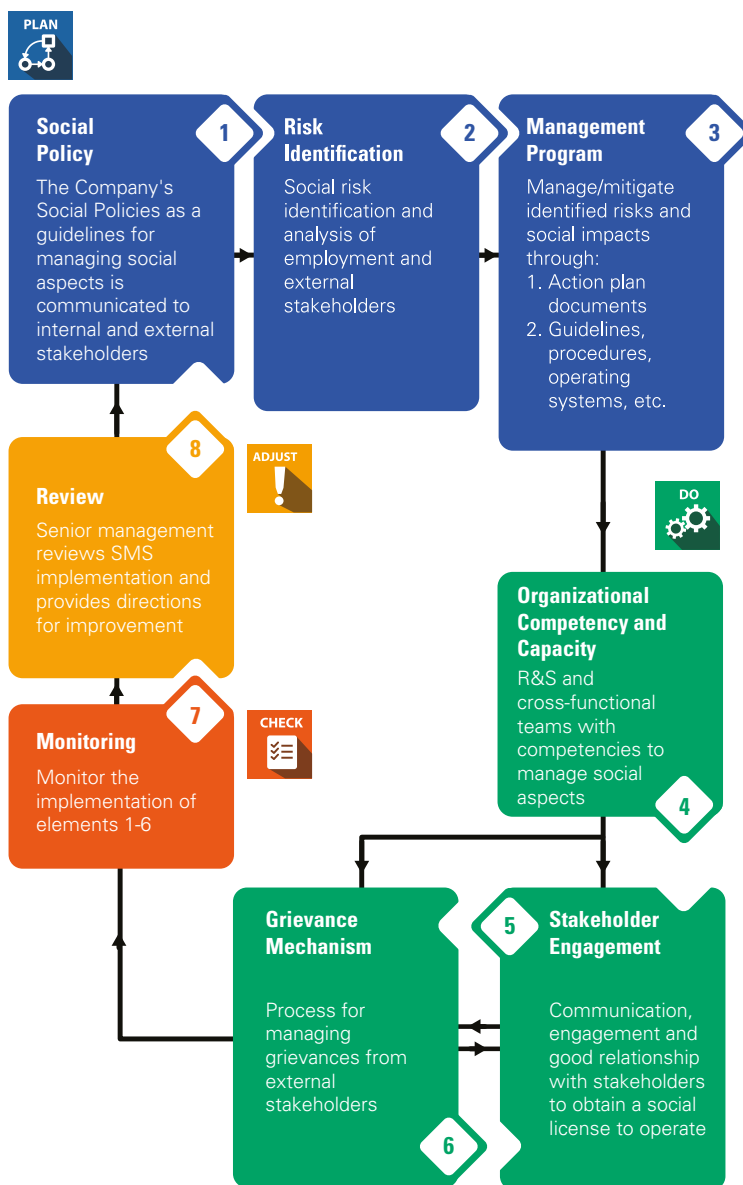
Social Management System (SMS)

The PDCA Cycle



As a responsible corporate entity, we acknowledge the significant social impact our business activities can have on communities and stakeholders. For this reason, we have implemented a Social Management System (SMS) alongside our HSEMS to effectively manage social risks¹ and their impact. This upholds our commitment to lead in managing social aspects and provide comprehensive approaches to instituting HSE and social safeguards. Our SMS undergoes continuous reviews and improvements to measure progress and maturity levels under the guidance of our Plan, Do, Check and Adjust (PDCA) cycle.

Through the SMS, we align all functions to address identified social issues, improve social performance, and secure and maintain our social licence to operate.



¹ We define "social risks" as combination of probable hazard occurrences related to our employees and the surrounding communities and the severity of impacts resulting from such occurrences. A "social impact" refers to any change, potential or actual, affecting our employees and the surrounding communities because of MedcoEnergi's business activities and operations.

SMS Implementation

The followings describe the initiatives implemented to enhance SMS in 2023 aligned with our Sustainability KPIs in all oil & gas assets:

- Promoted cross-functional awareness of SMS and how the social aspects are managed. This was done through sessions with other functions as well as SMS Moment sharing sessions. The SMS booklet and campaign materials were also distributed throughout the assets.
- Documented our commitment to social policies in written statements and ensured they were communicated to all employees.
- Identified key social risks at each asset and developed mitigation plans to prevent operational disruptions.

- Conducted capacity building through workshops on risk management, social compliance, management systems, and auditing techniques. We also conducted offline SMS refreshment and alignment workshops along with monthly SMS Talk sessions.
- Used an Integrated Dashboard to record stakeholder databases, routine engagements, and social grievances.
- Finalised asset-level Grievance Mechanism Procedures at our oil & gas assets to ensure that social grievances were handled consistently.

These efforts ensured that we could effectively manage risks, improve social performance and secure a social licence to operate since an effective SMS relies on trained staff, cross-functional teamwork, and a culture of social sustainability.



Training on the Social Compliance Management System and Audit Techniques based on ISO 19011:2018.

SMS Monitoring

Cross-asset assessors were assigned as part of the SMS Monitoring process in 2023. These assessors had completed training by SGS Indonesia¹ for internal auditors of management systems based on the ISO 19011:2018 standards. The process also included conducting self-assessments, field verifications, scoring, and submitting asset-specific monitoring reports, which also highlighted how the social aspects were managed.

The monitoring results put a spotlight on how well the assets adopted the SMS and met expectations. All assets achieved an average score of 3.6 out of 5, suggesting that whilst aspects of the system were generally adopted, there is room for improvement in certain areas. In 2024, we will focus on closing identified gaps.









Field verification as part of the SMS Monitoring at South Sumatra Block (top); SMS familiarisation at Matak Base (bottom)

¹ SGS Indonesia is a member of the SGS Group, a global company for testing, inspection, and certification.

Alignment of Sustainability Initiatives with the UN SDGs

The following table maps our sustainability initiatives to enhance our environmental and social safeguards against the UN SDG targets. Please note that this mapping does not mean that MedcoEnergi claims to have measured or set targets for host governments in our operational areas in terms of achieving the UN's SDGs.

UN SDGs	Relevant Targets	Key Initiatives
 <p>3 GOOD HEALTH AND WELL-BEING</p>	3.9	<ul style="list-style-type: none"> • Health, Safety and Environment Management System (HSEMS) • Sustainability assessment • Environmental compliance
 <p>6 CLEAN WATER AND SANITATION</p>	6.3, 6.4, 6.6	<ul style="list-style-type: none"> • Wastewater monitoring and management • Water conservation and efficiency • Watershed rehabilitation
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	11.3, 11.6, 11.7	<ul style="list-style-type: none"> • Air emissions management • Social Management System
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	12.2, 12.4, 12.5, 12.6	<ul style="list-style-type: none"> • Hazardous and non-hazardous waste and effluent management • Environmental data reporting
 <p>14 LIFE BELOW WATER</p>	14.1, 14.2, 14.5, 14.b	<ul style="list-style-type: none"> • Coral reef transplantations and conservation programme for endangered fish • Oil spill reduction efforts
 <p>15 LIFE ON LAND</p>	15.1, 15.2, 15.4, 15.5	<ul style="list-style-type: none"> • Revegetation and mangrove rehabilitation programmes • Conservation of endangered species • Biodiversity conservation and education initiatives

Action Plans


The following action plans have been developed to help us meet our objectives and continue enhancing environmental and social safeguards. We regularly measure, monitor and report on our progress and performance against these actions.

Material Topics	Short-Term Actions	Medium/Long-Term Actions	Status
Water	Determine water usage (consumption) targets based on benchmarking data	Determine water usage reduction programmes for normal operations and drilling programmes; continue expanding them at Onshore, Corridor, Offshore and Marine Operations	In progress to set water usage targets and reduction programmes.
	Determine water usage reduction programmes in normal operation and drilling programmes	Establish a water scarcity and flood monitoring system; implement the programme at Corridor, Block A, Bangkanai, South Sumatra, Medco Power and other assets.	Completed water scarcity and flood risk assessments in most of our assets.
Air Quality	Develop strategies to align with and adapt to updated regulations	Implement the strategies for Medco Oil & Gas and Medco Power assets and monitor their performance	Developed strategies to comply with new government regulations while ensuring business continuity.
	Establish environmental audit protocols that include air emissions.	Implement the protocols for Medco Oil & Gas and Medco Power assets.	Adopted country's government audit protocols where MedcoEnergi operates (e.g. MoEF's PROPER, an environmental performance rating programme in Indonesia).
Effluents and Waste	Determine waste and effluent load targets based on benchmarking data.	Develop programmes to reduce waste and effluent loads; implement the programmes at Corridor as pilot projects and expand to Onshore and Medco Power assets.	In progress to set effluent and waste targets and implement reduction programmes.

Material Topics	Short-Term Actions	Medium/Long-Term Actions	Status
Local Community (SMS)	Develop the year's SMS plans for all assets based on the previous year's monitoring results and management reviews.	Develop SMS plans for all assets based on identified improvement areas and management reviews.	Oil & gas assets: <ul style="list-style-type: none"> Developed asset-specific SMS implementation plans. Power assets: <ul style="list-style-type: none"> Conducted social assessments and developed the Scope of Work (SoW) for the Timor-1 project and operations. Conducted Social assessments for the Bonjol geothermal exploration project.
	Update assets' social risks identifications and mitigations.	Identify and mitigate key social risks.	Oil & gas assets: <ul style="list-style-type: none"> Developed specific social risk and mitigation documents. Conducted risk management workshops for the Corridor SMS Team. Power assets: <ul style="list-style-type: none"> Updated the identification of social risks for East Bali Solar PV construction.
	Update asset-level Grievance Mechanism Procedures and communicate them to key stakeholders.	As appropriate, update the grievance mechanisms to ensure they reflect the latest evaluation results and communicate them to key stakeholders.	Oil & gas assets: <ul style="list-style-type: none"> Updated Grievance Mechanism Procedures. Power assets: <ul style="list-style-type: none"> Developed community grievance redress procedures for MCG (Ijen Geothermal) and East Bali Solar PV. Developed and familiarised BJI, PPP, MPE, EPE, Medco Power Solar Sumbawa (MPSOS) and MCG with the Chance Finds procedures.
	Use the Integrated Dashboard to monitor and analyse grievances.	<ul style="list-style-type: none"> Track and analyse the grievances through the Integrated Dashboard 	Oil & gas assets: <ul style="list-style-type: none"> Analysed social grievances trends. Monitored and recorded grievances on the Integrated Dashboard.
	Conduct gap analyses of the existing grievance mechanisms against the UNGPs grievance effectiveness criteria.	Assess how effective the grievance mechanisms are compared with the UNGP's effectiveness criteria.	Oil & gas assets: <ul style="list-style-type: none"> Evaluated how each asset implemented the grievance mechanisms. Power assets: <ul style="list-style-type: none"> Developed community grievance redress mechanisms that align with UNGP's criteria.
	Complete assets' SMS Monitoring process to assess their maturity levels.	Maintain SMS maturity level targets and identify areas to improve (i.e. continuous improvements).	Oil & gas assets: <ul style="list-style-type: none"> Completed SMS monitoring for nine assets. Power assets: <ul style="list-style-type: none"> Monitor how the Annual Stakeholder Engagement Programme is being implemented.
	Develop social incident rates guidelines.	Determine social incident rate targets and ensure management's socially responsible performance is excellent.	Continue with the approval process for the drafted guidelines on social incident rates.

Realising Our Climate Aspirations

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Solar PV in Bronang Platform, South Natuna Sea, Indonesia



07

We recognise the need to intensify our efforts to address climate change and energy transition. Our interim decarbonisation targets demonstrate our accountability for climate action and reflect our commitment to supply affordable and sustainable energy and natural resources. In 2023 we assessed more detailed climate change risks, strengthened our capacity building, and further advanced our goal to expand our renewables portfolio. In 2023, and two years ahead of plan we achieved our interim 2025 targets to reduce oil & gas emissions. Our 2023 oil & gas Scope 1 and 2 GHG emissions were 22% below our 2019 base

year, ahead of the 20% target and 2023 methane emissions were 40% below 2019, ahead of the 25% reduction target. This is encouraging and a milestone to celebrate, however we understand the challenge of maintaining this achievement given the nature of our business.

We are on track to achieve our 2030 interim targets to further reduce both Scope 1 and 2 GHG and methane emissions and on our trajectory to achieve net zero.

Approach, Commitments, and Goals

Our goal is to achieve net-zero emissions for Scope 1 and Scope 2 GHG emissions by 2050, and for Scope 3 GHG emissions by 2060. Our Climate Change Strategy is rooted in our vision, mission, and sustainability policy framework. They also align with the Paris Agreements and the Nationally Determined Contributions (NDCs) of the countries where we operate.

Our Climate Change Strategy is based on climate scenario analyses that identify key climate-related risks and opportunities for our long-term business operations. They are structured around three main pillars: Emissions Reductions, Transitions to Low Carbon Energy, and Emerging Physical Climate Risk Management. Each pillar outlines specific focus areas and initiatives and how to leverage our capabilities, technological expertise, and workforce to achieve our climate goals.

We are committed to reducing our GHG emissions by adopting the latest technologies and best practices as well as increasing our efforts to remove carbon. In addition, our approach to transitioning to low-carbon energy involves expanding our natural gas portfolio as a transition fuel. We aspire to develop renewable energy sources to support the realisation of the region's development ambitions. We also consider design strategies that enable us to build resilience to emerging physical climate risks.



Sarulla Geothermal Operation, North Tapanuli, Indonesia

MedcoEnergi's Climate Change Strategy



* Notes

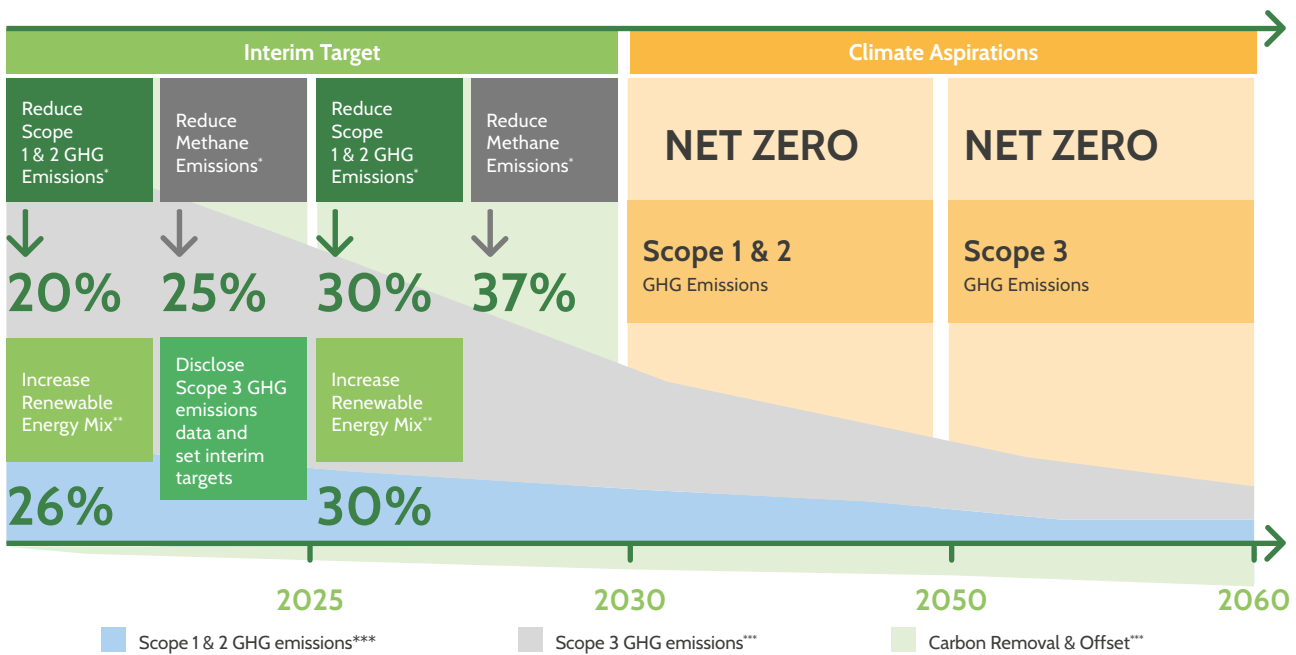
CCUS: Carbon Capture Utilisation & Storage; CCS: Carbon Capture & Storage; TCFD: Task Force on Climate Related Financial Disclosure; CDP: Carbon Disclosure Project

To translate the three pillars of our Climate Change Strategy into actions, we have identified four crucial enablers: (1) Governance (2) Data Management (3) Transparency and Compliance (4) Collaboration and Engagement. These enablers allow a unified and efficient approach to addressing climate challenges.

Establishing Our Climate Interim Targets

MedcoEnergi's climate aspirations were developed by reviewing our host government's Nationally Determined Contributions (NDCs), analysing internal Long-Term Planning (LTP) data, and conducting peer benchmarking. We also considered climate-related risks and opportunities, past and ongoing emissions reduction efforts, and energy efficiency programmes. Additionally, we factored in existing and emerging regulatory trends in host countries.

Our interim targets are to reduce Scope 1 and Scope 2 GHG emissions by 20% and 30%, and methane emissions by 25% and 37% for our oil and gas business by 2025 and 2030 respectively by using 2019 as the base year. We chose 2019 as it represents our normal operations before the pandemic, making it the most relevant reference point as the base year. Furthermore, we aim to have 26% of our installed capacity from renewable energy by 2025 and 30% by 2030 for our power business¹. This target-setting process was collaborative, incorporating both top-down and bottom-up approaches that involved various divisions at all levels.



* Medco Oil & Gas emissions based on the operational control approach and reduction from the 2019 base year.

** Equity shared installed capacity. The Government of Indonesia's renewable energy mix target is 23% by 2025 and 25% by 2030

*** This graph is an illustration of the GHG emissions and offsets trajectory to achieve Net Zero and does not describe MedcoEnergi's projected GHG emissions and carbon offsets.

Our climate interim targets provide the framework for MedcoEnergi's climate actions. They enable us to track and report quantifiable progress towards reducing our emissions and achieving our climate aspirations.

Enhancing Our Employees' Capacity for Climate Action

Our key progress in 2023 was our capacity-building programme for climate action. We conducted several trainings involving our employees, management members, and suppliers. Our capability-building programme has multiple approaches that are also integrated with programmes from various divisions. They are:

1. Business Leaders' Programmes

These are external programmes in sustainability, ESG and climate change certifications by various credible universities and institutions such as University of Cambridge, Yale University and competent boards:

- Sustainability and ESG Programme for Business Leaders
- Climate and Biodiversity Programme for Business Leaders

¹ The Government of Indonesia has a target of achieving at least 23% new and renewable energy installed capacity in 2025 and at least 31% by 2050, which is stipulated in the country's Enhanced National Determined Contribution (ENDC) issued in September 2022.

2. Focus Group Programmes

- Climate specific training: climate risks and opportunities, carbon accounting, technologies and best practices for GHG management, carbon removal and offsets, carbon pricing and carbon taxes, green financial instruments, and carbon markets.
 - Ten training modules for our “Climate Change and Energy Transition Working Groups” at fundamental, intermediate, and focused levels in January-February 2023. Further information about this training can be found on page 178-179, along with other training on energy transitions and technological awareness.
 - Training on climate risks for our Board of Directors and management members to prepare them for the Climate Change Risk Assessments (CCRA) in August 2023. During this training, these topics were discussed: the latest updates on climate science, climate commitments of our host countries, climate requirements from the Equator Principles 4 (EP4), and our CCRA roadmap.
 - Carbon Market Workshop for senior leaders and Climate Change & Energy Transition working groups in November 2023. The workshops provided insightful information on how the carbon markets were developed in Indonesia. Amongst the topics they covered: carbon pricing, credits scheme implementation, Measurement Reporting and Verification (MRV), etc.
- Climate topics integrated into existing programmes: Inductions for New Hires, Medco 101 for New Leaders, Finance and Accounting Apprentice Programme (FAAP), Subsurface Academy, and others.

3. Workforce Capability Development Programmes

- E-learning modules covered sustainability and climate change fundamental topics for senior leaders and the Climate Change & Energy Transition Working Group.
 - E-training courses were held for our employees between November and December 2023. These self-paced courses consisted of three modules that delved into the sustainability frameworks, understanding climate change, and corporate Climate Change Strategy. The target participants were senior leaders and climate change and members of the transition working groups. We plan to expand this training to all our 2,000 employees.
- Lunch-and-Learn Seminars related to climate change issues.

4. Supply Chain Partners Programmes

Vendor Day: highlighted key initiatives in our Climate Change Strategy, including the initiative for Scope 3 GHG emissions, to raise our business partners' awareness.

Participating in Global and Regional Climate Events and Conferences

MedcoEnergi took part in several climate-related events and conferences in 2023. During these gatherings, we presented our Sustainability Framework and Climate Change Strategy and highlighted the critical role of the energy sector in combating climate change. Our participation in these events and conferences allowed us to gather valuable insights and feedback regarding our strategies, progress, and performance. This is part of the collaboration and engagement efforts in our Climate Change Strategy.

- UN Framework Convention on Climate Change (UNFCCC) Conference of Parties 28 (COP-28)
- Singapore International Energy Week
- Indonesia Sustainability Forum
- China International Energy Storage Technology, Equipment and Application Conference & Exhibition (SNEC)
- Indonesia International Geothermal Conference and Exhibition (IIGCE)
- ASEAN Ministers on Energy Meeting (AMEM)
- Gastech (Hydrogen and Climatetech) Exhibition and Conference
- Enlit Asia-Power and Energy Annual Conference & Exhibition

Establishing Climate-related Incentives

MedcoEnergi has adopted incentive-based compensation schemes linked to sustainability and climate efforts, particularly those that reduce GHG and methane emissions and expand renewable energy capacities. Each year, Team Performance Contracts (TPCs) are created for various levels of staff, from top executives to individual employees. These contracts include specific Key Performance Indicators (KPIs) related to sustainability and climate, which are reviewed quarterly. At the end of the year, achievements against these targets are evaluated to determine performance incentives, potentially including salary adjustments.

Our Journey in Climate Business Integration

We incorporate considerations of climate change into our business operations and are dedicated to upholding the transparency of our progress. We received a B rating in the 2023 CDP Climate Change, consistent with our score from 2022. We also released our inaugural Taskforce on Climate-Related Financial Disclosures (TCFD) report in 2022. The complete TCFD report is available at [this link](#).

We strive to continuously improve our climate-related reporting in accordance with the latest standards for climate disclosures. The TCFD has fulfilled its remit and was disbanded in October 2023. Subsequently, the International Financial Reporting Standards (IFRS) Foundation has taken over the provision of climate disclosure standards that continue the work of the TCFD. We have begun to align our transparency efforts regarding climate change with the IFRS's S1 Sustainability-related Financial Disclosure and S2 Climate-related Disclosure standards within this section.

Below is an update of our climate action progress, guided by the disclosure requirements of IFRS S2:

IFRS S2 Core Element	Recommended Disclosure	Summary of Progress by 2023	Link
Governance	<p>a. The governing body or individuals responsible for overseeing climate-related risks and opportunities.</p> <p>b. Management's role in the governance, controls, and procedures used to monitor and manage climate-related risks and opportunities.</p>	<ul style="list-style-type: none"> Established MedcoEnergi's Climate Governance to address climate-related risks and opportunities. Established Sustainability and Risk Management Committee (SRMC), that supports the BoC overseeing the climate related risks and opportunities. Formalised our Climate Change Working Group and Energy Transition Working Group and assigned Persons in Charge (PICs) from relevant functions for both working groups pertaining to each pillar of our Climate Change Strategy. Disclosed management's roles in the governance controls and monitoring approaches. 	<p>Sustainability Report 2023, Chapter 5, page 55-58.</p> <p>TCFD Report 2022, page 4 – 5</p>
Strategy	<p>The climate-related risks and opportunities on:</p> <p>a. Climate-related risks and opportunities, that could reasonably be expected to affect the company's prospects.</p> <p>b. Business model and value chain: The current and anticipated effects of those climate-related risks and opportunities on the company's business model and value chain.</p> <p>c. Strategy and decision-making, including climate-related transition plans.</p> <p>d. Financial position, financial performance, and cash flows and their anticipated effects over the short, medium and long term.</p> <p>e. Climate resilience of the company's strategies and its business model to climate-related changes.</p>	<ul style="list-style-type: none"> Disclosed the climate-related risks and opportunities identified from our climate scenario analysis in our SR and TCFD report. Developed our climate change strategy in 2021 based on the findings of our climate scenario analyses. Disclosed the progress of corporate transitional action plans, including intensifying climate change capacity building, growing the renewable energy portfolio, and exploring CCUS (Carbon Capture, Utilisation, and Storage) opportunities. Developed action plans and Key Performance Indicators (KPIs) for climate risks & resilience, mitigations, and adaptations for the financial year 2023-2027. Our progress on the action can be read on page 133-134. 	<p>Sustainability Report 2023, Chapter 7, page 115-117, 124-131 and 133-134.</p> <p>TCFD Report 2022, page 6 – 12.</p>
Risk Management	<p>a. The processes and policies used to identify, assess, prioritise and monitor climate-related risks and opportunities, including if and how the company uses climate-related scenarios.</p> <p>b. To which extent the company integrates and uses its processes to manage climate-related risks and opportunities in its overall risk management system.</p>	<ul style="list-style-type: none"> Conducted an initial qualitative climate scenario analysis in 2021 and updated it in 2023. Recognised climate change as the overarching topic that interacts with every category of MedcoEnergi's risk universe. Conducted CCRA to better identify the risks and opportunities. We completed the CCRA for physical risks in two assets (Block A and JOB Tomori) and are currently in-progress for the transition risks. Details of our CCRA results can be seen in page 115-117. 	<p>Sustainability Report 2022, Chapter 7, page 115-117.</p> <p>TCFD Report 2022, page 13 – 15.</p>
Metrics and Targets	<p>a. Climate-related metrics: Scope 1, 2, and 3 GHG emissions; transitions and physical risks; opportunities.</p> <p>b. Climate-related targets: Quantitative and qualitative targets to monitor progress.</p> <p>c. Climate-related targets: Approaches to setting and reviewing each target and monitoring progress against each target.</p>	<ul style="list-style-type: none"> Announced our climate aspirations to achieve net zero for Scope 1 and Scope 2 GHG emissions by 2050 and Scope 3 GHG emissions by 2060. Issued our climate interim targets of Scope 1 and 2 GHG emissions and methane emissions reductions as well as the targets of installed capacities from renewable energy for our power business. Disclosed the review process for the targets of our renewable energy installed capacities and its performance. Closely monitored the establishment of renewable power plants related to the 2025 and 2030 interim targets. Developed internal carbon pricings and incorporated them into corporate investment guidelines. 	<p>Sustainability Report 2023, Chapter 7, page 110-112, page 117-123 and 128.</p>

Assessing Our Climate-related Risks and Opportunities

Managing our climate-related risks and opportunities effectively is critical to maintaining our business resilience. This is why in 2021 we conducted an initial qualitative climate scenario analysis to identify and assess transitions and both physical risks and opportunities that may potentially impact our Company. Further reading on the approaches, methodologies, findings, and mitigation measures for our 2021 climate scenario analysis can be found in our TCFD report [here](#).

In 2023, we completed the deeper review in a CCRA for physical risks in two assets (Block A and JOB Tomori) and are currently in-progress for the transition risks.

Quantifying Our Climate-Related Risks and Opportunities

Quantifying the impact of our climate-related risks and opportunities is the next step that we are taking to effectively manage, mitigate and adapt to climate change. These steps will enable us to comprehensively understand the potential impact of climate change on our operations, finances, and long-term business sustainability.

MedcoEnergi has conducted a more detailed climate scenario analysis that updated the 2023 qualitative analysis and undertook a more quantitative approach. This pilot analysis focused on Block A and the non-operated asset, JOB Tomori. These assets were selected to enhance our understanding and implementation of the CCRA requirements under Equator Principle 4 (EP4).

We used the latest climate scenarios issued by the IPCC, the Shared Socioeconomic Pathways (SSPs)¹. Our analysis was based on the SSP1-2.6 low emissions scenario and the SSP5-8.5 high emissions scenario for 2030 and 2050 timeframes respectively. These scenarios and timeframes were chosen to offer a broader range of temperature changes for physical risk assessments and align with the preferences of national climate analyses.

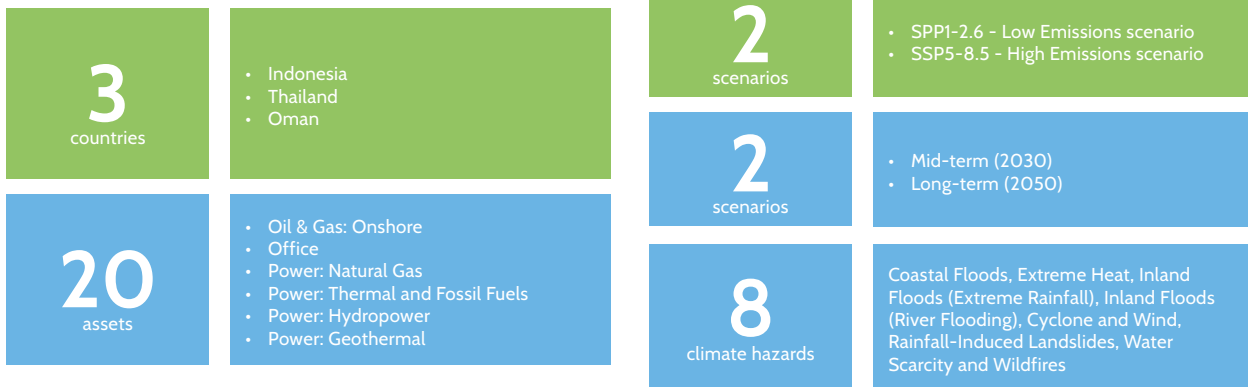
The exercise has provided us with comprehensive findings from the physical risk assessments. Meanwhile, our assessments of transition risks are still ongoing at the time of publishing this Sustainability Report.

Screening-level physical risks assessment

We conducted a screening-level physical risks assessment for 20 material assets under two Intergovernmental Panel on Climate Change (IPCC) scenarios for 2030 and 2050. This assessment employed the Climate Impact Platform (CIP) tool², which used climate data and projections generated by its built-in global climate models. This desk-based assessment focused on:

¹ The SSPs are a set of scenarios used in climate modelling to explore how different societal and economic factors could influence future GHG emissions and the resulting climate impacts. Unlike the previously used RCPs, the SSPs consider a range of socioeconomic assumptions such as population growth, economic development, energy use and technological progress

² CIP Tool is an industry-leading global climate database for screening-level physical risk assessments. It pulls from a database of detailed knowledge on the vulnerabilities of different asset types and a range of climate projections to rapidly assess exposure of an asset(s) to physical climate risks that arise from different climate hazards.



Key Findings

- Extreme heat stands out as the hazard with the highest risk scores and the most significant increases in risks across all climate scenarios and timeframes.
- Water scarcity, inland floods (river flooding) and coastal floods exhibit the highest baseline risks, whereas extreme heat is identified to be the most common climate hazard across the 20 assets.
- Extreme heat, water scarcity and wildfires show the most substantial increases in risk scores for both the 2030 and 2050 timeframes under the SSP1-2.6 and SSP5-8.5 scenarios.

Two climate hazards were selected for Block A and JOB Tomori following the screening-level assessments. These selections were based on their high absolute risk¹ scores, indicating significant exposure and/or relevance to the assets in both the baseline and future climate projections.

Quantitative Physical Risk Assessments

We subsequently conducted quantitative physical risk assessments to examine and quantify the potential financial impacts of the two selected climate hazards on these assets given the climate data and projections used in the CIP tool. For these assessments, the following quantification approaches were used:

Block A	JOB Tomori
<p>Extreme Heat: Revenue loss stemming from the reduction in production to comply with the flue gas requirements set by the MoEF.</p>	<p>Extreme Heat: Revenue loss caused by a temporary reduction of feed gas inflows or additional coolers to increase cooling capacity.</p>
<p>Inland Floods (Extreme Rainfall): Revenue loss due to business disruption caused by blocked access routes for condensate transport.</p>	<p>Coastal Floods: Revenue loss due to business disruption caused by high tides.</p>

Key Findings for Block A

Extreme Heat:

- Global climate projections show minimal likelihood of daily max temperatures exceeding 39°C in 2030 and 2050.
- Block A's design is resilient to mitigate extreme heat projections and there are no financial impacts anticipated on its operations.

Inland Floods (Extreme Rainfall):

- Global climate projections predict flood for maximum three-day disruptions at condensate trucking route accesses.
- Nevertheless, Block A has two condensate storage tanks, allowing for approximately ten days of holding time. In addition, accelerating post-flood condensate trucking to meet the cumulative nomination targets can eliminate this financial impact.

¹ A Risk score is a quantitative number used to assess the current and projected impacts from climate hazards, based on climate data and a site's exposure rating from CIP tool's Global Climate Database. It does not take into account MedcoEnergi's risk matrix or asset adaptation and mitigation measures.

Key Findings for JOB Tomori

Extreme Heat:

- Climate projections forecast a maximum daily temperature of 35.37°C.
- The current asset design is resilient to temperatures up to 38°C at installed capacities, and global projections indicate no likelihood of temperatures exceeding this in 2030 and 2050. As such, there are no financial impacts on its operations.

Coastal Floods:

- Global climate projections forecast a 0.22 m sea-level rise, with a total sea level rise amounting to 1.92 m when combined with the highest recorded tide in 2020.
- At JOB Tomori, the jetty infrastructure is deemed resilient to the projected sea-level rises, standing at approximately 5.2 m above sea level. As such, the anticipated sea-level rises are expected to disrupt condensate lifting cargo activities in a limited way and there are no financial impacts on its operations.

In summary, Block A and JOB Tomori are not expected to suffer financial impacts from the selected Climate Hazards. This is accounted for by the existing facilities in both assets, which are considered resilient enough to overcome the projected impacts from physical climate risks.

Quantitative Transition Risk Assessments

The governments of the countries where we operate have started to lay the groundwork in establishing a carbon pricing mechanism. In Indonesia, Presidential Regulation 98/2021 on Implementation of Carbon Pricing for Target Achievement sets the foundation to establish a domestic carbon market that involves carbon trading and results-based payment. Furthermore, Law 7/2021 enacts the carbon tax amount of USD 2.06/tCO₂e with the initial stage of implementation limited to the coal power plants in 2022 and will be expanded to the other sectors in 2025. There is also the Ministry of Environment & Forestry Regulation 21/2022 concerning Procedure For Implementation of Carbon Pricing that regulates carbon trading & carbon tax. However, the implementing guidelines for the oil & gas sector have yet to be in place. The most recent one is the Financial Services Authority Regulation 14/2023 that puts into effect carbon trading through Carbon Exchange by Indonesia Stock Exchange (IDX). In relation with the latter regulation, Medco Power has registered as an issuer with IDX and is working towards selling carbon credits through Carbon Exchange in the future.

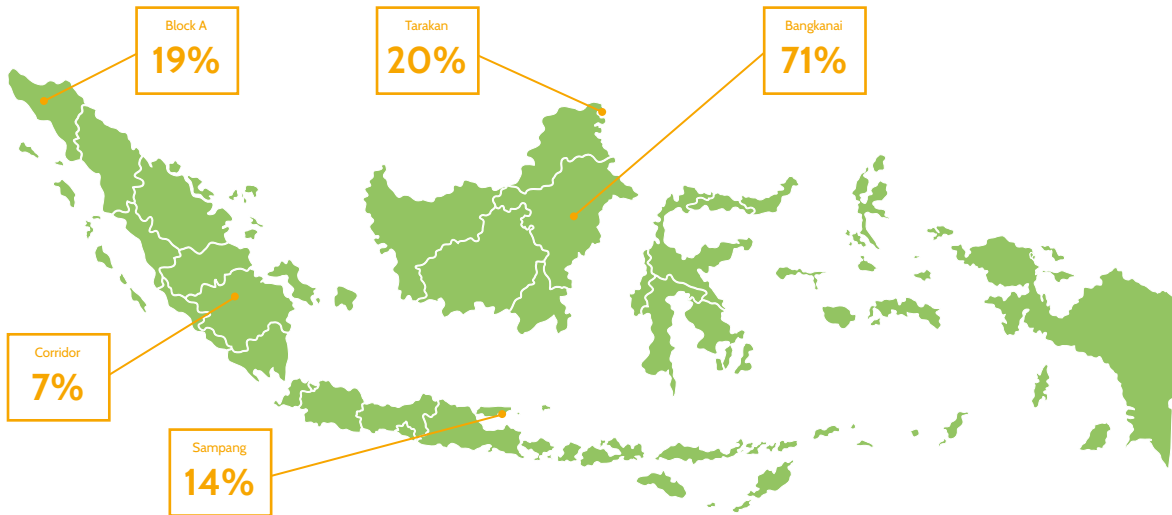
Meanwhile, Thailand is currently formalising their carbon pricing mechanisms, which will be regulated under the Climate Change Act (Climate Change Law). This law is undergoing a public hearing from February to April 2024 and is expected to be approved by the Thailand cabinet in June 2024.

While our quantitative transition risk assessments are still ongoing, we have examined the potential impact of carbon pricing on our business using our assured 2023 GHG emissions data.

Given the uncertainty of implementation of regulation, we calculated potential financial impacts conservatively as a worst-case scenario approach by applying our gross operational control approach. It covers all oil & gas and power assets, both domestic and international, based on our best available information. The potential financial impact of carbon pricing on our business may reach up to USD 11.7 million, as per our 2023 GHG emissions.

Our Environmental Footprint at a Glance

Key Oil & Gas Total Scope 1 & 2 GHG Emissions Reduction Performance between 2022 and 2023¹



Oil & Gas Asset	Percentage Reduction	Amount Reduction (tCO ₂ e)
Bangkanai	71%	36,468
Tarakan	20%	1,213
Block A	19%	78,505
Sampang	14%	3,964
Corridor	7%	167,579

Highlights of Our Scope 1 & 2 GHG and Methane Emissions Reduction in 2023

<h3>3%</h3> <p>Reduced Oil & Gas Scope 1 & 2 GHG emissions in 2023 from 2022</p>	<h3>22%</h3> <p>Reduced Oil & Gas Scope 1 & 2 GHG emissions in 2023 from 2019</p>	<p>The 2023 reductions were driven by:</p> <ul style="list-style-type: none"> Operational improvements GHG emissions reduction efforts Natural production declines from our assets
<h3>27%</h3> <p>Reduced methane (CH₄) emissions in 2023 from 2022</p>	<h3>40%</h3> <p>Reduced methane (CH₄) emissions in 2023 from 2019</p>	<p>The 2023 reductions were driven by:</p> <ul style="list-style-type: none"> Lower flaring due to less non-routine activities in Lematang and Block A Methane emissions reduction efforts Natural production declines from our assets Fugitive emissions adjustments in South Sumatra Block and Rimau with reference to API Compendium 2009

¹ The total values of Scope 1 and Scope 2 GHG emissions have been assured, and we performed internal calculation on the Scope 1 and Scope 2 GHG emission reduction performance.

Our Scope 1 & 2 GHG and Methane Emissions Reductions in 2023 Against Our Interim Targets

Achieved

We achieved the 2025 interim targets from base year 2019 for our oil & gas Scope 1 and 2 GHG and methane emissions reduction, two years ahead of plan.

Strategies for further reductions, among others:

- Fuel optimisation
- Electrification
- Flare reductions
- Renewable energy

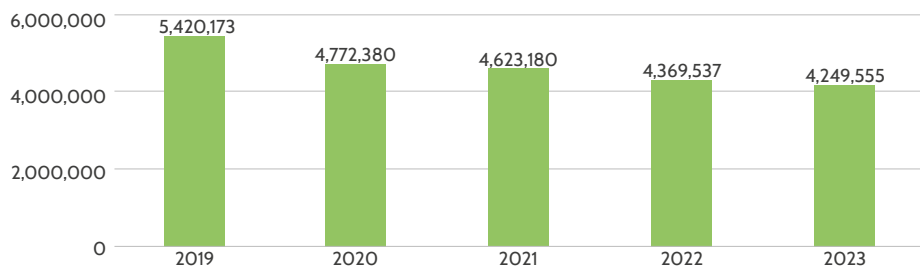
On track

We are on track to achieve our 2030 interim targets to further reduce both Scope 1 and 2 GHG and methane emissions and on our trajectory to achieve net zero.

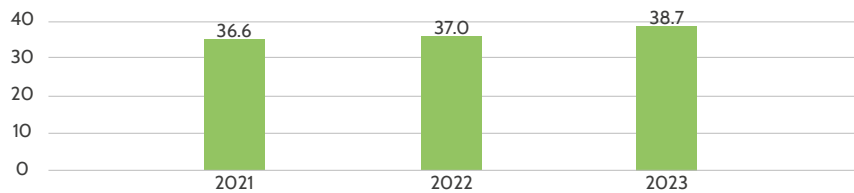
Strategies for further reductions, among others:

- Flare reductions
- Storage tank blanketing using nitrogen
- Facility footprint optimisations

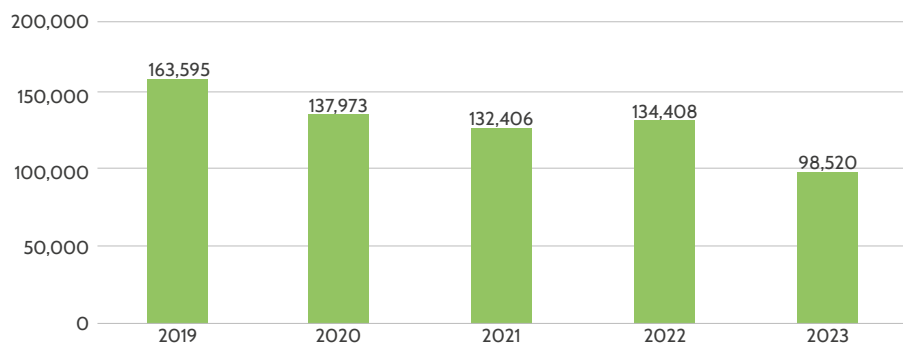
Scope 1 and Scope 2 GHG Emissions from Oil & Gas (tCO₂e)



Energy Consumption from Oil & Gas (million GJ)



Oil & Gas Scope 1 GHG Emissions from Methane (CH₄) (tCO₂e)



Emissions Reductions

'Emissions Reductions' are initiatives that aim to reduce emissions from our operations and supply chains and improve our energy and resource efficiency. Additionally, under this pillar, we also aim to explore nature-based solutions for carbon sequestration.

GHG Emissions Performance

We continue to manage, monitor, and disclose our Scope 1 and Scope 2 GHG emissions. We are currently improving our internal systems and processes to disclose our Scope 3 GHG emissions. We aim to disclose our assured Scope 3 GHG emissions and their interim targets in 2025.

We ensure that our standardised Air and GHG Emissions Calculation Tool complies with the latest updates to laws and regulations and aligns with all relevant standards and frameworks¹.

Direct GHG Emissions (Scope 1)

We account for direct emissions from our oil & gas and power assets as part of our Scope 1 GHG emissions. The two largest sources of these emissions are the combustion and flaring of natural gas in our operations. We are supporting government's programme on eliminating routine flaring by 2030.

Oil & Gas

In 2023, our absolute Scope 1 GHG emissions² from our oil & gas assets were 4,223,200 tCO₂e. This is a 2.8% decrease from the previous year due to operational improvements, GHG emissions reduction projects, and natural production decline.

This table provides a breakdown of our Scope 1 GHG emissions in tCO₂e and their sources:

Type of GHG emissions sources	2021	2022	2023
Combustion	4,228,194	3,902,451	3,835,109
Flaring	270,897	340,562	317,247
Venting	30,303	31,309	28,093
Process (Feedstock)	2,166	1,439	2,155
Fugitive	73,910	69,386	40,597
Total	4,605,470	4,345,147	4,223,200

The decrease of Scope 1 GHG emissions is due to operational improvements (e.g. fuel optimisation, and both flaring and venting reduction projects) and natural production decline. For further information on the trend and statistics of this Scope 1 GHG emissions data, please refer to the 2023 GRI Performance Data.

The following presents our CH₄ values from our Scope 1 GHG emissions:

	2021	2022	2023
Scope 1 GHG emissions from CH ₄ in tCO ₂ e	132,406	134,408	98,520
Percentage of Scope 1 GHG emissions from CH ₄	2.9%	3.1%	2.3%

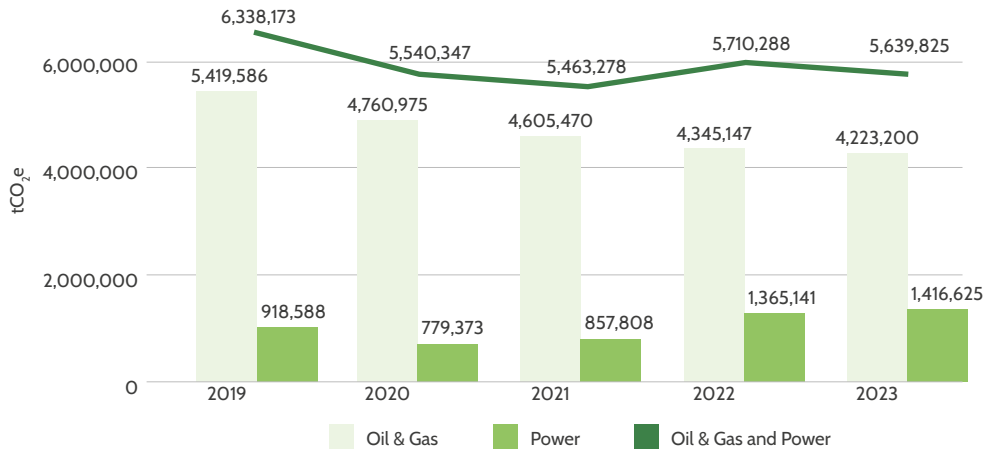
¹ Our Air and GHG Emissions Calculation Tool references the American Petroleum Institute (API) Compendium 2009, the US Environmental Protection Agency (EPA) AP-42 Compilation of Air Pollutant Emissions Factors, the IPCC Guidelines for National Greenhouse Gas Inventories 2006, the GHG Protocol for Corporate Accounting and Reporting Standard from the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) 2004, EPA Mandatory GHG Reporting 2016, US EPA GHG Inventory Guidance 2016, the ISO 14064-1:2006, Natural Gas (Second Edition: 2019) by James G. Speight and Republic of Indonesia Implementation Guidance of National Greenhouse Gas Emissions Inventory Book II - Volume 1 Year 2012.

² The list of assets in 2021-2023 that calculate GHG Scope 1 Emissions—**International**: Oman and Thailand; **Domestic**: Rimau, South Sumatra Block, Lematang, Tarakan, Block A, South Natuna Sea Block B, Bangkanai, Sampang, Madura Offshore, Corridor and Jakarta Office. Corridor acquisition completed in March 2022. Emissions from Corridor is included from 2019 as it is our base year.

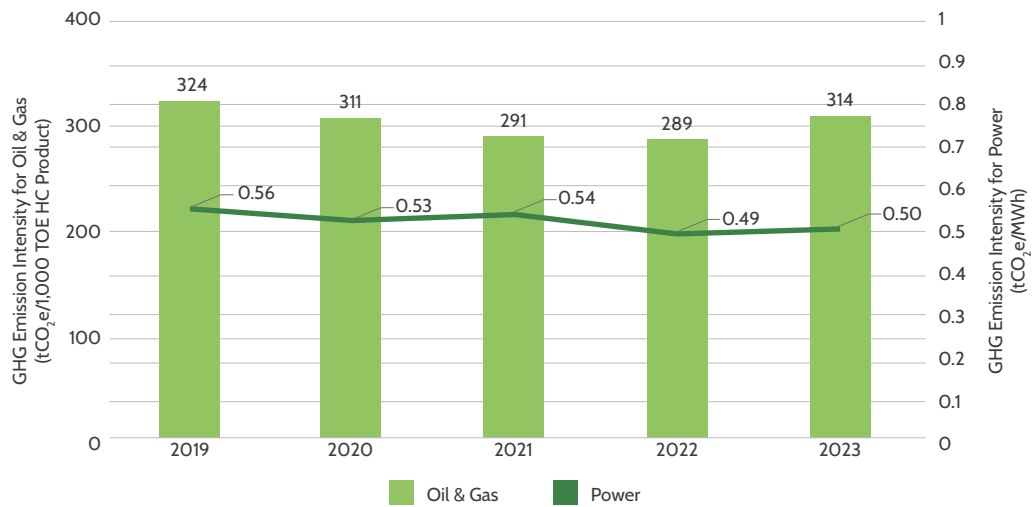
Power

For our power business, our absolute Scope 1 GHG emissions in 2023 were 1,416,625 tCO₂e, indicating a 3.8% increase from 1,365,141 tCO₂e in 2022¹. This increase is primarily due to the rise in electricity production, which led to increases in the consumption of natural gas and Scope 1 GHG emissions.

Absolute Scope 1 GHG Emissions in Oil & Gas and Power



Scope 1 GHG Emissions Intensity in Oil & Gas and Power



Indirect GHG Emissions (Scope 2)

Our Scope 2 GHG emissions are our indirect GHG emissions associated with our purchased electricity.

Oil & Gas

In 2023, our oil & gas assets emitted 26,354 tCO₂e of Scope 2 GHG emissions, indicating an 8% increase from 24,390 tCO₂e in 2022². Part of this increase came from our 2023 switch to grid power in the South Sumatra Block, Bangkanai and Oman assets.

Power

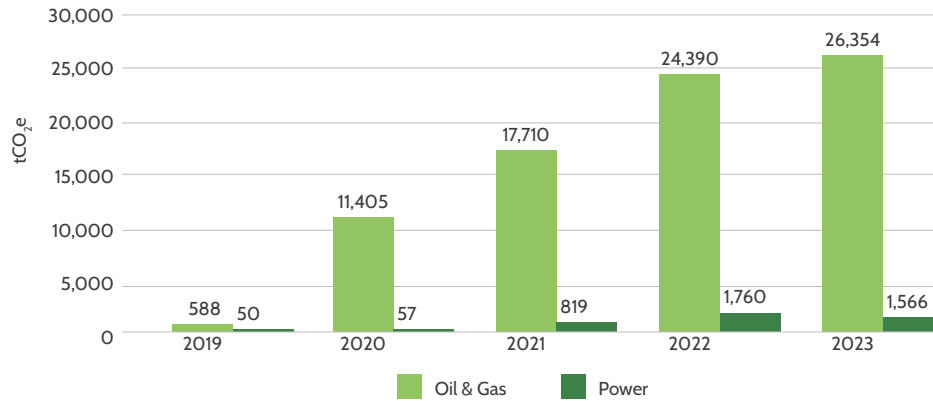
Our power assets' Scope 2 GHG emissions were 1,566 tCO₂e in 2023, indicating an 11% decrease from 1,760 tCO₂e in 2022³. This is due to fewer unplanned outages at operational assets followed by decreases in imported electricity and Scope 2 GHG emissions.

¹ The assets in 2022 and 2023 that produced Scope 1 GHG emissions are ELB, EPE, MPE, MEB, DEB, MRPR, BJI, PPP and MPI Head Office.

² The list of assets in 2023 that consume energy from purchased electricity consist of Bangkanai, South Sumatra Block, Tarakan, South Natuna Sea Block B, Sampang, Thailand, Oman, Singapore Office, Jakarta Office, Palembang Office and Corridor. Meanwhile, the list in 2022 is similar, but the Malaysia Office is included and the Palembang Office is excluded in the list.

³ The assets in 2022 and 2023 that produced Scope 2 GHG emissions are ELB, EPE, MPE, MEB, DEB, MRPR, BJI, PPP and MPI Head Office.

Absolute Scope 2 GHG Emissions in Oil & Gas and Power



Indirect GHG Emissions (Scope 3)

Our Scope 3 GHG emissions refer to the indirect GHG emissions that occur along our corporate value chain. They include all GHG emission sources that are not within our Scope 1 and Scope 2 GHG emissions.

We are currently working on enhancing our internal systems and processes to identify, manage and disclose our Scope 3 GHG emissions. This includes establishing an inventory, delivering capability-building sessions, and engaging with our business partners. We aim to assure and disclose our significant Scope 3 GHG emissions and set reduction targets by 2025.

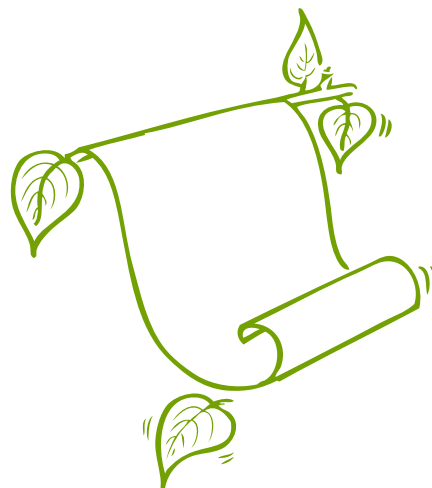
Energy Performance

At MedcoEnergi, we continuously implement programmes and initiatives aimed at securing energy efficiency to minimise our footprint. Furthermore, we regularly conduct energy audits to evaluate our consumption and identify opportunities to improve our performance.

To calculate our energy consumption and intensity, we use the American Petroleum Institute (API) Compendium 2009, the GHG Protocol for Corporate Accounting and Reporting Standards from WBCSD and WRI 2004, the ISO 14064-1:2006, and Natural Gas (Second Edition: 2019) by James G. Speight.

Oil & Gas

In 2023, our total energy consumption for our oil & gas assets was 38,738,652 GJ, showing a 4.6% increase from 37,026,220 GJ in 2022. There was also a 2.46-fold increase in energy consumption from renewable sources compared to 2022. The primary reasons for the increased consumption from renewable sources were because (1) domestic assets started using Biodiesel (B35) and (2) Onshore & Offshore assets installed solar PV.



Oil & Gas Energy Consumption and Intensity

	Unit	2021	2022	2023
Renewable energy sources (e.g., biodiesel (B30, B35), gasohol (E20) and solar energy)	GJ	43,347 ¹	107,655 ¹	264,407 ^{2,3}
Non-renewable energy (e.g., gasoline, natural gas, diesel, and crude oil)	GJ	36,392,837 ¹	36,755,763 ¹	38,296,845 ^{2,4}
Electricity consumption	GJ	159,850 ⁵	162,802 ⁶	177,400 ^{7,8}
Total Energy Consumption	GJ	36,596,034^{1,5}	37,026,220^{1,6}	38,738,652^{2,3,4,7,8}
Energy Intensity	GJ/TOE HC Product	2.31^{1,5}	2.47^{1,6}	2.88^{2,3,4,7,8,9}

Power

Our power assets had a total energy consumption of 15,100,104 GJ in 2023, an increase of 4.9% compared to 14,390,683 GJ in 2022.

Power Energy Consumption and Intensity

	Unit	2021	2022	2023
Renewable energy sources (e.g., biodiesel (B30, B35) and solar energy)	GJ	9 ^{10,11}	322 ^{12,13,14}	570 ^{12,15,16}
Non-renewable energy (e.g., gasoline, diesel, and natural gas)	GJ	15,275,316 ¹⁰	24,309,197 ¹²	25,226,144 ^{12,17}
Electricity consumption	GJ	3,135 ¹⁰	6,806 ¹²	6,070 ¹²
Electricity sold	GJ	5,738,838 ^{10,18}	9,925,642 ^{12,18}	10,132,680 ^{12,18}
Total Energy Consumption¹⁹	GJ	9,539,621¹⁰	14,390,683^{12,20}	15,100,104^{12,21}
Energy Intensity	GJ/MWh	5.97¹⁰	5.21¹²	5.36¹²

1 The list of assets in 2021-2022—**International**: Oman, Thailand, Singapore Office, and Malaysia Office; **Domestic**: Rimau, South Sumatra Block, Lematang, Tarakan, Block A, South Natuna Sea Block B, Bangkanai, Sampang, Madura Offshore, Corridor and Jakarta Office. Corridor acquisition completed in March 2022. Energy from Corridor is included from 2019 as MedcoEnergi's Emission base year started in 2019.

2 The list of assets in 2023—**International**: Oman, Thailand, and Singapore Office; **Domestic**: Rimau, South Sumatra Block, Lematang, Tarakan, Block A, South Natuna Sea Block B, Bangkanai, Sampang, Madura Offshore, Corridor, Jakarta Office, and Palembang Office. In 2023, Malaysia Office is not included due to stop operating in November 2022.

3 Domestic assets start using Biodiesel (B35) and solar PV installation in Onshore & Offshore.

4 Higher compressors fuel gas consumption in Corridor.

5 The list of assets in 2021 that consume energy from purchased electricity consist of Tarakan, South Natuna Sea Block B, Sampang, Thailand, Oman, Malaysia Office, Singapore Office, Jakarta Office, and Corridor.

6 The list of assets in 2022 that consume energy from purchased electricity consist of Bangkanai, South Sumatra Block, Tarakan, South Natuna Sea Block B, Sampang, Thailand, Oman, Malaysia Office, Singapore Office, Jakarta Office, and Corridor.

7 The list of assets in 2023 that consume energy from purchased electricity consist of Bangkanai, South Sumatra Block, Tarakan, South Natuna Sea Block B, Sampang, Thailand, Oman, Singapore Office, Jakarta Office, Palembang Office, and Corridor.

8 Implementation of electrification projects in Oman, South Sumatra Block, and Bangkanai.

9 Higher compressors fuel gas consumption in Corridor as well as lower production in several assets as a result of natural decline.

10 The list of assets in 2021 — ELB, EPE, MPE, MEB, and DEB.

11 The list of assets in 2021 that consumed renewable fuel: EPE.

12 The list of assets in 2022 and 2023 — ELB, EPE, MPE, MEB, DEB, MRPR, BJI, PPP, and MPI Head Office.

13 The list of assets in 2022 that consumed renewable fuel: ELB, MEB, MRPR, BJI, and PPP.

14 The significant increase of renewable energy consumption is mainly due to increasing biofuel and solar panel usage in additional and existing operational assets.

15 The list of assets in 2023 that consumed renewable fuel: ELB, MPE, MEB, MRPR, BJI, and PPP.

16 The significant increase in renewable energy consumption is mainly due to increasing biofuel and solar panel usage as well as the use of Biodiesel (B35) starting in 2023.

17 The significant increase in non-renewable energy consumption is mainly due to increasing amounts of electricity production and operational hours in 2023 compared to 2022, which resulted in increases in natural gas consumption.

18 The actual productions in ELB, MEB, DEB, and MRPR were the total amounts of electricity produced by the engines and sold to the third-party (PLN), while in MPE, EPE, BJI, and PPP, the actual production contains electricity sold to third-parties and used for internal consumption.

19 Total energy consumption in Power is calculated as the sum of fuel consumption from both renewable and non-renewable energy sources plus electricity consumption, minus the electricity sold.

20 The significant increases in energy consumption are mainly due to additions in operational assets. Hence, the amounts of electricity production also increased in 2022, followed by increases in energy consumption.

21 The significant increases in energy consumption are mainly due to the increasing amounts of electricity production and operational hours in 2023 compared to 2022, which resulted in increases in natural gas consumption.

Strategic Initiatives

We have undertaken the following efforts in our oil & gas assets to decrease GHG emissions.

Implemented **41 initiatives** throughout 2023,
with estimated peak annual¹ GHG emission reductions: **147,963 tCO₂e**
In addition, a one-time reduction of **94,860 tCO₂e** was achieved from well cleanup and testing activities.

Total investments in GHG emissions reduction programmes and initiatives in 2023:
USD 1.8 million



Included in the initiatives:
a **CH₄ emission reduction of 1,409 tCO₂e² and 8,084 tCO₂e**
one-time reduction from well cleanup and testing activities in 2023.

We consider our GHG emissions reduction so far to be commendable, which have resulted from our operational efficiencies and improvements in most assets. Achieving such reductions involved enhancing operational efficiencies through technological upgrades, process optimisations and shifts to cleaner energy sources for operations. These changes also led to operational improvements that continue to benefit our company. We strive to continuously reduce our GHG emissions through various initiatives, which are guided by our targets to achieve net-zero emissions for Scope 1 and Scope 2 by 2050.

Onshore²

Our onshore assets in the South Sumatra Block, Rimau, and Lematang have finished various decarbonisation projects that revolve around process efficiency improvements, solar PV installations, and facility footprint reductions.

Onshore		
Rimau	South Sumatra Block	
Estimated reduction of 3,651 tCO ₂ e/year	Estimated reduction of 3,000 tCO ₂ e/year	Estimated reduction of 347 tCO ₂ e/year
Progressive Mothballing of our Onshore asset's old equipment at Rimau. Mothballed equipment include crude oil tanks, gas scrubbers, and gas lines among others.	Improvements with our gas engine generator operations at Soka and Jene Stations led to reduced fuel gas consumption, maintenance costs, process safety risks, and GHG emissions.	Making a switch from onsite power generation to PLN's grid electricity at our Gunung Kembang Mess and Temelat Station. Grid electricity infrastructure was built in order to facilitate the use of grid electricity

Across our Onshore assets in **South Sumatra Block and Lematang**, we have used **renewable energy** within the operational area to **power our facilities and streetlights**.

Estimated reduction of **116 tCO₂e/year**

¹ The peak annual emission reductions refer to the maximum amounts or the highest possible amounts of decreases in emissions achieved in a particular year compared to a previous reference period.
² The numbers indicate the peak annual emission reductions

Gas Engine Generator (GEG) Optimisations at Jene and Soka

The South Sumatra Block identified eight GEG units running below optimum loads at the Soka and Jene stations. The subsequent optimisation initiatives led to increased load factors for the GEGs and reductions in total GEG use: from eight to six. These initiatives also saved USD 1,200 per day in fuel costs, with a total GHG reduction of around 3,000 tCO₂e/year.

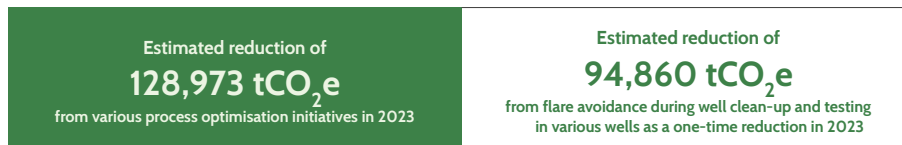
Renewable Energy Certificates (REC)

The Bangkanai and South Sumatra Block assets have implemented a strategic approach, shifting from sourcing their own power to purchasing electricity from the State Electricity Company (PLN) since 2022. These purchases were made partly through the Renewable Energy Certificates (RECs) from the hydroelectric energy provided by Medco Power Indonesia.

In 2023, the redemption of RECs represents electricity generated from renewable sources amounting to 115.09 MWh in Bangkanai, and 86.36 MWh in the South Sumatra Block. Meanwhile, 69.10 MWh of electricity was generated from renewable sources in 2022 for both the Bangkanai and the South Sumatra Block.

Corridor¹

Our Corridor asset actively evaluates and carries out various projects to lower our emissions. In 2023, we focused on two emission reduction initiatives that we determined to have maximum impact: optimising our processes and reducing flaring.



Corridor					
Grissik			Suban		
Operational improvements through Amine process optimisation	Estimated reduction of approximately 82,276 tCO ₂ e/year	Operating strategy optimisation of Grissik's Thermal Oxidiser (TOX)	Estimated reduction of 3,027 tCO ₂ e/year	Amine flash gas utilisation as Low-Pressure Fuel Gas	Estimated reduction of 12,672 tCO ₂ e/year
Optimised the Operating Mode at Grissik	Estimated reduction of approximately 13,698 tCO ₂ e/year	Passing valve replacement to reduce flare flow rate	Estimated reduction of 2,476 tCO ₂ e/year	Fuel use reduction through sales gas compressor operation optimisation	Estimated reduction of 7,941 tCO ₂ e/year
Rawa		Dayung		Replaced diesel generator power to Suban Plant power	
Flare reduction through passing valve replacement at Letang Tengah Rawa (LTR) Plant	Estimated reduction of 6,613 tCO ₂ e/year	Gas instrument requirement review and optimisation	Estimated reduction of 31 tCO ₂ e/year		
Well Clean-up and Testing					
Avoided flaring emissions by flowing flare gasses during well clean-up and testing directly to sales. This was applied to wells in Suban, Dayung, Sumpal, and Gelam throughout 2023				Estimated reduction of 94,860 tCO ₂ e	

¹ The numbers indicate the peak annual emission reductions.

Corridor Amine Process and Operating Mode Optimisation

Corridor is processing gas from high CO₂ fields like Sumpal, Dayung, Gelam, and Letang Tengah Rawa, and is facing challenges in managing utility consumption. In 2023, it implemented initiatives to improve operational efficiency, including adjustments to amine circulation and GTG operating mode, and shutting down the Thermal Oxidiser (TOX) operation. These efforts have significantly reduced fuel gas usage, potentially reducing GHG emissions by 97,000 tCO₂e/year.

Suban Amine Flash Gas Utilisation as LP Fuel

Since 2020, amine flash gas has been used as a low-pressure (LP) fuel source in the Suban field, with efforts to optimise the process increasing its conversion into LP fuel. These measures have decreased fuel gas consumption by 0.6 million standard cubic feet per day (mmscfd) and prevented amine flash gas from being burned in TOX, reducing greenhouse gas emissions by 12,000 tCO₂e/year.

Offshore

Our offshore assets have advanced their decarbonisation projects through operational improvements and solar PV installations.

Offshore					
South Natuna Sea Block B			Sampang		
Running on a single gas turbine generator (GTG) to optimise fuel usage at Hang Tuah field	Estimated reduction of approximately 1,980 tCO ₂ e/year	Running on a single gas turbine generator (GTG) to optimise fuel usage at North Belut field	Estimated reduction of 6,930 tCO ₂ e/year	Optimised the operating mode of the utility and instrument air compressor at Grati	Estimated reduction of 91 tCO ₂ e/year
Refrigeration unit process optimisation at Hang Tuah field	Estimated reduction of approximately 1,980 tCO ₂ e/year	Optimised air cooler operation at Kerisi field	Estimated reduction of 79 tCO ₂ e/year	Implemented solar PV systems for Base Road lighting at Grati	Estimated reduction of 34 tCO ₂ e/year
Installed solar panels at 3 buildings at our Matak Site, amounting to around 150 kWp of capacity. <ul style="list-style-type: none"> • Jetty Office (25 kWp) • Airport Terminal (65 kWp) • Wisma Belida (50 kWp) 	Estimated reduction of 101 tCO ₂ e/year	Installed a solar PV system to provide 100% of the power for our new platform at Bronang	Estimated reduction of 238 tCO ₂ e/year		
South Natuna Sea Block B and East Java					
Optimised our facilities' lighting by switching our light source to LED				Estimated reduction of 12 tCO ₂ e/year	



1 The numbers indicate the peak annual reduction.

Single GTG Operation at North Belut

The South Natuna Sea Block B opted to streamline its operations at the North Belut field following a thorough reliability assessment. This involved transitioning from two gas turbine generators (GTGs) to a singular GTG configuration. This strategic decision has resulted in noteworthy fuel conservation, estimated at approximately 0.35 mmscf, thereby corresponding to an annual emission reduction of 6,930 tCO₂e/year. Additionally, this transition has facilitated savings in maintenance expenditures.

Refrigeration Unit Optimisation at Hang Tuah

The Western Hub, comprising the Hang Tuah and Belida processing facilities, sends treated gas to buyers, with Hang Tuah serving as the sales gas hub. These facilities, powered by GTG, use the hydrocarbon dew point unit treatment through refrigeration to meet gas sales contract requirements. Declining production led to efforts to optimise gas treatment that focused on refrigeration unit performance across the Western Hub.

Our analyses revealed that gas sales specifications could be met through treatment in Belida and adjusting gas blending ratios. Therefore, it allowed Hang Tuah's refrigeration unit to be placed on standby. This optimisation led to reductions in both GTG loads and emissions, by 1,980 tCO₂e/year.

Energy Audits at our Offshore Assets

At MedcoEnergi, we conduct regular energy audits at least once every three years, as required by both Green PROPER and our Climate Change Strategy. We conducted energy audits for both South Natuna Sea Block B and East Java in 2022 that involved certified internal and external energy auditors.

These audits recommended that energy consumption be more efficiently managed and operational efficiencies be enhanced. Among others, the audits recommended a solar PV light pole project in our Grati facility, East Java. These recommendations were implemented in 2023; as a result, this low carbon electrification in Grati could potentially reduce emissions by 34 tCO₂e/year.

International

Our asset in Oman has transitioned from diesel generators to overhead line electricity to power the pumps in our Salwa Field operations. This electricity is sourced directly from our client, Petroleum Development Oman (PDO). By converting to electricity, we reduced GHG emissions by up to 431 tCO₂e each year. We plan to expand this electrification programme to additional fields.



Commissioning of Diesel Genset conversion to Overhead line electricity in Salwa Field, Oman

Transitioning To Low Carbon Energy

The strategies to transition to low carbon energy have allowed us to harmonise our activities with the energy transition as we shift from fossil fuels to renewable energy. Natural gas has become a transitional fuel to reduce emissions and address the increasing energy demands in the area. In response, we are expanding our natural gas production and renewable energy portfolio.

In 2023, our power sales rose to 4,155 GWh, marking a 4.1% increase from the previous year. These escalating sales, paired with our expanded renewable energy proportions in our energy mix, reached 23% in 2023¹. We are thus on track to achieve our renewable energy mix target of 26% by 2025 and 30% by 2030.

Our Energy Transition With Gas

We strive to consistently increase our supplies of electricity with gas power. The following highlights our progress in gas infrastructure in 2023:

275 MW	2x35 MW (Existing) + 39 MW (Add-on)
Gas-fired Powerplant Riau	Gas-fired Powerplant Batam
<ul style="list-style-type: none"> Owned by Medco Power Indonesia and RATCH Group Operated by PT Medco Power Servis Indonesia (MPSI) Reached Commercial Operation Date (COD) in February 2022 Achieved the first fully operational year in 2023 	<ul style="list-style-type: none"> Owned and operated by PT Energi Listrik Batam (ELB) The Simple Cycle Power Plant (SCPP) has been operating since 2017 Currently installing a 39 MW Combined Cycle Add-on The Add-on is considered an energy conservation project, utilising exhaust energy to produce additional electricity The Add-on plans to reach COD in Q3 2025

We expanded our role in providing gas to both domestic and international markets through a fuel switch from more intensive carbon fuel to lesser carbon and cleaner fuel. This is in alignment with the government's energy transition efforts.

Below are the key points of the new gas sales agreement (GSA) that we concluded in 2023:

GSA	Description
Block B – Sembcorp Gas GSA	GSA between Medco E&P Natuna Ltd. and Sembcorp Gas Pte. Ltd. for the sale and purchase of gas from South Natuna Sea Block B.
South Sumatra – PUSRI GSA	GSA between PT Medco E&P Indonesia – PT Medco E&P Lematang and PT Pupuk Sriwidjaja Palembang (PUSRI), with gas jointly supplied by the South Sumatra and Lematang.
East Java – SCE GSA	GSA between Medco Energi Madura Offshore Pty. Ltd. and PT Sarana Cepu Energi (SCE).
New PGN GSA	GSA between Medco E&P Grissik Ltd. and PT Perusahaan Gas Negara, Tbk. (PGN/State-owned Gas Company).

¹ Renewable power equity shares installed capacity. Government of Indonesia's 2025 target: 23% and 2030: 25%.

Expanding Our Renewable Portfolio

As part of transition to low carbon energy, we are expanding our renewable power portfolio in solar PV and geothermal. This is spearheaded by our Power subsidiary.

Below is our revenue from renewables and its percentage from total revenue in Medco Power.

	2021	2022	2023
Total MPI Revenue ¹ from renewables in USD	128,353,513.28	120,490,736.25	286,761,356.36

	2021	2022	2023
Renewables	2%	4%	60%
Non Renewables	98%	96%	40%

Solar Photovoltaic (PV)

We have expanded our solar PV portfolio in recent years. The following highlights the progress of our solar PV projects as of 2023:

Project	Progress in 2023
Sumbawa PV (26 MWp)	<ul style="list-style-type: none"> Jointly owned by Medco Power and Amman Mineral Nusa Tenggara (AMNT) Currently the biggest operating ground-mounted solar PV facilities in Indonesia Estimated to reduce emissions by approximately 40,000 tCO₂e/year Achieved Commercial Operation Date (COD) in June 2022; first full operating year in 2023
East Bali PV Project (25 MWp)	<ul style="list-style-type: none"> Developed by Medco Power and Solar Philippines Estimated to reduce emissions by approximately 45,000 tCO₂e/year Reached Final Investment Decision (FID) in December 2023, with expected COD in December 2024
Bulan Island PV Project (over 2,000 MWp)	<ul style="list-style-type: none"> Proposed by Medco Power, Pacific Power Pte Ltd, and Gallant Venture Ltd Our consortium, Pacific Medco Solar Energi, has been granted a conditional approval import license for 600 MW Estimated to reduce emissions by approximately 830,000 tCO₂e/year Expected to reach COD in 2028
Solar Rooftops at ELB and MRPR site offices	<ul style="list-style-type: none"> Installation of solar rooftop in Medco Power operation areas to reduce the carbon footprint Estimated to reduce emissions by approximately 94.90 tCO₂e/year Operating at a capacity of 33 kWp for ELB and 47 kWp for MRPR since 2019 and 2022, respectively.

Geothermal Projects

With a focus on delivering cleaner and reliable energy, MedcoEnergi has been increasing our geothermal energy capacity in Indonesia. The following highlights our key geothermal projects:

330 MW	34 MW
<p>Sarulla Geothermal North Sumatra</p> <ul style="list-style-type: none"> Owned by a consortium of Medco Power, Kyushu Electric Power, Itochu, INPEX, and Ormat International Currently the largest single-contract geothermal power plant in the world Potentially contribute to the reduction of 1,090,196 tCO₂e/year Reached Commercial Operation Date (COD) in 2017 for Unit 1 and Unit 2, and Unit 3 commenced operation in 2018 	<p>Ijen Geothermal (Phase 1) East Java</p> <ul style="list-style-type: none"> Operated by Medco Power and Ormat Technologies Potentially contribute to the reduction of 235,000 tCO₂e/year Completed development drilling for Ijen Phase 1 (34 MW) Plan to achieve COD in Q1 2025

We are also in the early stages of exploration for Bonjol Geothermal (50 MW) in West Sumatra.

¹ Including revenue from progress construction and excluding intercompany eliminations.

Mini Hydropower

Through PT Medco Hidro Indonesia, we operate two mini hydropower plants in West Java: Cibalapulang and Pembangkitan Pusaka Parahiangan, with a combined capacity of 18 MW.

Wind Energy Project

Medco Power is assessing a wind power plant in West Sumbawa. A feasibility study is underway, funded by the United States Trade and Development Agency (USTDA) Grant.

Electric Vehicle (EV)

We have started utilising EV in our operations in Jakarta, Pekanbaru and Batam, which includes EVs and charging infrastructure.

Pursuing Decarbonisation Through CCS/CCUS

At MedcoEnergi, we contributed to forming key government regulations and the Indonesian National Standards (SNI/Standar Nasional Indonesia) on carbon capture and storage (CCS) and carbon capture, utilisation and storage (CCUS). This was achieved by providing feedback through the Indonesia Petroleum Association (IPA) and directly participating in Indonesian government taskforces.

We are also conducting studies on CCS at South Natuna Sea Block B, Gelam field in Corridor¹ and Arung Nowera gas field development in South Sumatra. These efforts align with our Climate Change Strategy to remove carbon.

Renewable Energy Certificates

As part of our renewable energy adoption, Medco Power is commercialising our carbon attributes, Renewable Energy Certificates (RECs) and carbon credits. We have also registered with the recently launched Indonesia Carbon Exchange (IDX Carbon).

Emerging Physical Climate Risk Management

Climate Adaptation

We conducted a CCRA that assessed the quantitative financial impacts of climate-related physical risks in 2023. This study's approaches and findings can be read in the section "Assessing Our Climate-Related Risks and Opportunities". Following that assessment, we plan to develop systems to regularly monitor climate hazards and their impacts.

We are committed to adhering to national and international best practices for monitoring mechanisms. This will enable us to explore opportunities to maintain asset integrity and the safety of our employees amidst climate uncertainties.

¹ Joint injection study with Repsol Sakakemang BV (RSBV).

Climate Design

We thoroughly assessed our new projects and operations, with climate change and biodiversity included as key indicators. Further details on our sustainability assessments are available in Chapter 6. In addition, we assessed activities such as maintenance and transportation that could pose environmental risks and contribute to climate change. For example, we assessed the biodiversity impacts that maintenance on Corridor's pipeline right-of-way (ROW) might have near the Dangku Wildlife Reserve.

We are incorporating climate risk assessments into future engineering designs. For instance, we have modified our platform designs to incorporate solar panels on our new offshore platforms.

Enhancing Transparency

At MedcoEnergi, we guarantee transparency with our stakeholders regarding our ESG performance indicators, with a particular focus on climate change initiatives. We maintain the highest standards of integrity when presenting our performance data by adopting a third party limited assurance process for selected GRI indicators in our Sustainability Report (SR). Since 2017, we have progressively increased the number of assured indicators each year. In 2023, we covered 96 GRI indicators, a significant increase from the 2017's 31 indicators. This demonstrates our ongoing commitment to enhance the quality and scope of our sustainability reporting as well as respond to stakeholders' feedback effectively.




As part of the limited assurance process, our assurers visit selected oil & gas and power sites to gather evidence and documentation on selected GRI indicator samples. Each year, the assurers visit one oil & gas site and one power site. In 2023, the visit included the South Natuna Sea Block B oil & gas asset and the power assets of MEB and DEB. Sites that have been visited since 2018 include Rimau, South Sumatra Block, Corridor, South Natuna Sea Block B, MEB-DEB, ELB, and MRPR.

These site assessments focused on emissions, energy use, occupational health and safety (OHS), local communities, and indirect economic impacts.

The conclusion of this assurance process can be found on page 3 of this SR, and on the attached Limited Assurance Statement from KAP PSS - EY. The emissions and energy performance figures assured by KAP PSS - EY can be found on the [GRI Performance Data 2023](#). For information on OHS, refer to Chapter 10, while insights into local communities and indirect economic impacts are available in Chapter 8.

Alignment of Sustainability Initiatives with the UN SDGs

The following table maps our sustainability initiatives to realise our climate aspirations against the UN SDG targets. Please note that this mapping does not mean that MedcoEnergi claims to have measured or set targets for host governments in our operational areas in terms of achieving the UN's SDGs.

UN SDGs	Relevant Target	Key Initiatives
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	7.2, 7.3, 7.A, 7.B	<ul style="list-style-type: none"> • Renewable energy development: solar PVs and geothermal • Climate capability building training sessions, focusing on renewable energy development, deployment and community engagements.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	12.2, 12.6	Key initiatives within the Climate Change Strategy
 <p>13 CLIMATE ACTION</p>	13.1, 13.2, 13.3	<ul style="list-style-type: none"> • Key initiatives within the Climate Change Strategy • Renewable energy development: solar PVs and geothermal • Climate capability building training sessions • Participation in climate-related events and conferences • Climate change risk assessments of our assets to mitigate climate risks

Action Plans

The following action plans have been developed to meet our objectives and continue realising our climate aspirations. We regularly measure, monitor and report on our progress and performance against these actions:

Material Topics	Short-Term Actions	Medium/Long-Term Actions	Status
Climate Risk and Resilience	Assess and establish low, medium, and high-priority physical hazard for MedcoEnergi's business operations and assets through quantitative physical risk assessments.	Assess and establish low, medium, and high-priority physical hazard for MedcoEnergi's business operations and assets through quantitative physical risk assessments.	Quantitatively assessed site specific physical risks for Block A and JOB Tomori.
	Assess asset-level risks for all assets across MedcoEnergi's portfolio to evaluate the physical impacts of the identified hazards.	Continuously improve MedcoEnergi's physical risks assessments across its assets and business operations.	Qualitatively assessed 20 MedcoEnergi's assets and quantitatively assessed Block A and JOB Tomori.
	Carry out a quantitative financial impact analysis of the impacts of the hazards on MedcoEnergi's assets and overall business operations.	Consider using scenario analyses when quantifying the financial impacts of climate related physical risks.	Quantitatively assessed Block A and JOB Tomori using scenario analyses.
	Develop plans to mitigate and adapt to climate hazards; ensure they are linked to risk management plans. Carry out adaptation and resiliency measures.	N/A	Assessed the mitigation and adaptation plans in accordance with the results of the qualitative assessments for 20 MedcoEnergi's assets and quantitative assessments for Block A and JOB Tomori.
Climate Mitigation	Plan and execute compliance with Indonesia's government regulations on zero routine flaring by 2030.	Scale-up MedcoEnergi's efforts to comply with zero routine flaring by 2030.	We have identified the mitigation measures and are proceeding to implement them.
	Explore and implement flare gas use/optimisation opportunities in methane management in existing fields and future development.	Develop plans to use or conserve all the field's associated gas without routine flaring for new fields.	Completed implementing flaring optimisations during well programmes, Optimised amine flash gas for Low Pressure (LP) fuel gas, Replaced passing valve in Corridor assets.
	Evaluate The Oil & Gas Methane Partnership 2.0 (OGMP 2.0) commitments.	Establish OGMP 2.0 commitments.	Internal assesments are ongoing.
	Strengthen sustained, consistent organic processes to promote, evaluate, approve, and execute GHG reductions.	Continuously evaluate best available GHG emissions abatement technologies in the market to identify potential mitigation measures at the operation-level.	Included GHG emission reduction opportunities in business processes to evaluate, implement, monitor and report on project proposals, Evaluated and executed opportunities in assets by collaborating with the Climate Change Working Group and oversight by BoD.
	Seek and act on opportunities to reduce GHG emissions and energy intensity.	Continuously improve energy efficiencies at operation-level by adopting best technology and practices.	Implemented 41 initiatives in 2023 with potential reductions of up to 148,000 tCO ₂ e/year peak and a one-time reduction of 95,000 tCO ₂ e. The total implementation cost was USD 1.8 million.

Material Topics	Short-Term Actions	Medium/Long-Term Actions	Status
	Establish industry and regulatory collaboration and employ best technologies to ensure higher operations performance.	Conduct studies and collaborate with partners to promote digitalisation and renewable energy technology.	Continuously evaluated new technologies to reduce emissions.
	Promote partnerships and knowledge sharing with our value chain stakeholders to accelerate MedcoEnergi's Net Zero commitments and low-carbon energy transition.	Establish partnerships with experienced organisations (e.g. universities, research institutes) to promote technological innovations. Create partnership programmes to promote data transparency and implement the best practices along the value chain.	Held Vendor Day at oil & gas domestic and Bualuang assets, Held a Contractor Forum for power assets with topics that included sustainability and climate change.
	Define Scope 3 GHG emissions for MedcoEnergi.	Disclose Scope 3 GHG emissions commitments.	Currently working on enhancing our internal systems and processes to identify, manage and disclose our Scope 3 GHG emissions to assure and disclose our significant Scope 3 GHG emissions and set reduction targets by 2025.
	Evaluate Scope 3 GHG emissions of key suppliers and consider integrating GHG performance into contract screening criteria.	Explore opportunities to develop a digital platform and calculation tools for climate data management to be shared with MedcoEnergi's partners.	Engaged in discussions with potential suppliers.
Climate Adaptation	Establish a process to study and identify key climate vulnerabilities for material risks.	Continuously improve assessments of MedcoEnergi's physical and biodiversity risks.	The process of assessing climate change risks has been included in internal guidelines.
	Establish assessment approaches to evaluate risks and impacts on surrounding biodiversity.	Consider using scenario analyses when assessing physical and biodiversity risks.	The process to assess climate change related biodiversity risks has been included in internal guidelines.
	Screen future investments to evaluate their financial and operational viability.	N/A	Climate change related risk assessments for future investments have been included in internal guidelines.
	Develop and establish approaches to assess climate risks based on the results of climate vulnerability studies and ensure coverage of key material risks.	Continue to integrate climate risk assessments into future engineering designs and consider material risks to future projects.	Climate change related risk assessments for future investments have been included in internal guidelines.
	Integrate climate risk assessments into the designs of future engineering projects.	Continuously improve MedcoEnergi's approaches to climate designs and climate-proof future assets.	Climate change related risk assessments for future engineering projects have been included in internal guidelines.
	Conduct climate vulnerability studies on material risks and consider them in future engineering projects.	Consider integrating scenario analyses and plans in MedcoEnergi's climate risk assessments to further climate-proof assets.	Climate change related risk assessments for future engineering projects are being considered.

Creating Opportunities for Communities

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Sarulla Weaving Programme for Local Communities in North Tapanuli, Indonesia

This picture is the 3rd winner under the 'Social & Culture' category of the 2023 MedcoEnergi Photography Competition.



08

We aim to empower local communities around our operational areas to enhance their resilience and self-sufficiency. This commitment is reflected in our Community Development Policy, which is aligned with both the United Nations Sustainable Development Goals (UN SDGs) and national goals in the operating countries¹. Our community development initiatives are designed to nurture local potential and improve welfare, fostering self-reliant communities. We carefully evaluate and prioritise community needs, integrating local wisdom into our programmes.

Medco Oil & Gas' Community Development Policy is available on our website [here](#). This policy emphasises the following three key focus areas:

Key Focus Areas of the MedcoEnergi Community Development Policy



Approach, Commitments, and Goals

MedcoEnergi is committed to nurturing a positive impact on the communities in our operational areas. We incorporate thorough Environmental, Social, and Health Impact Assessments (ESHIA) into all our projects and develop comprehensive management plans. These plans are aimed to mitigate adverse effects and amplify positive outcomes for these communities, including vulnerable groups¹.

In addition to the ESHIA, we assess the environmental and social risks of our projects through sustainability assessments. Our Sustainability Assessment process is detailed on page 84–86. The results of these assessments are used to plan projects and mitigate obstacles.

Based on our assessments, there were no community resettlements in 2023 and none of our projects or operations interfered with or bordered on indigenous communities. We remain committed to adhering to international best practices and employing Free, Prior, and Informed Consent (FPIC)² principles whenever we expand or develop assets that might bring us near indigenous communities.

We aim to create opportunities for communities by sourcing local talent and encouraging our contractors to do the same. This commitment reflects our dedication to building local capability through initiatives such as training individuals to become operators in our operations. Consequently, local recruits comprised 60% of employees³ in MRPR and 47% in Block A in 2023.

¹ The national goals in operating countries mean any national-level objective or priorities set by the Central Government. For example, Indonesia has National Medium Term Development Plans (RPJMN); our national SDG goals are directed by The Ministry of National Development Planning (Bappenas), Thailand has 4.0 Strategy to transform the Thai economy into a value-based economy, and Oman has the 10th Five Year Development Plan for its 2040 vision.

² FPIC (Free, Prior and Informed Consent) is a principle that recognises the rights of indigenous peoples to give or withhold their consent on decisions that may affect their lands, territories, resources, and cultures, based on accurate and relevant information, and without coercion or manipulation.

³ The employees include permanent employees, direct contractors, and third-party contractors as of 31 December 2023.

Meaningful Engagements with Our Stakeholders

In the framework of the Social Management System (SMS), we conduct stakeholder and social mapping activities to identify local stakeholders or communities of interest. These procedures are essential to ensure that we effectively address community needs and carry out our programmes in a culturally sensitive manner.

Stakeholder Mapping

This process involves registering stakeholders related to environmental and social issues and considering their significance based on impact, stakeholder influence and interest.

Based on this mapping, a Stakeholder Engagement Plan (SEP) is formulated to provide a platform for effective engagement based on issues and risks. The SEP is utilised in evaluating the implementation of our community development programmes.

Social Mapping

This process involves identifying the social structures, relationships and dynamics of a community, including analysing the social context, demographics, stakeholder relationships, culture and security.

Our proactive and collaborative approach seeks to cultivate connections, trust, and confidence with local communities and other stakeholders. We believe that proactive SEP-based engagements can successfully mitigate potential risks and conflicts with community groups. Below, we outline the key roles involved in overseeing our community relations:

Field Relations Officer

Plans and implements community development programmes, including social mapping, planning, execution and reporting.

Community Enhancement Team

Provides direction to the community development programme's work plan and budget at the corporate level.

Asset General Manager

Reviews and approves the community development programmes and reports at the asset level.

We regularly participate in multi-stakeholder platforms, which include:

- village head forums (*Forum Kepala Desa*),
- sub-district leadership coordination forums (*Forum Koordinasi Pimpinan Kecamatan/FORKOPIMCAM*),
- district leadership coordination forums (*Forum Komunikasi Pimpinan Daerah/FORKOPIMDA*),
- local youth organisations (*Karang Taruna*),
- non-governmental organisations (NGOs),
- various other community-based organisations.

Human Rights and Security

Our [Security Policy](#) outlines our dedication to adhering to laws and regulations in our operating countries while upholding human rights. This policy is aligned with the UN's Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights (VPSHR). It lays down our strategies to identify and report security threats as well as our response procedures. It serves as an initial framework for MedcoEnergi Oil & Gas to address human rights concerns identified in our Human Rights Assessments (HRA); see page 43-45.

We also implement the Medco Security Management System (MSMS) across all oil & gas assets, leading to consistent enhancements in our security measures. This includes the organisation of various training sessions and capacity-building initiatives, such as the VPSHR, Gada Pratama, Gada Madya, and Gada Utama programmes. In 2023, 99.93% of Medco Oil & Gas and 100% of Medco Power security personnel participated in human rights training. The MSMS also enable us to map critical asset risks and follow them up through monthly monitoring and evaluating the security management plans.

Supporting Community Livelihoods

Our community development initiatives are designed to foster self-sufficient local communities. We maintain multi-year programmes tailored to meet the unique challenges and needs of the communities in our operational areas. Each of our assets routinely makes donations during the religious holy days to support underprivileged families and sponsors activities to commemorate Indonesia's Independence Day.

Community Development Programmes

The table below shows community development programmes carried out in 2023. The complete list of our community development programmes is available in the GRI Performance Data, GRI 203 on page 23-27 and GRI 413 on page 27-34.

Assets	Project Descriptions	Programme types
Block A Sumatra, Indonesia	Developed several cultivation and aquaculture programmes that included horticulture, mushroom, and pond fishery programme (e.g. catfish) activities.	Sustainable livelihoods (economy)
	Established a women and children empowerment centre (<i>Rumah Pemberdayaan Ibu & Anak</i>).	Sustainable livelihoods (education, health & economy)
South Natuna Sea Block B Riau Islands, Indonesia	Launched the Food Security Programme in collaboration with the Bina Tani Sejahtera Foundation.	Sustainable livelihoods (education, health & economy)
	Supported the operations of Anambas Fish Seed Centre to support and grow the local grouper cultivation economy.	Sustainable livelihoods (economy)
	Developed a local village into a tourism destination through capacity building for residents that enhanced the tourism infrastructure.	Sustainable livelihoods (economy)

1 The Gada Pratama training programme is designed for new security guards or candidates, while Gada Madya is follow-up training for those who have completed Gada Pratama. On the other hand, Gada Utama is exclusively intended for security managers at the chief security officer or managerial level.

2 GRI Performance Data provides breakdown for Indirect Economic Impact and Local Communities into Infrastructure, Sustainable Livelihoods & Community Development and Others (donation). MedcoEnergi considers that it is important to identify the specific activities for community empowerment through education, health, economy and environmental stewardship initiatives.

Assets	Project Descriptions	Programme types
Corridor South Sumatra, Indonesia	Empowered local women through our Local Business Development Programme.	Sustainable livelihoods (economy)
	Developed the local rubber commodity market through trainings and direct assistance to the market players.	Sustainable livelihoods (economy)
	Provided scholarships for 337 undergraduate students.	Sustainable livelihoods (education)
South Sumatra Block South Sumatra, Indonesia	Initiated a food security programme to enable communities to cultivate a variety of crops.	Sustainable livelihoods (health & economy)
Lematang South Sumatra, Indonesia	Educated Lematang's high school students, pregnant and breastfeeding mothers on stunting prevention and management.	Sustainable livelihoods (health & education)
	Improved community facilities and provided clean water infrastructure.	Infrastructure development
Rimau South Sumatra, Indonesia	Supported traditional culture-based fishery programmes and activities.	Sustainable livelihoods (economy)
	Contributed to eliminating stunting among residents by distributing food aid and collaborating with local organisations.	Sustainable livelihoods (health)
	Assisted with eliminating AIDS, tuberculosis, and malaria through education programmes in collaboration with local organisations.	Sustainable livelihoods (health)
East Java Asset East Java, Indonesia	Supported City Square Reading Park infrastructure programme	Infrastructure development
	Developed local micro, small, and medium enterprises by providing training on banana and cassava chip productions.	Sustainable livelihoods (economy)
Bangkanai Central Kalimantan, Indonesia	Provided capacity building to the human resources of village-owned enterprises (BUMDes).	Sustainable livelihoods (education & economy)
	Conducted reforestation activities in a 6.5 ha forest area in Karendan Village, North Barito District, Central Kalimantan.	Sustainable livelihoods (environment)
Tarakan Kalimantan, Indonesia	Implemented Climate Village Programme in Mamburungan Village	Sustainable livelihoods (environment)
Bualuang Thailand	Promoted students' rights and eliminating bullying. Organised a study trip for local students.	Sustainable livelihoods (education)
	Conducted mangrove reforestation to enhance coastal protection and contribute to conserving the local blue crab population.	Sustainable livelihoods (environment)
Oman Oman	Supported the greening of the environment in the community.	Sustainable livelihoods (environment)
MEB-DEB & ELB Batam, Indonesia	Provided access to electricity for underprivileged households.	Infrastructure development
MRPR Riau, Indonesia	Provided access to clean water to a junior high school.	Infrastructure development
MGS North Sumatra, Indonesia	Provided books to an elementary school to enhance students' interest in reading.	Sustainable livelihoods (education)

Community Development Support

The following table shows the financial support provided by MedcoEnergi over the last three years.

Programme (US\$)	2021	2022	2023
Sustainable livelihood & community development	524,287	1,132,176	1,235,705
Infrastructure development	1,031,951	905,129	406,286
Others	425,754	267,103	170,874
Total	1,981,992	2,304,408	1,812,866

Community Development Programmes Highlights

MedcoEnergi is dedicated to fostering positive impacts beyond its core business activity. This commitment is reflected in our robust community development programmes, which fall under five key pillars: education, health, economy, environment and infrastructure. We believe that supporting education, health, economy and environment of local communities can foster sustainable livelihoods. Through collaboration with local stakeholders, we empower individuals, strengthen communities and help create a sustainable future for all.



Food Security Programme in Block B

Education

Scholarships for University Students in Musi Banyuasin

Since 2002, the Corridor asset has provided scholarships for university students from 28 villages in Musi Banyuasin. The cumulative number of beneficiaries has reached 7,828 students.

These scholarships help them complete their bachelor's degrees and obtain good employment opportunities.



Scholarship recipients from Musi Banyuasin gathered for the award ceremony in Palembang.

Reading Centre for Children Literacy in a Remote Village

Medco Geothermal Sarulla (MGS) developed a reading centre named Sopo Malo Medco (Rumah Pintar Medco) in an elementary school located in the remote village of Lumban Gaol in North Sumatra. This reading centre aims to increase literacy among children. To do this, it has provided books and educational activities for children.

Moreover, MGS employees regularly visit the reading centre to teach the students English, writing, and geography. These fun learning activities have been enthusiastically welcomed by the students.



Elementary students attend an educational activity at Rumah Pintar Medco

Health

Education, Health Assistance, and Infrastructure Initiatives Against Stunting in South Sumatra

Stunting is a condition in which children experience impaired growth and development due to malnutrition, with impacts that can last into adulthood. In 2022, stunting prevalence in Indonesia was high, at 21.6%. Consequently, reducing stunting has become a national priority. Indonesia aims to lower the rate to 14% by 2024 to meet the World Health Organisation (WHO) standards of stunting rates below 20%¹. Our programs to prevent and handle stunting targets communities in South Sumatra and Aceh. Through partnerships with local health authorities, we implement a multipronged approach.

This includes early childhood education, improved healthcare services with health screenings, the provision of clean water and nutritious meals, and advice on healthy eating.

We also support awareness campaigns and counseling for pregnant women and health workers, emphasizing the importance of proper nutrition to prevent stunting. This comprehensive approach is designed to support communities, improve public awareness around stunting and health, and support a brighter future for children.



Various activities including education, checkups, and awareness raising aimed to eliminate stunting in Muara Enim (left) and Musi Banyuasin (right), South Sumatra.

¹ Based on the National Medium Term Development Plan (RPJMN) 2020-2024, <https://stunting.go.id/rakornas-2023-pastikan-prevalensi-stunting-turun-menjadi-14-pada-tahun-2024/>

Economy

Assistance and Carbon Footprint Studies for Rubber Cultivation in South Sumatra

Our Corridor asset launched a development programme to cultivate rubber. It aims to enhance the sustainability and productivity of rubber smallholders across seven villages in South Sumatra. This comprehensive programme not only supports agricultural development but also focuses on reducing emissions through a detailed study of the carbon footprint associated with rubber cultivation. Key interventions included training in rubber cultivation, providing production facilities, and offering guidance on tapping, processing, and marketing. We also provided assistance to calculate and mitigate CO₂ emissions from the cultivation process.

As a result, this programme has led to better-managed plantations with increased productivity and income. Our emissions study¹ highlighted the crucial role of rubber cultivation in contributing to carbon reduction efforts. The rubber plants absorb 282.12 tonnes of CO₂ per hectare per cycle from the atmosphere. The absorption rate surpasses the emissions generated by farmers' transportation and the use of fertilisers or other chemicals, totalling 45.56 tonnes of CO₂ per hectare per cycle. Therefore, it resulted in a net CO₂ absorption of 236.56 tonnes per hectare per cycle.



Various activities being conducted as part of the community rubber programme including assessing carbon footprints (left), monitoring, distributing fertilisers, and training to process rubber into bands (right).

¹ The 2023 Assessment Report of Corridor Asset Fostered Farmers' Rubber Plantation by Indonesian Rubber Research Institute (Pusat Penelitian Karet Indonesia).

Empowering Women Entrepreneurs and Communities in South Sumatra, East Java, and Kalimantan

We recognise the importance of fostering local businesses and entrepreneurs. This programme provides vital support and guidance to women-owned businesses and village-owned enterprises (BUMDes) in South Sumatra, East Java and Kalimantan. From enhancing product development to exploring online marketplaces and platforms, the programme empowers local women-led businesses to grow and contribute to the economic well-being of their communities.

- **Keripik Anggun, South Sumatra:** South Sumatra's cassava-based product enterprise Keripik Anggun highlights the programme's achievements, with our support enabling them to expand their product line, meet surging demand, and consequently increase their income. Today, Keripik Anggun's daily revenue can reach IDR 3.2 million, also boosting the earnings of local cassava farmers. We are also assisting Keripik Anggun with strategic planning and exploring online platforms to expand its reach nationally.

- **Dua Saudara, East Java:** We supported Dua Saudara, a similar project in Gedugan Village, Sumenep Regency. Dua Saudara is a small business specializing in cassava- and banana-based products. Through the programme we provided the tools and resources necessary for Dua Saudara to achieve sustainable production and operate independently, contributing to the local economy.

- **BUMDes, Kalimantan:** The programme extended its reach to village-owned enterprises (BUMDes) in Bangkai, Kalimantan. We supported training and assistance to help BUMDes members enhance their management skills and improve their business productivity.



Realising Food Security by Promoting Local Agricultural Potential in South Sumatra

Our South Sumatra Block asset's "Food Security Based on Local Potential" programme in Pali and Lahat Regencies aims to improve food security in the region, in alignment with the Government's plan. This programme focuses on crops, fisheries, and goat farming by leveraging community collaboration and local resources.

This initiative, with a IDR 20 million investment, partners with local governments to promote self-sufficiency in Sungai Ibul, Sungai Langan, and Sengkuang Villages. It has led to the creation of productive village gardens and transformed a goat farm in the Sengkuang Village into a tourism and learning hub, enhancing yields and introducing sustainable agricultural practices.



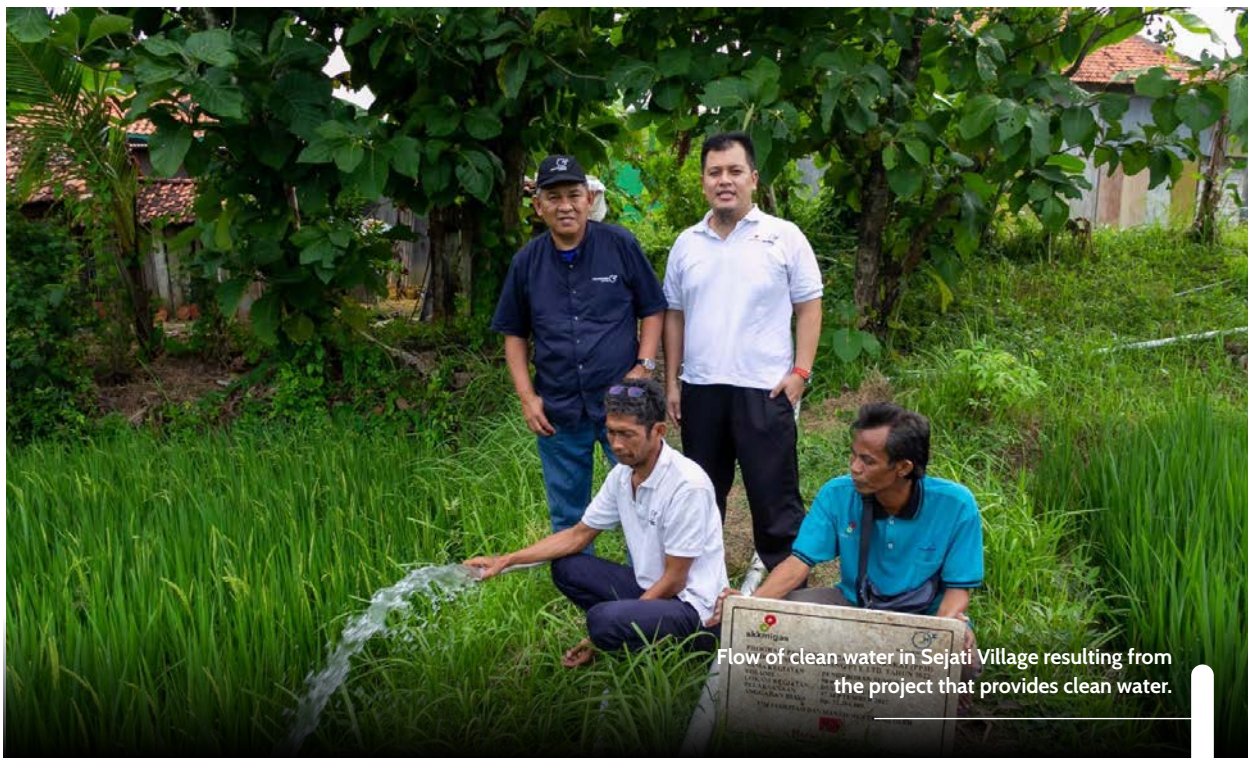
Various produce resulted from the food security programme in Langan and Sengkuang Villages in South Sumatra, Indonesia.

Infrastructure

Provision of Clean Water Infrastructure in East Java

The Sampang Regency is one region most impacted by drought in Indonesia for many years¹. The situation worsened in 2023 with the prolonged dry seasons due to El Niño. Our East Java asset responded to this by addressing the critical need for clean water in Sejati Village, Sampang. In 2022 we established vital water infrastructure by providing a well and two sets of water pumps. As a result, this initiative has supplied 50 families of Sejati Village's residents with clean water for irrigation, agriculture, and domestic purposes.

Following the programme's completion in 2023, we transferred the ownership and operation of the well and pumps to the village community. The consequent revenues generated from the well's operation is retained by the village. The programme created a sustainable model that allows for the ongoing maintenance of the well and pumps to ensure a long-term self-sufficiency in water supplies.



Flow of clean water in Sejati Village resulting from the project that provides clean water.

¹ Sampang Regency is classified as Medium to High Drought Risk by WRI Aqueduct (Water Risk Atlas), 2024.

Providing Access to Electricity in Batam by Medco Power

Forty underprivileged households now enjoy electricity access of up to 900 VA through this initiative by Medco Power subsidiaries¹. These households were previously not served by the State Electricity Company (PLN).

This effort supports the *Kepri Terang* programme² by the Riau Islands Provincial Government, which aims to bring electricity to underserved areas. This initiative was honoured in 2023 with an award presented by the Riau Islands Governor.



Governor of Riau Islands Province (left) handed the award to Medco Power, Riau Islands, Indonesia

¹ Mitra Energi Batam (MEB), PT Dalle Energy Batam (DEB), and PT Energi Listrik Batam (ELB)

² The Kepri Terang programme involves the procurement and connection of new electrical services, as well as extending electricity access hours. This is achieved by utilising the Corporate Social Responsibility (CSR) programme in the Riau Islands Province.

Environment

The *Kampung Iklim* (Climate Village) Programme in Tarakan

The Tarakan Climate Village Programme, also known as *Kampung Iklim* (Proklim), empowers residents of Mamburungan Village, Tarakan to adapt to climate change and improve their livelihoods. This initiative aligns with a nationwide programme overseen by the Ministry of Environment and Forestry (MoEF).

We provide farmers with training and assistance in integrated organic farming, in this case combining aquaculture with the production of rice. This does not only diversify food resources

but also optimise land use. The training also aims to reduce farmers' reliance on chemical inputs; we have provided a grinding machine capable of producing organic fertilizers.

Beyond these core areas, the Company has provided Mamburungan with a spring water 9,000 litre storage tank and the infrastructure to process animal manure into compost and organic fertilizer.



The Climate Village Programme encompasses biogas production (left), water source protection (middle), and composting (right) in Mamburungan Village, Tarakan, Indonesia.



Mangrove Conservation and Rehabilitation in Thailand

In 2023, our Bualuang asset supported mangrove reforestation along the shores of Ban Peek Ta Pet Village, together with 120 participants. This project aims to combat coastal erosion and enhance ecosystem resilience. The mangrove conservation activities will also increase the local blue crab population, which is an important income source for the villagers who actively participated in this project.

This project demonstrates our commitment to environmental stewardship and the protection of coastal communities.



Highlights from Block A

Our Block A assets implemented a record number of community development programmes in 2023, with a focus on ensuring sustainable livelihoods and advancing infrastructure development for the surrounding communities. We partnered with Department of Manpower and Population Mobility Aceh and Aceh Oil Institute to enhance local community capabilities through a 4-month internship programme hosted in our facilities. Additionally, we collaborated with Aceh Oil & Gas Management Agency (Badan Pengelola Migas Aceh/BPMA) to provide practical training for 23 students from vocational schools in Aceh at our facilities. These initiatives were established to contribute to development of the local community.

Some of the programmes are highlighted below:



Supported **Local Catfish Cultivation (Pond Fishery Programme)** businesses by building capacities, providing fish seeds, and cultivating ponds.



Supported the **Horticulture Cultivation Programme** in Blang Nisam Village by building capacities, creating a nursery inventory, and constant monitoring.



Provided support for the **Mushroom Cultivation Programme** in Julok Tunong Village through training and regular monitoring. Support for the programme resulted in **additional income for the local community and increased community awareness** of mushroom cultivation.



The hand over of **Liveable Houses Assistance** to five families from five villages in Alue Le Mirah Village, marking the completion of 31 liveable houses in East Aceh



Provided **Free Integrated Health** services for mothers and children in the Alue le Mirah Village that included assessing and treating health issues and distributing additional nutritional food to mothers, toddlers, and the elderly.

Community Development at JOB Tomori

At our non-operated asset, the Joint Operating Body (JOB) Tomori focused on implementing community empowerment programmes to foster sustainable local development. Some of these programmes have been conducted over multiple years to foster local champions.

Several 2023 programme highlights are listed below.



Education

- Delivered educational programmes in the Siboli Empowerment House.
- Provided after-school educational programmes for primary school students in the Loinang indigenous community.



Health

- Initiated the MAMA MITING (*Mari Bersama Menangani Stunting*) programme to prevent stunting and improve the quality of life by training health cadres and providing supplemental food.



Economy

- Empowered coastal communities through ecotourism and creative economic initiatives.
- Assisted with agroecology practices for organic farming to support independent farmers.
- Assisted women entrepreneurs to obtain permits and market herbal products.



Infrastructure

- Built a nursery school and renovated a primary school and its facilities.
- Built a micro-hydro power plant for the Loinang indigenous community that aims to start electricity generation from 2024.



Environment

- Promoted climate resilience in communities through the Climate Village programme.
- Enabled the conservation of sea turtles to be reclassified from Vulnerable to Critically Endangered status by the IUCN¹.
- Cultivated and built shelters for the Sulawesi masked owl (*Tyto rosenbergii*), which helps farmers reduce mice in paddy fields.
- Planted over 2,000 babasal coconut trees, which are superior national varieties endemic to Banggai. Over 2,000 fruit trees were also planted, the results of which will be shared among the communities.



Disaster Responses

- Distributed relief for flood and fire disasters.
- Built resilience in *Desa Tangguh Bencana* (disaster response village) through emergency preparedness training.

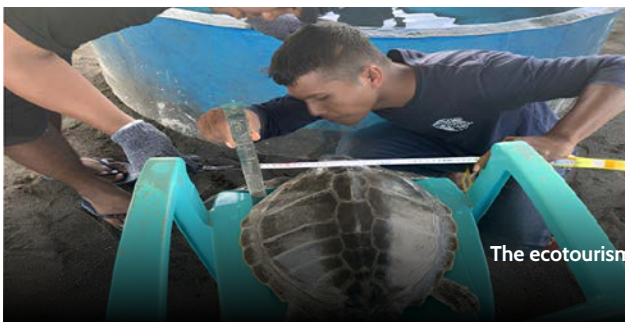
Promoting Sea Turtle Conservation and Ecotourism on Sinorang Beach, Banggai

Sinorang Beach is an important breeding ground for four out of the seven sea turtle species in the world. They are the Hawksbill Sea Turtle, Green Sea Turtle, Olive Ridley Sea Turtle, and Loggerhead Sea Turtle. JOB Tomori's sea turtle conservation programme employs a community-based approach that partners with local communities through familiarisations, education, and environmental campaigns.

This programme has successfully increased the biodiversity index from 3.20 H¹ to 3.45 H² within a year contributing to the

sea turtle conservation programme by the Ministry of Marine Affairs and Fisheries. JOB Tomori has rescued and rehabilitated 55 sea turtles with an investment of IDR 500 million.

This programme not only conserves wildlife but also provides revenue from ecotourism ticket sales to the local communities. This initiative also highlights community engagement by involving around 80 households and 12 members in its management.



The ecotourism site at Sinorang Beach (right) and one of the turtles rescued and rehabilitated by the programme (left).

1 The International Union for Conservation of Nature (IUCN) Red List of Threatened Species™ is the world's most comprehensive information source on the global extinction risk status of species.
 2 The Shannon diversity index (H) is commonly used to measure species diversity in a community. It accounts for both abundance and evenness of the species present.

Implementing Sustainable Community-Based Clean Water Management

The Loinang Sustainable Community-Based Clean Water Management (ASIH Loinang) focuses on enhancing water access for the Loinang indigenous community, which is a vulnerable group living remotely in a mountainous area and facing many limitations. They became our priority even though they are not part of the community impacted by JOB Tomori operations. This programme implemented the innovative Mata Nuue Eco Water Elevator method to improve water access. It also provides

education on water management, hygiene practices, fisheries, corn, and livestock farming.

The ASIH Loinang programmes also include reforestation efforts in upstream areas that aim to sustain water quality and prevent natural disasters. This holistic approach not only secures reliable water supplies but also bolsters community health and environmental sustainability.



Promotion of Sustainability Initiatives by Our People

Implementing Sustainable Farming and Producing Organic Fertilisers

Contributions to communities can also be accomplished by individuals in our workforce. One example came from Januari Samosir, a QA/QC painting/coating inspector serving one of our contractors in South Sumatra. Off duty, Samosir became both a farmer and organic fertiliser producer, engaging in organic farming on his own plot of land near his residence. He engages with the community to help them divert their organic waste from landfills and transform it into fertilisers.

Samosir's experience as a QA-QC professional made him realise that his reliance on synthetic fertilisers hindered his agricultural success. By transitioning to organic methods, he began producing his own fertilisers from local organic waste. He also does not use chemical fertilisers or herbicides, nor does he resort to burning to clear his farmland.

As a result, his commitment to sustainable farming practices has preserved soil health and biodiversity. It also increased his farm's yields and promoted environmental harmony. Samosir aims to expand his organic farming to contribute to local food security and environmental sustainability.



Sustainable farming performed by one of the Samosir's team member.

Expanding Our Impact with The Medco Foundation

The Medco Foundation, established in 2003 by Mr. Arifin Panigoro, the late founder of MedcoEnergi, was established from a desire to improve the lives of all Indonesians. Its alignment with the United Nations' Sustainable Development Goals (SDGs) enables it to foster significant and enduring change. In 2023, MedcoEnergi has been collaborating more closely with Medco Foundation. Among the initiatives are the Medco & I - Two Trees and Mauk-Banten province housing improvement programme for communities. These initiatives allowed the direct involvement of employees and contractors in the programmes.

As of 2023, the Medco Foundation extended its reach to 73 districts and cities across 23 provinces in Indonesia. These programmes covered nine districts across seven provinces in 2023 alone.

It demonstrates that its influence extends well beyond the communities located near our assets. The foundation allocated a total of IDR 12.3 billion, including donations and sponsorships, to various programmes across four key categories: public health, education and literature, social empowerment, and the environment. These initiatives benefitted more than 39,000 individuals.

Some of the foundation's key programmes in 2023 are listed below:



Blood donor event at the Energy Building, Indonesia.



Educational activities at RPIA.



Public Health

- Held a **blood donation event** at the Energy Building in Jakarta and gathered blood from 81 donors.
- Held **COVID-19 vaccination events** in Jakarta by providing second doses of booster vaccines to 2,891 individuals.
- In collaboration with Habitat for Humanity Indonesia¹, **provided** community members with **access to ten liveable houses, free medical services** to 100 villagers, and **staple food** to 400 families in Mauk, Banten, Indonesia.
- **Supported tuberculosis elimination programmes across Indonesia**, contributing to over 4,700 TB case findings.



Education and Literature

- Held the Arifin Panigoro (AP) Dialog, a discussion programme with Key Opinion Leaders (KOL). This programme aimed to **enhance awareness of national strategic issues** through dialogue and advocacy. **Tuberculosis and the carbon economy** were some of the topics that were discussed.
- Provided **organic farming training** to vulnerable youths in West Java, Indonesia, reaching 981 youths.
- Supported the **operations of two Women and Children Empowerment Centres (Rumah Pemberdayaan Ibu dan Anak/ RPIA)** in Julok and Indra Makmu, East Aceh, Indonesia. The RPIA provided various activities related to literacy, education, and health along with financial and computer training to a total of 1,172 people.

¹ Habitat for Humanity Indonesia is part of the large family Habitat for Humanity International, a globally recognised non-profit organization that helps families build and improve their homes.



A sewing business run by local women at Cilincing, Indonesia.



Mangrove planting as part of Medco & I - Two Trees initiative.



Social Empowerment

- Supported a **food security capacity building programme** at Pondok Pesantren Al-Ittifaq in Ciwidey, West Java, Indonesia. It trained 80 participants in agricultural entrepreneurship.
- Held a **community empowerment programme** in Cilincing, North Jakarta, Indonesia, in collaboration with the Indonesia Ministry of Social Affairs. We conducted **socio-economic assessments** and **provided sewing machines** to groups of local women to produce hotel sandals.



Environment

- **Planted 14,228 perennial and mangrove trees** in Muara Gembong and Taman Nasional Gunung Gede Pangrango, West Java, Indonesia, as part of the Medco & I - Two Trees Programme. This **aimed to improve carbon sequestration and prevent coastal erosion** in the region.



Handmade Crafts by Cahaya Hati Foundation members.



Donations and Sponsorships

Science and Education

- Supported the **Bosscha Observatory's Solar eclipse expedition, astronomy exhibition, and education** on the Kisar Islands, Maluku, Indonesia.
- Donated a women's centre building and other facilities to the Cahaya Hati Foundation.

Health

- Supported the activities of the National Population and Family Planning Board's (BKKBN) **Back to the Dinner Table** movement to reduce stunting rates and strengthen relationships between parents and children.

Arts and Culture

- Supported arts activities that contributed to developing and preserving cultural heritage.

Tuberculosis Elimination Programmes Across Indonesia

Tuberculosis (TB) is a very severe problem in Indonesia. In WHO's Global Tuberculosis Report 2022, Indonesia ranked 2nd in TB cases, with over 1,060,000 cases according to the Indonesia Ministry of Health¹. The far-reaching nature of the disease, along with its significant potential to decrease productivity, makes its elimination a priority for the Indonesian nation.

To help the country eliminate TB, the Medco Foundation has given support to two national TB elimination programmes: the Stop TB Partnership Indonesia (STPI) and the Indonesia Tuberculosis Eradication Association (PPTI). These two programmes tackle TB through screening and care, capacity building, and awareness raising. Through these programmes, the foundation contributed to over 4,700 TB case findings across Indonesia. Medco Foundation's support of these two programmes highlights our contributions to the best interests of all Indonesians.



Health Talk in annual commemoration of International TB Day 2023 and TB screening for Medco Group employees.

Self-Development Training Through Organic Farming for Vulnerable Youth

We believe that socio-economic empowerment that targets youth is significant to break poverty cycles among underprivileged families. For this reason, we rolled out self-development training through organic farming for vulnerable youth in two batches in 2023. These programmes benefited a total of 981 individuals up to 2023, with 86 participants joining the training in 2023 alone. Some of these participants came from the operational areas of Medco Oil & Gas, such as Aceh and Bangkanai in Indonesia.

These programmes prepare vulnerable youths to become confident, resilient, and skilled farmer entrepreneurs. Youths from all across Indonesia are given scholarships and opportunities to learn organic farming at The Learning Farm (TLF) in Cianjur, West Java, Indonesia, with each batch learning for five months. In addition to farming, participants are taught other skills, such as developing business proposals, design, and self-leadership. By the end of the training programme, these youths are expected to become skilled entrepreneurs in agriculture, support food security, and improve livelihoods in their hometowns.



Youths at The Learning Farm (TLF) in Cianjur, Indonesia.

¹ Global Tuberculosis Report 2022, World Health Organisation, 2022

Measuring and Evaluating Our Impact

Measuring the impact of our community development programmes, both qualitatively and quantitatively, allows us to assess their effectiveness and provides valuable recommendations to improve their quality in the future.

Using The Social Returns on Investment (SROI) Approach

We implement a Social Return on Investment (SROI) framework to quantify the social, environmental, and economic value of our community development programmes. The results of this framework will then serve as inputs for our decisions to design, develop and scale future programmes.

The SROI framework assigns a monetary value to project outcomes and has been widely used as a quantitative approach to evaluate programmes. As such, it allows for a more comprehensive understanding of our programme's outcomes beyond financial gains, such as social and environmental impacts.

There are two types of SROI implementations:

Evaluative

Retrospective evaluations of the actual results.

Forecast

Predictions of the prospective value of the planned programmes.



Measuring Our Programmes' Impacts in The Anambas Islands Regency

Anambas Centre for Fish Seeds

In 2023, South Natuna Sea Block B's Anambas Centre for Fish Seeds (BBIA)¹ programme improved the local economy through the sustainable aquaculture of groupers. Achievements included creating a market for fish seeds, enhancing local capacities and extending programme benefits to 13 villages.

The BBIA programme's SROI was calculated at 1.58. This translates to a programme present value of approximately IDR 2,095.9 million against an investment of about IDR 1,330.5 million from the implementation of the programme in 2021-2023. This initiative underscores our dedication to UN SDG 8 and 14, by supporting local fishermen livelihoods and also conserving marine resources.



Fish seed pools at the BBIA programme (left) and a grouper at the BBIA (right).

¹ BBIA stands for Benih Bibit Ikan Anambas.

Food Security Programme

The Food Security Programme has empowered the local agricultural sector through capacity building to 5 villages. This programme aims to reduce reliance on food imports, stabilise prices, and curb inflation. The programme's SROI was calculated at 1.79 from the implementation of the programme in 2022-2023, indicating a present value of IDR 1,584.8 million from an investment of IDR 887.6 million. This initiative underscores our dedication to UN SDG 2, targeting zero hunger by promoting stable food prices and enhancing food security across the regency. The programme also strengthens the local economy by enabling community members to profit from their agricultural outputs.



Farmers Field Day as part of the Food Security Programme.

Tourism Village Programme at Belibak Village

The Tourism Village Programme at Belibak Village aimed to enhance local tourism by capitalising on the village's natural beauty since 2017. We supported the village by providing tourist accommodations, forming tourism communities, offering capacity building for residents, and developing tourism infrastructure.

By 2023, these efforts boosted the local economy through increased revenues from accommodations, businesses, and transportation. The programme's SROI in 2021-2023 was 4.10, achieving a programme present value of IDR 1,236.4 million from an investment of IDR 301.7 million. This initiative underscores our dedication to UN SDG 8, targeting decent work and economic growth by improving local tourism.



Tourism infrastructures provided by the Tourism Village Programme at Belibak Village.

Measuring Our Programmes' Impact in Thailand

Mangrove Conservation and Rehabilitation Project

The 32-hectare Mangrove Conservation and Rehabilitation Project in Lang Suan District, Chumphon Province, Thailand, has enabled the community to use fishing as a source of income. This programme provides improvement in local natural resources, local climate, ecotourism, and food security for local community. It also provides natural services that regulate the local climate. The SROI, as per the financial ratio supported by the Bualuang asset, is 3.56 for the period between 2021 and 2023. This number indicates that each THB 1 investment yielded benefits valued at THB 3.56. The programme's present value is THB 2,408,807 from an investment of THB 600,000.



Conservation and mangrove rehabilitation project in Lang Suan District, Thailand

The project's activities align with the Sustainable Development Goals (SDGs) set by the United Nations, specifically SDG 13: Climate Action and SDG 14: Life Below Water. The project contributes to sustainable development by addressing climate change and managing and protecting marine and coastal ecosystems to mitigate negative impacts and conserve sea and coastal areas.

Sensory Room Project

The Sensory Room Project at Chumphon Panyanukul School in Thailand caters to students with intellectual disabilities. This room develops rehabilitation and learning by improving concentration and the sensory system. The project's net present value contributed by our Bualuang asset is THB 720,209.60 from an investment of THB 214,700. The SROI is 3.53 from 2022-2023. The project aligns with the Sustainable Development Goals (SDG), particularly SDG 4: Quality Education, ensuring inclusive and equitable education for all.



Sensory rooms at Chumphon Panyanukul School, Thailand.



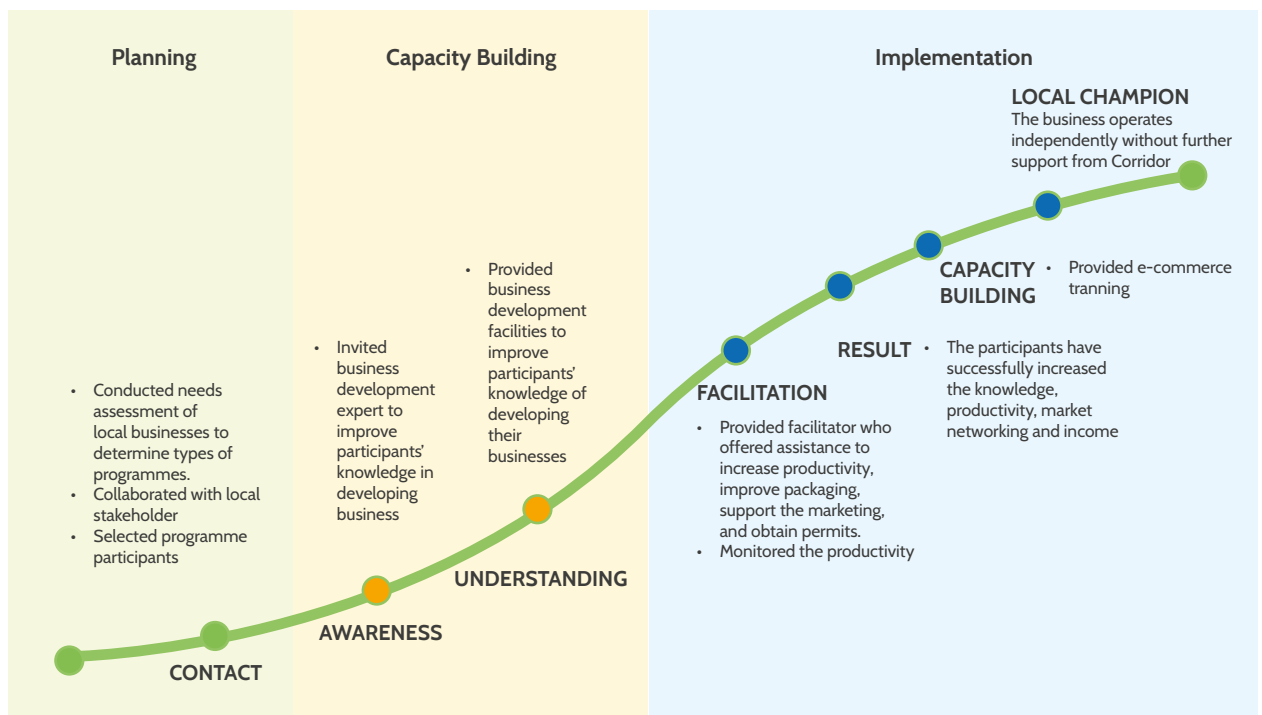
Adopting The S-Curve

We have integrated S-Curve principles within our community engagement and development, with stakeholder engagements being exercised throughout this process. This approach maintains our strong social ties with local communities based on mutual understanding and cooperation.

The S-Curve approach guides us as we develop long-term projects that create shared value with communities.

As emphasised in our Community Development Policies, our empowerment programmes aim to foster self-reliant communities. This commitment is part of our initiatives to promote economic development after these projects end.

The graph below illustrates how the Corridor asset implements the S-Curve approach in developing local businesses (Micro, Small and Medium Enterprise/MSME programmes).



Emergency and Disaster Relief Initiatives

Through our Medco Cares (*Medco Peduli*) programmes, we provide assistance and support to those in need, focusing on affected communities impacted by disasters and emergencies.

In 2023, Medco Foundation provided disaster relief following the Cianjur earthquake. This assistance included:



- Providing school supplies and psychosocial support to 545 elementary school students.
- Donating money to repair 61 houses with varying levels of damage.
- Constructing a community water reservoir to distribute clean water.
- Revitalising four toilets and one laundry area, benefiting at least 873 villagers.



Assistance and psychosocial support for students impacted by the disaster in Cianjur, Indonesia.

Alignment of Sustainability Initiatives with the UN SDGs

The following table maps our initiatives to empower local communities against the United Nations Sustainable Development Goals (UN SDG) targets. Please note that this mapping does not mean that MedcoEnergi claims to have measured or set targets for host governments in our operational areas in terms of achieving the UN's SDGs.

UN's SDGs	Relevant Targets	Key Initiatives
	1.4	<ul style="list-style-type: none"> • Developed a range of cultivation and aquaculture programmes, including horticulture, mushroom, and catfish activities. • Supported the operations of Fish Seed Centre to increase the cultivation of local groupers and thus support the economy. • Empowered local women through our Local Business Development Programme. • Developed the local rubber commodity market through training and direct assistance to the market players. • Supported traditional culture-based fishery programmes and activities. • Developed local micro, small, and medium enterprises by providing training on banana and cassava chip production. • Supported the businesses of local fishers. • Developed a capacity-building programme for farmers to plant and grow various plants more efficiently.
	2.4, 2.A	<ul style="list-style-type: none"> • Launched the Food Security Programme in collaboration with the Bina Tani Sejahtera Foundation. • Initiated a food security programme to enable communities to cultivate varieties of crops. • Distributed food aid through disaster relief programmes. • Assisted food security programs through community farming. • Assisted local fisher groups to increase product volume and income.

UN's SDGs	Relevant Targets	Key Initiatives
	3.3	<ul style="list-style-type: none"> • Educated high school students, pregnant and breastfeeding mothers in Lematang's local communities on how to prevent and manage stunting. • Contributed to eliminating stunting among residents by distributing food aid and collaborating with local organisations. • Assisted with the elimination of AIDS, tuberculosis, and malaria through education programmes in collaboration with local organisations. • Provided training for emergency response programmes for local communities. • Distributed food supplies, medicine, and vitamins • Familiarised local communities with stunting prevention approaches.
	4.1, 4.2, 4.3, 4.4, 4.7, 4.C	<ul style="list-style-type: none"> • Provided scholarships for 337 undergraduate students. • Supported establishing and renovating schools and provided learning tools. • Provided scholarships for students. • Delivered educational programmes for students. • Provided books to an elementary school to increase students' reading abilities.
	5.5, 5.A	<ul style="list-style-type: none"> • Empowered local women through our Local Business Development Programme. • Empowered women's groups through capacity-building programmes and provided equipment. • Provided women's groups with capacity building for small scale enterprises.
	6.1, 6.B	<ul style="list-style-type: none"> • Provided access to clean water and relevant facilities. • Provided clean water to a junior high school.
	7.1, 7.B	<ul style="list-style-type: none"> • Provided access to electricity for impoverished households without power. • Provided a microhydro power plant for an indigenous community.
	8.3	<ul style="list-style-type: none"> • Provided capacity building to the human resources of village-owned enterprises (BUMDes). • Assisted farmers and women with their local businesses. • Established two Community Learning Center for Women and Children (RPIA). • Developed a local village into a tourism destination by building the capacities of residents and enhancing the tourism infrastructure. • Developed the local rubber commodity market through training and direct assistance to the market players.
	13.1, 13.3	<ul style="list-style-type: none"> • Conducted reforestation activities in a 6.5 ha forest area in Karendan village, North Barito district, Central Kalimantan. • Conducted mangrove reforestation to enhance coastal protection and contribute towards conserving the local blue crab population. • Promoted climate resilience in communities through the Climate Village programme. • Conducted tree-planting activities.
	17.17	<ul style="list-style-type: none"> • Engaged multiple stakeholders, including local governments, communities, NGOs, and educational institutions.

Action Plans

The following action plans have been developed to help us meet our objectives and continue creating opportunities for communities. We regularly measure, monitor and report on our progress and performance against these actions.


Category	Short-Term Actions	Medium/Long-Term Actions	Status
Local Communities	Conduct social mapping in selected assets.		<p>Oil & gas assets:</p> <ul style="list-style-type: none"> Assets' social mapping reports have been completed in Corridor, South Sumatra, Tarakan, Bangkanai, and Block A. <p>Power assets:</p> <ul style="list-style-type: none"> Conducted social assessments for the Bonjol geothermal exploration project. Conducted social assessments and developed the Scope of Work (SoW) for Timor-1 project and operations.
	Enhance the community development programme guidelines in alignment with SDGs and the Integrated Dashboard.	Enhance each year's community development programmes to strengthen MedcoEnergi's SDG contributions.	Developed the new community development programme guidelines based on feedback from all internal stakeholders as well as consultations with external experts.
	Conduct SROI studies in South Natuna Sea Block B.	Conduct SROI studies in other assets.	Completed SROI study of three programmes in South Natuna Sea Block B and two programmes in Bualuang, Thailand.
Stakeholder Engagements	Familiarise personnel with the Social License to Operate Index (SLOI) guidelines.	Conduct stakeholder mapping and perception survey or SLOI in selected assets.	<p>Oil & gas assets:</p> <ul style="list-style-type: none"> Completed a field survey and SLOI Report for South Natuna Sea Block B, Corridor, Tarakan, Bangkanai and South Sumatra Region (SSR). Held a sharing session with external experts for all domestic assets. Completed SLOI familiarisation of all domestic assets. <p>Power assets:</p> <ul style="list-style-type: none"> Maintain regular community satisfaction surveys for the first and second semesters of 2023.
	Update the Stakeholder Engagement Guidelines.	Evaluate how the 2022-2026 Strategic Stakeholder Engagement is going to be implemented in 2026 and update the stakeholder engagement guidelines in 2027.	<p>Oil & gas assets:</p> <ul style="list-style-type: none"> Developed and familiarised personnel with the Stakeholder Engagement Guidelines for all domestic assets. <p>Power assets:</p> <ul style="list-style-type: none"> Developed 2023 SEP documents and maintained their implementation through community & stakeholder engagements. Enhanced the SEP project for East Bali PV and the Ijen geothermal projects.
	Apply and monitor Relations & Security (R&S) Integrated Dashboard.	Enhance and evaluate the Integrated Dashboard system and implementation.	<p>Oil & gas assets:</p> <ul style="list-style-type: none"> Presented the R&S Integrated Dashboard and data analytics to all domestic senior leaders and gathered feedback and inputs from them.

Category	Short-Term Actions	Medium/Long-Term Actions	Status
Security Practices	Map and align all security incidents that were recorded at oil & gas domestic assets	Establish the Security Incident Dashboard at all oil & gas domestic assets.	<p>Oil & gas assets:</p> <ul style="list-style-type: none"> Synchronised the incident database with the Data warehouse. Completed power BI training sessions. Completed testing of the incident modules. <p>Power assets:</p> <ul style="list-style-type: none"> Handled all security incidents at the subsidiaries and reviewed their corrective actions to prevent such incidents in the future.
	Conduct self-assessments for Security Management Plans (SMP) for all oil & gas domestic assets.	Monitor and evaluate Security Management Plans.	<p>Oil & gas assets:</p> <ul style="list-style-type: none"> Completed presenting the verification results to domestic assets' senior leaders and BoD. Completed online and offline field verification at domestic assets.
	Conduct Bintek (Readiness of SMP Audit) for selected assets.		<p>Oil & gas assets:</p> <ul style="list-style-type: none"> Completed Bintek in Bangkanai, South Natuna Sea Block B, and Corridor. Completed Focused Group Discussions (FGD) at the Bintek kick-off meeting with professional auditors and SKK Migas representatives. <p>Power assets:</p> <ul style="list-style-type: none"> Collaborated with Central Java regional police to conduct SMP awareness training for non-security guard employees.
	Develop VPSHR training guidelines.	Conduct VPSHR training at guard level for all assets.	<p>Oil & gas assets:</p> <ul style="list-style-type: none"> Familiarised all domestic assets with the VPSHR training guidelines. Completed the VPSHR training guidelines. <p>Power assets:</p> <ul style="list-style-type: none"> Conducted human rights refresher training for all security personnel at Head Office and subsidiaries.
	Update routine security stakeholder mapping at all assets.		<ul style="list-style-type: none"> Completed routine updates of security stakeholder mapping databases.
	Update security risk assessments at selected assets (as needed).		<p>Oil & gas assets:</p> <ul style="list-style-type: none"> Conducted online security risk assessments at Corridor. Enhanced capacity building and mediation and negotiation skills for security teams. Completed security drills at Rimau, Block A, and at the headquarter office. <p>Power assets:</p> <ul style="list-style-type: none"> Maintained assessments of weekly security threats and risks.

Empowering Our People

Building a Resilient Business

- 170 Approach, Commitment, and Goals
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- 181 Alignment of Sustainability Initiatives with UN SDGs
- 182 Action Plan

A photograph showing several individuals in blue work uniforms, likely an operations control room crew, looking towards the right. One person's uniform has a patch with the word 'ENERGI' and a logo. Another person's uniform has a patch with the word 'Gas' and a logo. The background is a plain wall.

Operations Control Room Crew in Block A, Aceh, Indonesia.

This picture is the 1st winner under the 'Business & Asset' category of the 2023 MedcoEnergi Photography Competition.



MedcoEnergi's business resilience and growth thrive on the leadership of and by our people. We are committed to creating a diverse, inclusive and supportive work environment as we contribute to shaping a sustainable future together. We maintain a fair and inclusive working culture and provide equal opportunities for all through our human resource policies.

Approach, Commitments, and Goals

Our corporate values of being professional, ethical, open, and innovative stand as the key pillars to our success. These values shape our culture and our behaviour. We assess how effectively our employees have incorporated these values into their work through our annual performance review.

We recognise the importance of embracing diversity as we continue to grow our business. Diversity enriches the Company with unique perspectives and ideas, fostering innovation and contributing to our industry. Maintaining a discrimination-free and equitable working environment is clear and our commitment is to treat employees fairly and with respect, irrespective of their ethnicity, race, skin colour, religion, gender, age, marital status, or nationality. We hire, develop, evaluate, and reward our employees based on their competencies and performance.

We are committed to ensuring equal opportunities for women and empowering them to progress in their careers within our company. Our board and board committees include two female members, constituting 15.4% of the total members. In 2023 female representation has reached 19.6% at the management level¹ and this equality is reflected by the number of women who won the 2023 MedcoEnergi Award², which is close to 40%.

We aim to create a work environment where employees are compensated fairly for their performance. For this reason, our employee remunerations exceed the provincial minimum wage (*Upah Minimum Provinsi/UMP*) in Indonesia. In 2023, the minimum remuneration for our full-time, permanent employees in Jakarta was 14% higher than the UMP stipulated by the Jakarta Special Provincial Government (*Daerah Khusus Ibukota*). Our Career Management Policy guarantees equity for the same position regardless of gender.

As an integral part of our human resources (HR) system, we consistently adhere to our HR policies and procedures and review them regularly to keep updated with the current needs. Our policies include, but are not limited to, our Career Management Policy, Recruitment Guidelines and Labour Management Plan, which aim to provide guidance, support, and protection to our employees. We are aligned with international best practice guidelines, such as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

We uphold human rights principles and strictly comply with each host government's labour laws in accordance with our Human Rights Policy. The employment of children or forced labour is strictly prohibited within the Company, and we require that our business partners also adhere to this policy. We acknowledge and respect our employees' right to join and form labour unions, reflecting our commitment to ethical and responsible business practices.

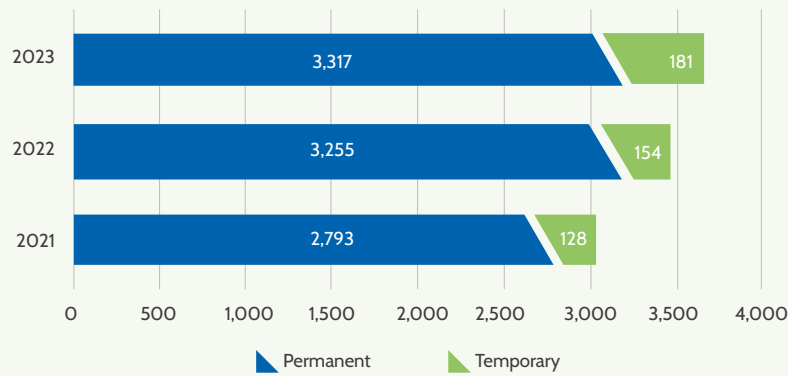
¹ This includes for manager level and above in Medco Corporate and Oil & Gas domestic.

² MedcoEnergi Award is a Group-level annual contest to highlight the achievement of significant innovations and improvements. The winners of the awards consist of 12 category winners and one Best of the Best. Further information of this Award can be found on page 180.

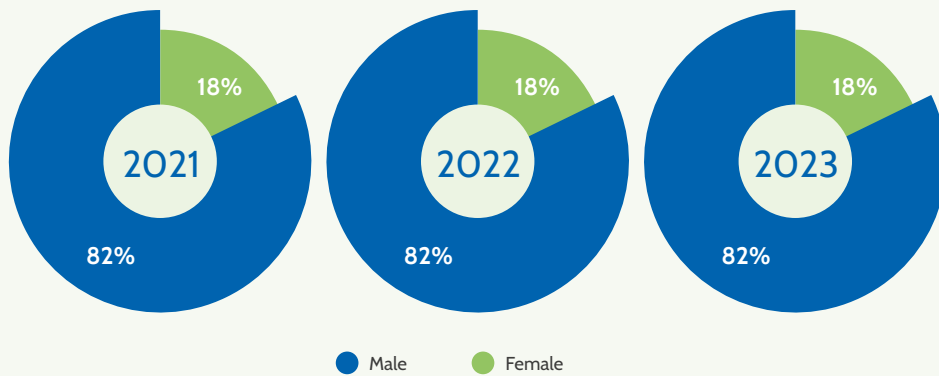
Our Employees

As of 2023, MedcoEnergi employs 3,498 individuals, of whom 18% are women.

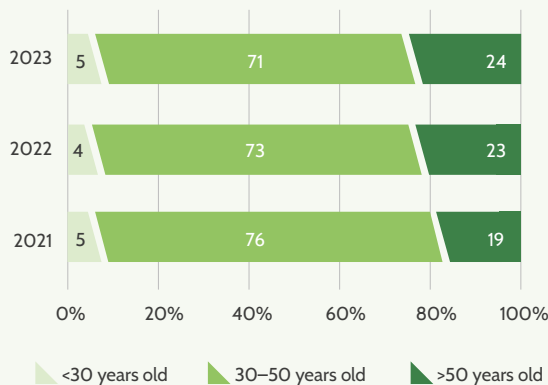
Number of Employees in Oil & Gas and Power based on Employment Contracts



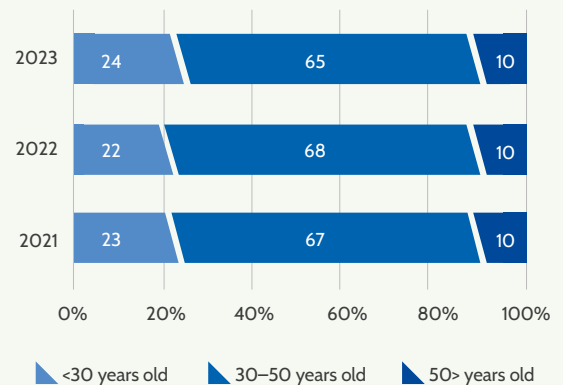
Percentage of Employees in Oil & Gas and Power based on Gender



Percentage of Employees in Oil & Gas based on Age Group



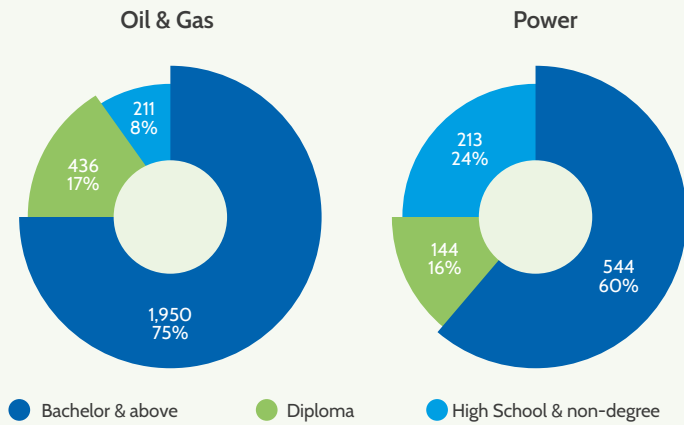
Percentage of Employees in Power based on Age Group



Employee Numbers in Oil & Gas and Power based on Geographical Location



Number and Percentage of Employees in Oil & Gas and Power based on Educational Level in 2023

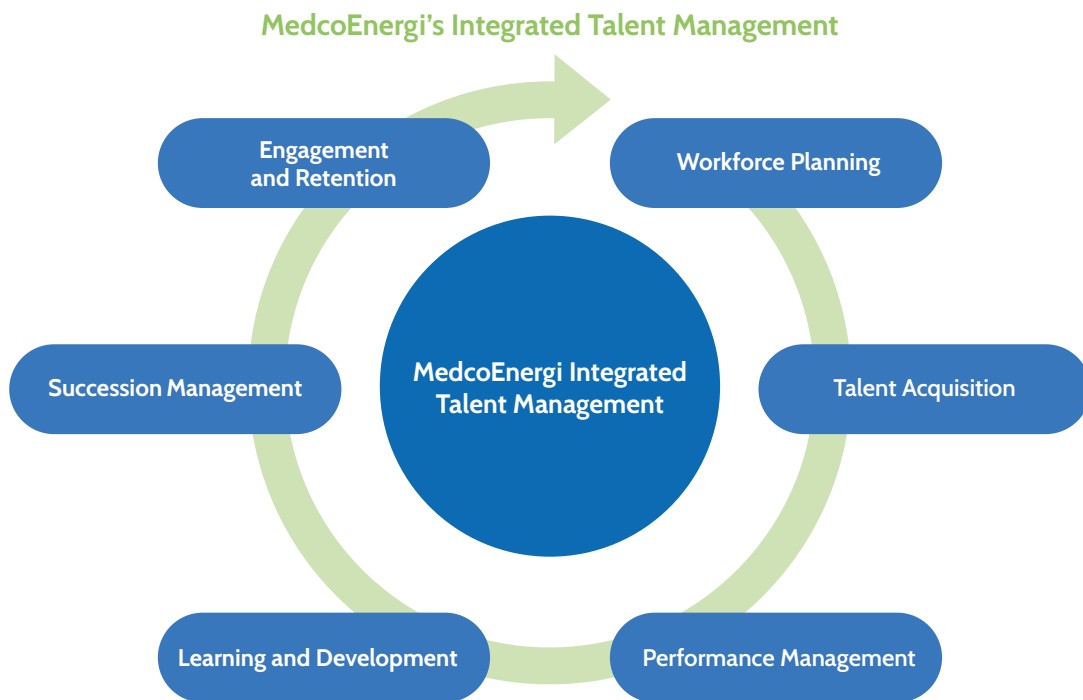


Employee Numbers in Oil & Gas and Power based on Position in 2023

	Senior Vice President (VP) & VP	Senior Manager	Manager	Superintendent & Supervisor	Staff	Total
Oil & Gas	22	66	260	575	1,674	2,597
Power	9	23	77	147	645	901
Total	31	89	337	722	2,319	3,498

Our Initiatives to Empower Our People

MedcoEnergi's Integrated Talent Management serves as our blueprint to provide optimal support for our employees. This framework guides the design of our programmes and initiatives to develop, empower, and retain our employees.



We continue to focus on strengthening these foundations and remain dedicated to enhancing our talent strategies and organisational capabilities to support our growth.

Expanding our horizons at MedcoEnergi goes beyond acquisitions, milestones, and innovations. It is about the dedicated individuals who drive our day-to-day operations, fueling our growth and propelling us towards new opportunities. Our recent journey, marked by investments and expansions, has brought us a diverse and talented workforce, enriching the MedcoEnergi family with new perspectives, skills, and cultures. This diversity is a powerful strength that allows us to broaden our horizons, think outside the box, and embrace new opportunities.

One of our most significant achievements in 2023, from a human capital perspective, was at the Corridor operations. Following the acquisition, the Corridor team displayed remarkable openness and collaboration which were instrumental in establishing Accelerated Corridor Development (ACD) initiative. This ACD initiative laid a strong foundation for securing a successful Production Sharing Contract (PSC) amendment for Corridor Block. This successful outcome exemplifies the team spirit that is integral to the MedcoEnergi identity. It also highlights our commitment to welcoming new colleagues seamlessly into the wider MedcoEnergi family, as demonstrated by the decision of the entire senior leadership team at Corridor to stay on board.

Below, we highlight our key people-focused programmes and initiatives for 2023:



Securing **top talent** for critical projects



Facilitating **full office integration** for Corridor employees



Strengthening the implementation of our **Medco Leadership Behaviours (MLB)**



Developing our employees' **leadership and technical capabilities**



Maintaining industrial peace through **industrial and employee relations**



Enhancing **organisational capabilities** to support the energy transition agenda



Fostering our Company's culture through the **Employment Engagement Surveys (EES)**

Securing Top Talent

In 2023, we continued our acquisition programmes for critical projects and initiatives to maintain a healthy talents pipeline. Our focus included securing top talents to support our recent acquisition in Oman through the secondment of skilled individuals from Indonesia. To address the vacancies resulting from this talent mobilisation, we used our Integrated Talent Management system to identify and fill them from within the organisation.

We also extended our support in executing projects across Medco Oil & Gas' onshore and offshore assets as well as Medco Power by hiring selected permanent employees and third-party contractors.

Employee Retention

At MedcoEnergi, we retain our talented and dedicated workforce by offering leadership and technical capability development programmes, providing platforms for their professional development and ensuring a competitive compensation and benefits package. We strive to create a workplace where individuals can thrive. We also invest in work-life balance programmes for our employees, such as providing shuttle transportation, onsite fitness centres, and various sport activities.

Performance Management

We conduct mid-year reviews and annual evaluations against employees' performance plans under our Performance Management System (PMS). This system enables our staff to recognise their primary strengths and areas requiring development. This in turn fosters a culture of open feedback within our company.

We disclosed and assured for the first time in this reporting year percentage of employees receiving regular performance and career development reviews through PMS by gender and by employee category. More than 97% of our employees in Medco Oil & Gas operations in Indonesia received these reviews. A complete GRI Disclosure 404-3 can be found in [2023 GRI Performance Data](#).

In addition, our PMS integrates sustainability-focused key performance indicators (KPIs) into our team performance contracts (TPC), ensuring that the outcomes of these TPCs are aligned with our reward programmes, including salary reviews and performance-based incentives.

Facilitating Full Office Integration

Since our acquisition of the Corridor asset in March 2022, we facilitated integration with the team and achieved significant process milestones in 2023. In June 2023, we completed the relocation of Corridor employees' assets to the Energy Building in Jakarta.

We implemented our activity-based working office facilities, ensured operational compliance with Health, Safety and Environment (HSE) standards and improved facilities. This integration not only enabled a smooth transition for our employees but also contributed to a 24% reduction in office space, achieving greater cost efficiency and workplace effectiveness.

Our efforts resulted in an improved employee experience, as indicated by survey results, safety received a favourable score of 92% and the physical working environment received 81%. The latter encompasses positive evaluations of facilities, workspace, safety, and other aspects.

Strengthening Our Medco Leadership Behaviours (MLB)

Our Medco Leadership Behaviours (MLB) were introduced in 2022. They define the exemplary leadership behaviours derived from our corporate values. We encourage all our employees to embody these behaviours.



To strengthen the implementation of these behaviours, we conducted a webinar in September 2023 entitled “Critical Thinking for Effective Problem Solving”, attended by 267 participants, including employees from our Thailand and Singapore offices. This campaign delivered 13 training sessions attended by participants across management levels, from Leads to Senior Vice Presidents (SVPs), achieving 100% of our initial target in 2023.

MLBs have also been integrated into our Leadership 101 training, a mandatory programme for MedcoEnergi leaders to ensure that our corporate values are adopted and promoted.

Developing Our Employees' Leadership and Technical Capabilities

We empower our employees by providing various training courses suited to their individual needs. We also provide opportunities and guidance for our employees to advance their careers. In 2023, we conducted 1,058 training courses and invested approximately USD 3.97 million in employee training.

Year	Total Training Courses	Total Mancourse ¹	Total Training Hours	Training Investment (USD)
2023	1,058	9,380	77,900	3,976,000
2022	1,131	8,226	78,841	3,782,500
2021	659	5,826	60,302	1,963,099

We disclosed and assured for the first time in this reporting year type and scope of programmes for upgrading employee skills and transition assistance provide for Medco Oil & Gas operations in Indonesia. A complete GRI Disclosure 404-2 can be found in [2023 GRI Performance Data](#).

Leadership Development Programmes

We completed the second batch of our Medco Senior Leadership Development Programme (MSLDP). This focused on the topic of "Learning Through Class Sessions" in collaboration with Harvard Business Publishing. This programme took over 166 hours to complete and engaged approximately 35 participants.

In fostering our employees' leadership, we completed the second batch of our Medco Projects Management Academy (MPMA), covering 17 subjects in Project Leadership and Project Management. This programme was attended by 31 potential project leaders from across our assets and delivered by 28 internal and external speakers.

We conducted a Talent Monitoring Initiative for high-potentials and successors at the corporate level and in our Medco Oil & Gas business as part of our Talent Development Framework. This initiative is designed to identify, nurture and monitor individuals with exceptional potential; this ensures a strategic, systematic approach to their growth and development and to the Company's succession planning. This initiative spanned 360 hours in 2023 and involved 954 employees.

Technical Capability Development Programmes

A skilled technical workforce is fundamental for MedcoEnergi to sustain our business. In 2023, we completed various development programmes aimed at enhancing the technical capabilities of our employees:



Subsurface Academy

- Completed the Subsurface Academy Cadre 1. Through interactive class discussions, the skills of 25 employees (mostly senior leaders) were enhanced by combining best practices from professional experts and MLB.
- Delivered all three modules for the Subsurface Academy Cadre 2, with the first two modules conducted in 2023 and the final third module completed in early February 2024. The training was attended by 27 leaders and technical specialists.



Competency Management Systems (CMS) Enhancement

- Finalised the CMS Guidelines for MedcoEnergi's operations and completed the Technical CMS Phase 1, with plans to advance to Phase 2 for continuous improvement.
- Ongoing Technical CMS for PT Tanjung Jati B Power Services. Competency requirements for operators in the Sarulla Geothermal project are currently being reviewed.

¹ Number of subject Training attended by one person. If one person attends two Training sessions, it will be counted as two mancourses. Reference: MedcoEnergi Training Policy



Operations Competency Assessments

- Conducted comprehensive competency assessments to enhance operational excellence and secure safe, reliable, and efficient operations. These assessments focus on operators and technicians at Corridor as well as both onshore and offshore assets, including Medco Power assets. They ensure thorough evaluations of all personnels' technical expertise.

Topics about sustainability policies and climate change strategies have been integrated into several leadership and technical capability building programmes (MPMA and Subsurface Academy).

As part of supporting continuing competency development of our employees in finance and accounting, we became an Association of Chartered Certified Accountant (ACCA) Approved Employer and a Certified Practising Accountant (CPA) Australia Recognised Employer Partner.



Educational Scholarships

- Provided undergraduate and postgraduate scholarships for Medco Power personnel from the Sumbawa Solar PV and Sarulla Geothermal project sites.
- Provided undergraduate and postgraduate scholarships for Medco Oil & Gas employees.

Building Strong Digital Information Technology Foundations

In 2022, we developed our digital information technology strategy under the four pillars outlined in the 2022 Sustainability Report: strengthening our digital foundation, establishing a new digital operating model, driving digital transformation across our business, and strengthening our cybersecurity.

Year 2023 witnessed the early implementation of this strategy, with a focus on building a robust digital foundation that empowers us to navigate future challenges with agility and resilience. This foundation will support further process automation and digital transformation initiatives, ultimately enhancing our efficiency, effectiveness, and overall agility. With a solid foundation in place, 2024 will be pivotal as we move into the heart of the implementation stage.

The Four Pillars of Our Digital Strategy:

- **Strengthening our digital foundation**
This entails optimizing and deploying our application and infrastructure platform to support seamless business processes.
- **Establishing a new digital operating model**
This involves ensuring our structure, processes, and governance enable strategic and agile decision-making in the digital age.
- **Driving digital transformation across the business**
This includes strategically deploying digital technologies aligned with the company's goals and equipping our workforce with the necessary data and analytics skills.
- **Strengthening our cybersecurity**
This pillar focuses on protecting the company from increasingly complex cyber threats through robust measures and ongoing vigilance.

Fostering Industrial Peace through Strengthening Industrial Relations with Employees

We recognise the significance of freedom of association and expression in promoting healthy industrial relations. This is why we are committed to strengthening our communication and collaboration with labour unions through various forums, such as quarterly meetings with labour unions, industrial relations knowledge sharing and Collective Labour Agreement (CLA) negotiations every two years.

At MedcoEnergi, we acknowledge 11 labour unions and have seven CLAs. All employees are covered under CLAs. We continued the Grand Plan Alignment, a strategic initiative aimed at synchronising the provisions of these CLAs.

The initiative was designed to foster our long-term value by facilitating continuous improvements and addressing the regulatory complexities specific to MedcoEnergi's entities. This alignment was developed and prioritised to promote the Company's productivity and sustainability.

In playing our part, we also aim to maintain effective communication and coordination with the external stakeholders, i.e. government institutions, including SKK Migas. This is essential for ensuring compliance, fostering industrial peace, ensuring mutual understanding, and facilitating a harmonious working environment.

Enhancing Organisational Capabilities to Support Our Climate Change Strategies

A key aspect of translating our climate aspirations into action is to enhance our organisational capabilities to mitigate climate change and adapt to the energy transition agenda. By strengthening the technical skills of our employees, we aim to empower them to contribute to shaping a sustainable future.

Strengthening Technical Roles for the Energy Transition

Developed the core matrix for critical technical roles to support energy transition-related initiatives. This matrix allows us to identify skills and optimise talent deployments; it was developed in collaboration with the Project Development & Engineering Excellence (PDEE) as well as the sustainability teams.

Advancing Technological Awareness

Conducted training programmes, workshops and forums to improve awareness of cutting-edge technologies. These covered the latest technologies such as carbon capture use and storage (CCUS), renewable energy, hydrogen as well as energy conservation and optimisation.

One of our female employees represented the Indonesian Petroleum Association as a subject matter expert in a Task Force to establish the Indonesian National Standard on Carbon Capture and Storage (CCS) in September 2023.

Enhancing Climate Change Understanding

Rolled out ten capability building training modules for our Climate Change and Energy Transition Working Groups, covering key concepts within climate change such as climate science, climate change risk assessments (CCRA) and climate finance.

Promoting Continuous Sustainability Learning

Developed and rolled out e-training programmes on key sustainability concepts and frameworks for all senior managers and above, as well as the Climate Change and Energy Transition Working Groups, to promote continuous learning and awareness.

Our Climate Change working group members in 2023 received scholarships for:

- ASEAN Renewable Energy Short Term Training from the New Zealand Government. This training gave the participants the required base knowledge to successfully manage new renewable energy capacity development project.
- Geothermal Energy Project Management Short Term Training from the New Zealand Government. This training gave the participants the required base knowledge to take a geothermal project from the initial exploration stage through power plant construction to electricity sales.
- International Hydrogen Ramp-Up Programme (H2UPPP) e-Learning on Green Hydrogen Economics and Project Development from German Agency for International Cooperation (GIZ)¹. The H2UPPP funding programme from the Federal Ministry for Economic Affairs and Climate Protection accompanies and supports the market ramp-up of green hydrogen (H₂) and Power-to-X (PtX) applications in selected developing and emerging countries.
- Sustainable Development and Leadership Course from the Swedish Institute Management Programme, Asia. The programme provided in-depth knowledge and skills about sustainable business practices with a focus on human rights, climate and the environment, decent working conditions and anti-corruption.

Fostering Our Company's Culture

In 2023, our commitment to create a fair and inclusive working environment led us to conduct a comprehensive Employee Engagement Survey (EES). This survey gathered insights into workplace satisfaction and identified areas for improvement, thus encouraging an open feedback culture. The EES covered MedcoEnergi at the corporate level as well as various subsidiaries, including Medco Oil & Gas and Medco Power, among others. In doing so, we successfully engaged 3,501 employees with a total participation rate of 92%.

Several key strengths emerged from the survey feedback. Our employees demonstrated a good understanding of and confidence in MedcoEnergi's business direction. They noted the Company's strong culture of collaboration and teamwork, combined with a spirit of innovation. Positive and supportive relationships at the Company were also highlighted, emphasising a strong sense of trust built with their managers. Furthermore, the survey affirmed that MedcoEnergi provides a safe and positive work environment for employees to thrive.

In addition to our strengths, we have also identified areas for improvement. These have been translated into an action plan to support our people and maintain MedcoEnergi's industry leadership. The action plan includes:

- **Continued promotion of Medco Leadership Behaviours**
These behaviours, rooted in the company's core values of professionalism, ethics, openness, and innovation, serve as guiding principles for all employees.
- **Development of idea-sharing tools**
We are actively creating tools to empower employees to share their ideas and contribute to streamlining processes and improving efficiency.
- **Competitive compensation**
We are committed to maintaining a competitive compensation package through consistent market reviews, ensuring our employees are fairly rewarded for their contributions.
- **Enhanced career development communication**
Improved communication strategies will ensure employees have clear and accessible information on career development opportunities within the company.



¹ GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH/German Agency for International Cooperation GmbH) is a German government-owned development agency that operates in over 120 countries worldwide, including Indonesia.

The MedcoEnergi Awards: Celebrating Innovation and Excellence

MedcoEnergi organises a Corporate-level contest annually, known as the MedcoEnergi Awards, to highlight the achievements of significant innovations and improvements. The competition aims to recognise and appreciate successful innovations and improvements that are in line with the Company's values. It also seeks to foster a culture of innovation and collaboration, enhance employee capabilities, and promote both sustainability and climate change initiatives. The competition includes all employees, secondees, direct contract employees, and third-party contractors across MedcoEnergi's corporate, Medco Oil & Gas domestic and international, and Medco Power assets.

The contest includes four categories: Fit-For-Purpose Technology, Production/Revenue Enhancement, HSE and Sustainability Excellence, and Business Process Improvement. It has consistently attracted widespread interest among employees, with 508 abstracts submitted in 2023. The selection process was rigorous, involving abstract submissions, a coaching clinic on paper writing for the shortlisted 100 abstracts, and the submission of the papers themselves.



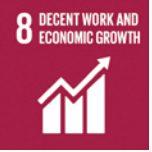



These papers were then narrowed down to the top ten for each category, and subsequently to the top five. On 14 December 2023, five outstanding finalists from each of the four categories presented their innovative projects to a panel of distinguished judges at the MedcoEnergi Award presentation day, held at The Energy Building in Jakarta. Three winners were chosen from each category, along with one 'Best of the Best'. In total, 13 winners were honoured with Certificates of Achievement by the Board of Directors and received prizes. These winners were announced during the "New Year Speech" event in January 2024. The winners were celebrated for their innovative and excellent contributions to the Company and the broader industry.



2023 MedcoEnergi Award's 'Best of the Best' winner received the award from our President Commissioner

Alignment of Sustainability Initiatives with the UN SDGs

The following table maps our sustainability initiatives to empower our people against the United Nations Sustainable Development Goals (UN SDG) targets. Please note that this mapping does not mean that MedcoEnergi claims to have measured or set targets for host governments in our operational areas in terms of achieving the UN's SDGs.

UN SDGs	Relevant Targets	Key Initiatives
	4.3	<ul style="list-style-type: none"> Educational scholarships Employee Engagement Survey (EES) Leadership and technical capability development programmes
	5.1, 5.5	<ul style="list-style-type: none"> Medco Leadership Behaviours (MLB) Medco Projects Management Academy Medco Senior Leadership Development Programme (MSLDP)
	8.2, 8.5, 8.6, 8.8	<ul style="list-style-type: none"> Collective labour agreements (CLA) Competency management systems (CMS) HR policies and guidelines Leadership and technical capability development programmes Talent mobilisation
	10.2, 10.3	<ul style="list-style-type: none"> Benefit alignments Salary grade entitlements
	13.3	<ul style="list-style-type: none"> Climate-related capability building programmes and initiatives
	16.b	<ul style="list-style-type: none"> CLAs Industrial relations engagement with labour unions

Action Plans


The following action plans have been developed to help us meet our objectives and continue empowering our people. We regularly measure, monitor and report on our progress and performance against these actions.

	Short-Term Actions	Medium/Long-Term Actions	Status
Talent Attraction, Development and Retention	Medco Senior Leadership Development Programme (MSLDP)		
	Complete the MSLDP Batch 2 – Learning through Experience	Continue implementing MSLDP Batch 2, focused on creating other leaders and preparing for MSLDP Batch 3	Completed the MSLDP Batch 2 – Learning through Experience Ongoing preparation for MSLDP Batch 2 - Creating Other Leaders - to begin in 2024
	Medco Leadership Behaviours (MLB)		
	Build understanding of MLB in oil & gas domestic assets	Broaden and enhance understanding of MLB within oil & gas international assets and other subsidiaries. Incorporate MLB aspects in Talent Development Framework.	Completed thirteen (13) leadership trainings as part of the MLB campaign.
	Incorporate MLB aspects into performance management	Incorporate MLB aspects in leadership assessments	MLB is incorporated into the Performance Management Systems (PMS)
	Talent Development Framework		
	Conduct talent monitoring for high-potential employees and successors.	Conduct system enhancements and familiarisations within corporate, oil & gas domestic and international, power assets and other subsidiaries.	Completed talent mapping and succession planning with division leads, the Technical Development Committee (TDC) and the Board of Directors (BoD).
	Technical and Operations Competency Management		
	Identify and assess current gaps in critical roles within technical functions using the Technical Competency Management System (TCMS) in oil & gas domestic and power assets.	Identify and assess current gaps with core matrix to support energy transitions within oil & gas domestic and power assets as well as for critical roles within technical functions at power, oil & gas international assets and support functions Continue to implement the development plans.	Oil & as domestic assets: Continue with TCMS Phase 2 Power assets: • Completed technical competency assessments for Solar PV Sumbawa and in progress for PT. Tanjung Jati B Power Services (TJBPS).
	Establish the TCMS development plans.	Implement the development plans in oil & gas domestic and power assets.	Oil & gas domestic assets: • Implementing development plans from TCMS results. • Completed technical CMS dashboard for 2024 Power assets: • Established Individual Development Guidelines.

	Short-Term Actions	Medium/Long-Term Actions	Status
	Initiate core matrix for critical roles in technical divisions to support energy transitions in oil & gas domestic and power assets.		<p>Oil & gas domestic assets:</p> <ul style="list-style-type: none"> Conducted in-house capability development programmes related to energy transitions Mapped out competency matrix for energy transition. <p>Power assets:</p> <ul style="list-style-type: none"> Development of Competency Matrix and Profile ongoing. e-Training on Sustainability and Climate Change completed for Senior Leadership Team and will be continued to the wider employees in 2024. Conducted ten online climate change training modules for Senior Leadership Team.
	Conduct technical capability development programmes through Subsurface Academy and Medco Projects Management Academy (MPMA).	<p>Initiate the Training the Trainer for Subsurface Academy programme.</p> <p>Conduct in-house Subsurface Academy training and expand approaches to other in-house development programmes.</p>	<p>Completed the Subsurface Academy Cadre 1.</p> <p>Delivered all Subsurface Academy Cadre 2 modules.</p> <p>Completed Medco Projects Management Academy (MPMA). Batch 2.</p>
	Finalise CMS Operations.	Implement Operations On-The-Job Training (OJT) programme and monitor its effectiveness.	Finalised Operations CMS guidelines.
	Conduct CMS Operations in oil & gas domestic assets.		Completed competency assessments for operators and technicians
	Employee Engagement Survey (EES)		
	Conduct an EES with a focus on gathering feedback to foster a strong company culture and drive business objectives for employees in corporate, oil & gas, power assets, and other subsidiaries.	<p>Implement an action plan to convert feedback into actionable initiatives.</p> <p>Complete 2nd EES.</p>	Conducted the EES and achieved 92% survey completion rate for corporate, oil & gas, power assets, and other subsidiaries.
	Review and develop EES action plans.		Developing action plans referring to the EES results.

Advancing Our Health and Safety Culture

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Employees examining Safety Checklist before performing the work in Onshore Processing Facility in Grati, East Java, Indonesia



10

At MedcoEnergi, we are dedicated to protecting our employees, business partners and the surrounding environment. This is supported by our Health, Safety and Environment Management Systems (HSEMS) and Operational Excellence (OE) framework.

Approach, Commitments and Goals

The well-being of our employees and stakeholders is a top priority and a crucial component of our sustainability commitments. We firmly believe in the preventability of work-related incidents, injuries, process safety events (PSEs), and occupational illnesses. This belief translates into our commitments to comply with the applicable laws and regulations of host governments, stay current with industry best practices, and adhere to relevant international standards in all regions of MedcoEnergi's operations. Our commitments to health, safety, and environment (HSE) are outlined in our [HSE Policy](#), which protects our employees and upholds strong HSE leadership in our organisation.

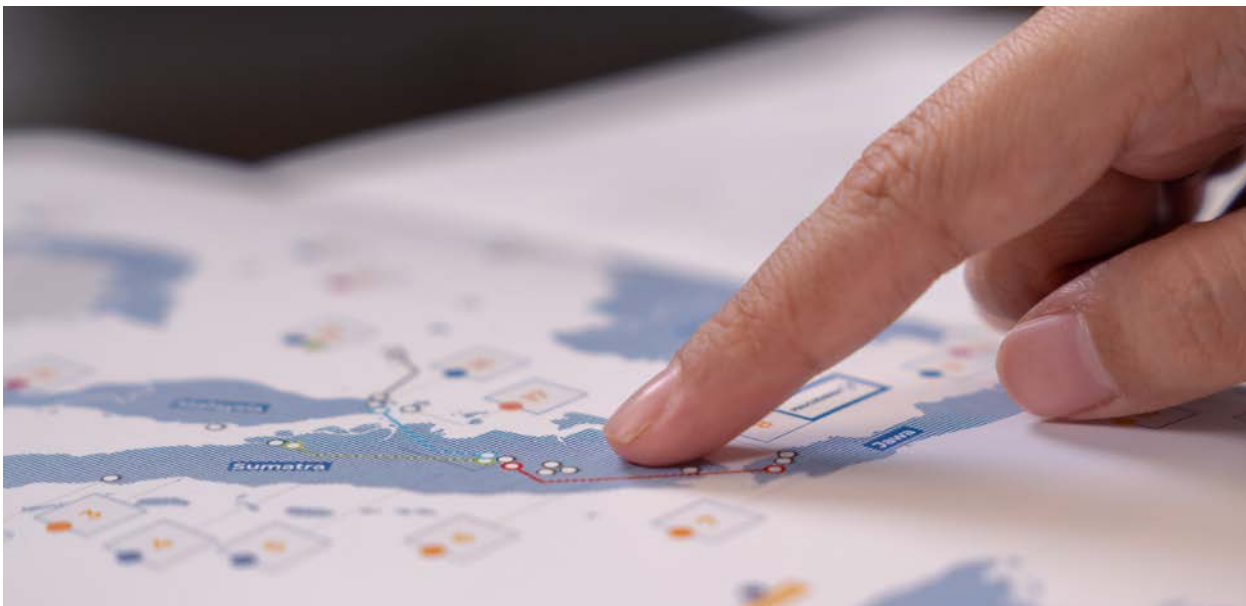
Our core objective is to attain zero incidents, injuries, and illnesses in our operations. We proactively set and monitor our HSE goals and performance, providing comprehensive training to employees and contractors, and raising safety awareness

and emergency preparedness to neighbouring communities. Within our Corporate HSE Governance, designated roles and responsibilities ensure that our HSE procedures are effectively overseen and implemented, with performance actively reviewed and improvements continually driven.

We actively monitor and manage hazards that threaten employee health and safety as we acknowledge inherent risks such as exposure to fires, equipment failures, and fatigue. We evaluate processes and devise specific hazard-minimisation strategies. Our oil & gas assets adhere to MedcoEnergi's Hazard Identification and Risk Assessment processes, which are aligned with ISO 45001:2018. Similar ISO alignments enable our power assets to employ the Hazards Identification Risk Assessment and Determine Control (HIRADC) process to identify and mitigate hazards.

Operational Excellence

MedcoEnergi provides a systematic and collaborative approach to support the safety, reliability, efficiency of our operations in all assets through its Operational Excellence (OE) Framework.



Advancing Operational Excellence

Medco Oil & Gas

Operational Excellence ensures that the HSE, Asset and Operating Integrity, Operating Efficiency and Cost Management performance is consistently improved through organisational learning, knowledge sharing and applying best practices using the Plan-Do-Check-Adjust (PDCA) cycle.



We focus on advancing OE at Medco Oil & Gas in 2023 by executing strategic improvement plans that have resulted from the latest OE assessments. This promotes the exchange of leading practices across assets and builds competency through assurance.



Executing Strategic Improvement Plan

We focused on executing the Strategic Improvement Plan in 2023, which was a follow-up from the OE assessment results. A comprehensive OE self-assessment was conducted for the newly acquired Corridor Block, which aimed to provide an understanding of the current state and strategic plans for continuous improvements.

The assessment identified leading practices in competency assurance, leadership visibility, risk visualisations, safety independent reviews, human barrier assessments, and other critical areas. Integrating these practices into our operational framework is crucial to reaching Level-3¹ maturity in OE.

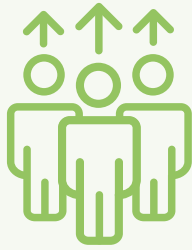


Cross-Asset Knowledge Exchange in Implementing Leading Practices

We consistently foster collaboration across assets and functions. As a result, we have driven numerous improvement projects, including management of change for facilities, management of change for personnel, and safety critical element risk assessments.

We also conducted the Operational Excellence Forum to engage key personnel in discussions facilitated by experts. These aimed to extract insights, enhance visibility, and embed a culture of excellence.

¹ Level 3 means independent maturity level where programmes and procedures are consistently implemented



Competency Assurance

We actively enhance employee skills through targeted mentoring and assessments every three years for Operation Personnel to ensure alignment with role-specific requirements. For example, in 2023, we conducted an upskilling mentoring programme for onshore production operators.

We are committed to meeting standards set by both the Ministry of Energy and Mineral Resources (MEMR) and the Ministry of Labour for license to operate of all operations personnel. For this reason, in 2023 we conducted thorough training efforts that ensured continuity post-COVID19 for personnel trained during and after the pandemic.



OE Recognition

In 2023, we demonstrated outstanding compliance in an external audit of the Safety Integrity Audit Programme and System Equipment Labour Asset Management As Low As Reasonably Practicable (ALARP) in Technology Risk Management (TRM), known by the Indonesian acronym SIAP SELAMAT. The audit, mandated by SKK Migas, evaluated compliance with the HSE standards outlined in PTK-005¹. It assessed our HSE Management Systems (HSEMS) and practices against government regulations.

We achieved scores of 99.7% for Rimau, 99.6% for Corridor, and 100% for South Natuna Sea Block B assets. We earned praise from SKK Migas for being the first Production Sharing Contractor (PSC) to develop and successfully execute the audit with outstanding outcomes. SKK Migas also conferred the Best Gas Plant Performance award to Corridor.



Closing Audit SIAP SELAMAT at Grissik, Corridor, South Sumatra, Indonesia

¹ PTK-005 or SKK Migas's Work Procedure Guidelines No. 005 Year 2018 was established for PSCs and business partners to develop, implement, and enhance HSE Management. The SIAP SELAMAT HSE Audit evaluates compliance and recommends improvements across various management areas, including leadership, risk control, and emergency handling based on these guidelines.

Ensuring Operational Excellence

Medco Power

Medco Power has adopted Operational Excellence practices (as outlined in the Medco Power Operational Excellence framework) in its strategy to become the leading Indonesian clean Independent Power Producer (IPP) and Operation & Maintenance (O&M) service company. This framework streamlines systems for competitiveness, ensuring the safety, reliability, efficiency, and profitability of all assets. OE covers all business platforms in Medco Power, which include gas to power & new technology, solar & wind, geothermal, and O&M services.

Medco Power completed the OE self-assessment for Energi Listrik Batam (ELB), Medco Ratch Power Riau (MRPR), and Medco Power Solar Sumbawa (MPSOS) in 2023.

These assessments covered:

- HSE,
- cost management,
- maintenance reliability and asset & operating integrity,
- production monitoring & optimisation,
- talent development,
- performance management systems.

These assessment results not only provided valuable inputs and lessons learned but were also followed through with strategic improvement plans to achieve excellence.

Medco Power implemented Operational Excellence in 2023 in the following areas:



Health, Safety, and Environment (HSE)

We implemented Process Safety Management across all assets, including Asset & Operating Integrity, to educate personnel on safety practices. Standardisation efforts included Process Safety Metrics, Management of Change, and the Process Safety Framework to streamline business processes. We also delivered a Process Safety campaign and arranged routine workshops/forums in the Process Safety Board & Council for all Medco Power assets.



Maintenance Reliability and Asset & Operating Integrity

We implemented a robust Defect Elimination (DE) process. It involved comprehensive identifications, captures, and analyses of defects using diverse data sources such as event codes, production losses, failure data, and recurring events. This approach aligned with the Medco Power Defect Elimination (DE) Guidelines, ensuring adherence to best practices and industry standards. Moreover, Root Cause Analyses (RCA) of various levels (e.g., Mini, Midi, and Maxi RCA) were systematically conducted as part of the DE process to identify underlying causes based on severity, frequency, or impact of defects.

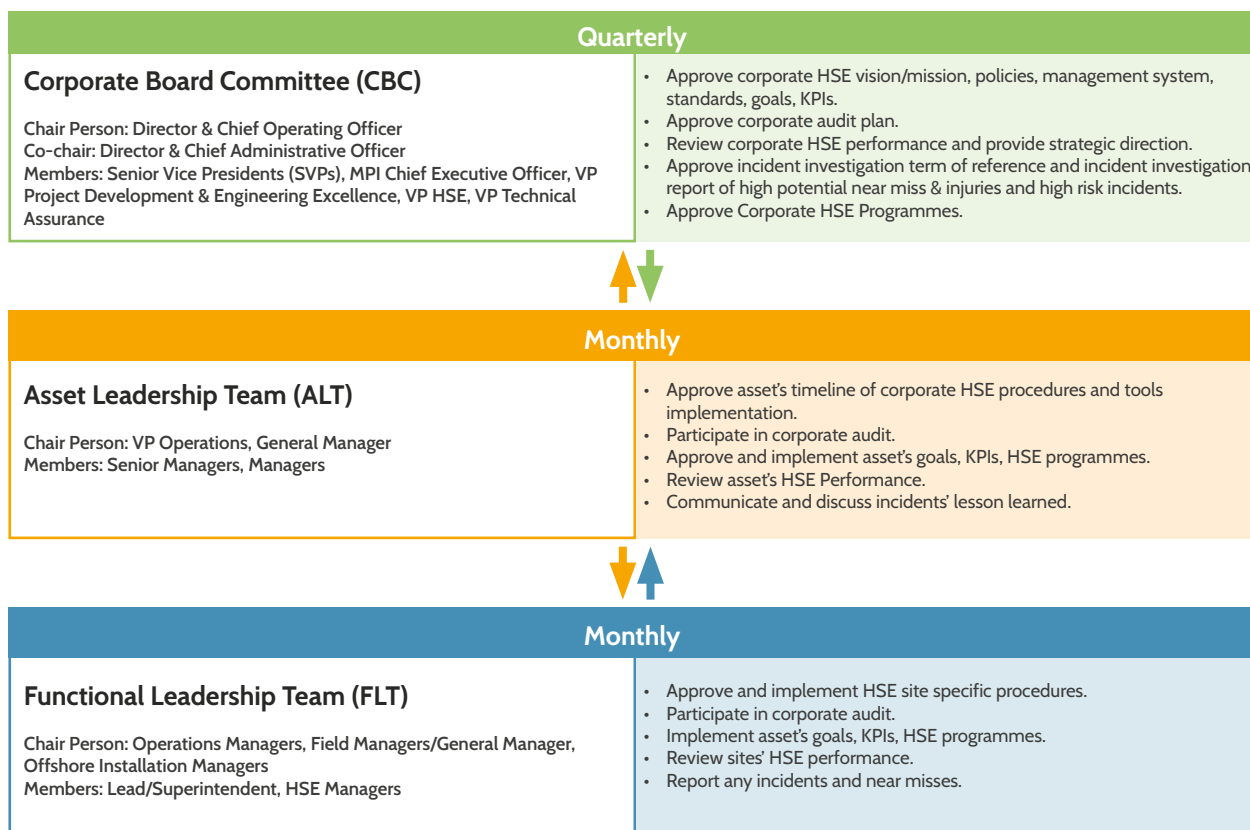
We also set our long-term plans for asset integrity in power plants and continued essential asset integrity programmes for operating assets.

We also aligned our Operability Assurance (OA) with Operational Excellence and integrated its standards into all major capital projects. This approach ensured that operations and project stakeholders collaborated to address operability, reliability, and maintainability. It also facilitated smooth operational integration and met OE requirements in initial operations. As of 2023, OA has been applied not only to IPP projects such as Ijen Geothermal IPP, East Bali IPP, and ELB Add-On, but also to ensure readiness in O&M Services, such as in Timor-1 and Sulut-1 Power Plants.

Our Health, Safety, and Environmental Management System (HSEMS)

Our HSEMS is an integral part of the OE framework. This management system enables us to systematically identify, assess, control, and monitor operational HSE risks to the business, employees, contractors and the environment. The HSEMS requires each asset and business unit to plan, coordinate and monitor HSE implementation throughout our operations. Our contractors and suppliers are also required to adhere to this management system.

The HSEMS Manual outlines managerial responsibilities for health and safety issues and ensures that HSEMS is implemented and communicated effectively across our business. Its roles and responsibilities are outlined below.



Our HSEMS at operating assets¹ aligns with ISO 45001:2018 for Occupational Health and Safety (OHS) Management Systems and ISO 14001:2015 for Environmental Management Systems (EMS). We maintain certifications for both standards – a list of certified oil & gas and power assets is on page 87 of this report.

Our Management System for oil & gas assets also complies with the Indonesian Government's Regulation No. 50/2012 on the Implementation of the OHS Management System and the Ministry of Energy and Mineral Resources (MEMR)'s Safety Management System for the Oil & Gas Industry (*Sistem Manajemen Keselamatan Migas/SMKM*).

¹ While we are ensuring HSEMS alignments with relevant ISO standards in our operated assets, we are also influencing our non-operated assets to implement HSEMS and/or align with relevant ISO standards.

Hazard Identifications, Risk Assessments, and Implementations of Associated Control

The following table illustrates how we continued to implement our hazard identifications and implementations of associated controls programme in 2023:

Categories	Assets	2023 Activities
Oil & Gas - Onshore	Corridor	Hazard and operability revalidation at Dayung and Grissik fields to foster the safety of our operations and health risk assessments.
	Lematang	Hazard identification workshop for critical welding tasks on the Singa Central Processing Platform (CPP). This also included preparatory measures such as equipment inspections and emergency drills.
	Tarakan	Hazard identification workshop and simultaneous operations assessments. It was followed by emergency exercises and assignment of an independent reviewer to report directly to Vice President Operation and General Manager serving as on-site representative.
Oil & Gas - Offshore	South Natuna Sea Block B	Hazard identification compliance for high-risk activities at Belida and Belanak Floating Production Storage and Offloading (FPSO). We assigned inter-field HSE advisors as HSE independence reviewers, representing the highest level of operations management.
Oil & Gas - International	Bualuang, Thailand	Front End Engineering Design (FEED) hazard identifications and hazards and operability for Bualuang debottlenecking project. The outcomes will be integrated into safer designs for Bualuang debottlenecking and it is to be completed in 2025.
	Oman	Hazard identification training using the bow tie method as an effective risk control mechanism.
Power	Energi Listrik Batam (ELB)	A hazard identification study project for construction work, commissioning, and simultaneous operations in Medco Power's ELB Add-on project.
	Medco Power Solar Sumbawa (MPSOS)	Conducted Electrical Hazard and Operability (HAZOP) or Electrical Safety and Operability (SAFOP) studies at our 26 MWp Solar PV ground mounted power plant. This assessed, eradicated or minimised potential electrical hazards to personnel in the electrical installations.

Asset Integrity

We carried out asset integrity assessments in our oil & gas facilities and power plants to ensure the continued reliability and safety of our operations. The activities are as detailed below:

Categories	Assets	2023 Activities
Oil & Gas - Onshore	Block A	Conducted slope stabilisations and land subsidence to enhance the Right-of-Way (ROW) pipeline facility's integrity, preventing slope failures and ensuring the reliability of production operations and gas sales continuity. These activities are continuing to date.
	Corridor	Conducted inspections for topside facilities by performing Risk Based Inspection (RBI) assessments, Corrosion Under Pipe Support (CUPS) or Corrosion Under Insulation (CUI) inspections, pipeline inspections by intelligent pigging, pipeline repairs, structural integrity inspections and implement corrosion management. These activities are continuing to date.
	Rimau	Replaced Kaji-Pangabuan pipeline segments 5 and 6 aimed to enhance their reliability. This activity was completed safely even though excavation was required near the existing pipeline. It also involved engagement with Field Relations, Security, HSE, and Onshore Project Delivery Functions.
	Tarakan	Improved the integrity of a 4-inch gas line and a 6-inch oil line in Tarakan by applying Stopaq after lifting the collapsed pipes to inspect and clean them.
Oil & Gas - Offshore	South Natuna Sea Block B (Hang Tuah)	Conducted a pigging activity on the 12-inch gas pipeline from Belida Drilling and Production Platform A (DPPA) to Hang Tuah aimed to ensure its integrity.
	South Natuna Sea Block B (Belanak)	Conducted annulus vacuum test of the flexible riser at Belanak FPSO to determine the current integrity conditions. The test results showed no significant integrity issues on the flexible riser.
	Sampang	Conducted condensate tank cleaning activities and integrity checks on the T-260 condensate tank.
Oil & Gas - International	Bualuang, Thailand	Executed a hydraulic workover (HWO) campaign, using a HWO unit provided by the contractor to enhance production and restore the well's integrity on the Alpha platform.
Power	Medco Ratch Power Riau (MRPR)	Conducted the first pipeline pigging activity on a 12-inch, 38 km gas pipeline from Sectional Valves (SV) at Koto Gasib to the MRPR Tenayan Power Plant.
	Mitra Energi Batam (MEB)	Executed condenser inspection and maintenance; new sacrificial anodes and coating were put in place to ensure the condenser's integrity.



Condensate Tank T-260 cleaning activity in Sampang, Indonesia



Annulus vacuum test at Belanak FPSO, South Natuna Sea Block B, Indonesia



Belida DPPA – Hang Tuah caliper pigging, South Natuna Sea Block B, Indonesia



Cleaning Pigging in a 12 inch, 38 km pipeline in MRPR, Riau, Indonesia

Contractor HSEMS

Managing contractors is a critical aspect of our business as they constitute the majority of MedcoEnergi’s workforce. Our Contractor HSE Management System (CHSEMS) is an integral part of our OE and is seamlessly integrated into our HSEMS.

It provides comprehensive guidance to ensure contractors align with our HSE expectations, standards, and criteria. We also conduct pre-screening of contractors for their safety performance and risks in compliance with SKK Migas regulations.

This integration spans planning and checking, risk management planning stages, and incorporates contractor management within the Asset and Operating Integrity (A&OI) Management system.

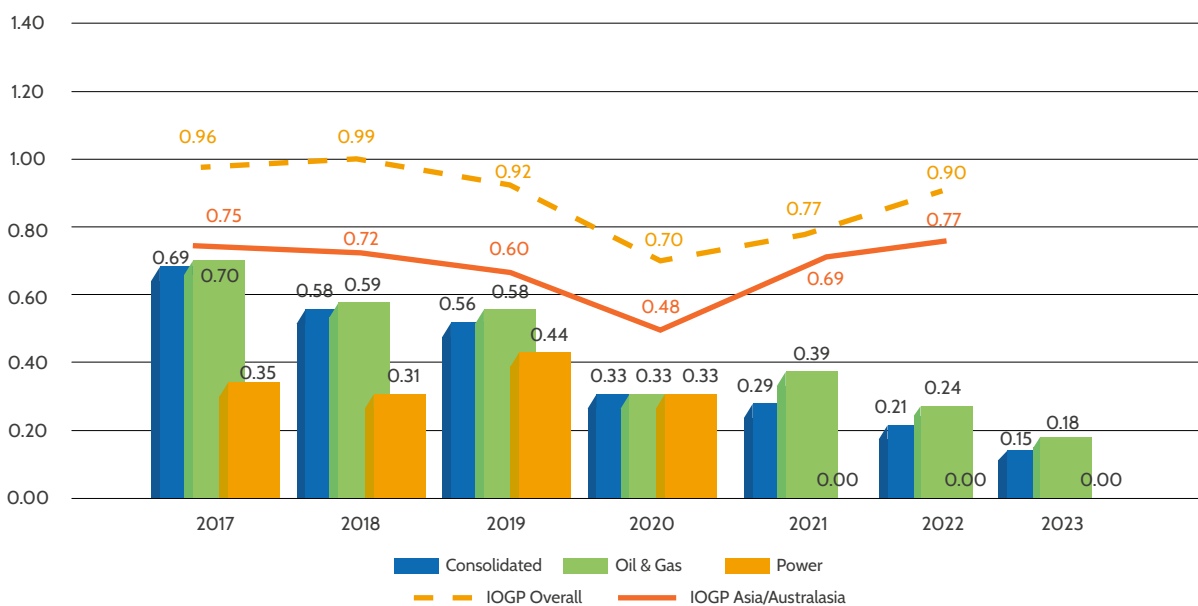
In 2023 we continued to reinforce our contractors’ commitment by implementing CHSEMS. This included evaluating contractors’ performance to gather feedback and ensure that CHSEMS was consistently implemented across all our assets.

Health and Safety Performance

We actively monitored our occupational health and safety (OHS) performance, utilising key performance indicators (KPIs) to pinpoint areas to improve and ensure effective programme implementation. We continuously focused on improving our Total Recordable Injuries Rate (TRIR) for both Medco Oil & Gas and Medco Power. Our ultimate targets are to have zero incidents and consistently maintain rates below the TRIR of the International Association of Oil & Gas Producers (IOGP).

Our Consolidated TRIR decreased from 0.21 in 2022 to 0.15 in 2023 although the work activities increased around 10%¹ compared to 2022, reflecting a positive trend. Notably, we achieved zero fatalities for the third consecutive year, underscoring our commitment to safety. The following graph illustrates our TRIR performance with the latest benchmarking data²:

TRIR at Medco Oil & Gas and Power in 2017-2023



1 The percentage of work activities is calculated based on the number of manhours.
 2 The number of recordable injuries (fatalities + lost workday cases + restricted workday cases + medical treatment cases) per million hours worked. Source for benchmarking: Data Series International Association of Oil & Gas Producers (IOGP) Safety performance indicators - 2022 data, issued in June 2023. Workforce includes employees and contractors.

Our OHS performance is in the tables below.

Oil & Gas	Employees			Contractors		
	2021	2022	2023	2021	2022	2023
Number of Fatalities	0	0	0	0	0	0
Fatality Rates	0.00	0.00	0.00	0.00	0.00	0.00
Lost Time Incident Rates ^{1,2}	0.00	0.00	0.00	0.00	0.00	0.00
Total Recordable Incident Rates ²	0.00	0.00	0.20	0.51	0.28	0.17
Occupational Disease Rates	0.00	0.00	0.00	0.00	0.00	0.00

Power	Employees			Contractors		
	2021	2022	2023	2021	2022	2023
Numbers of Fatalities	0	0	0	0	0	0
Fatality Rates	0.00	0.00	0.00	0.00	0.00	0.00
Lost Time Incident Rates ^{1,2}	0.00	0.00	0.00	0.00	0.00	0.00
Total Recordable Incident Rates ²	0.00	0.00	0.00	0.00	0.00	0.00
Occupational Disease Rates	0.00	0.00	0.00	0.00	0.00	0.00

1 Lost time incidents include fatalities, permanent disabilities, and lost workdays.

2 Incidents include both injuries and illnesses.

Process Safety Performance

Our process safety encompasses:



standards and procedures,



equipment testing and certification,



staff competencies,



contractor requirements,



safety cases,



a two-barrier policy,

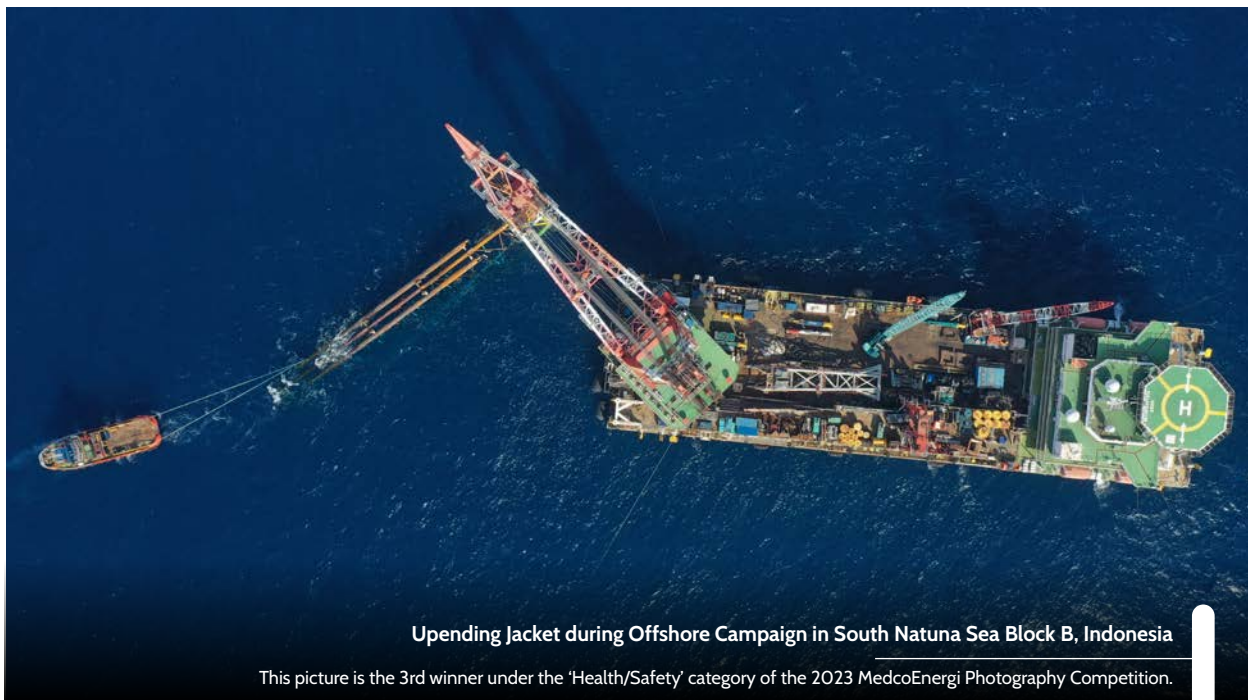


incident response and recovery mitigation plans.

These parameters are instrumental in assessing our asset and operating integrity and aim to minimise Process Safety Events (PSEs).

As part of our OE implementation in 2023, we enhanced our asset integrity regarding aging facilities. We evaluated the effectiveness of our process safety measures in our Indonesian oil & gas assets and subsequently extended the implementation to encompass our power and oil & gas international assets.

Process Safety Events (PSE)	2021	2022	2023
Tier 1 ¹ PSE	0	1	0
Tier 1 PSE rate per 1,000,000 work hours	0.00	0.04	0.00
Tier 2 ¹ PSE	3	1	3
Tier 2 PSE rate per 1,000,000 work hours	0.19	0.04	0.12



Upending Jacket during Offshore Campaign in South Natuna Sea Block B, Indonesia

This picture is the 3rd winner under the 'Health/Safety' category of the 2023 MedcoEnergi Photography Competition.

¹ The definition of Tier 1 and Tier 2 PSEs refers to the American Petroleum Institute's Recommended Practice Process and Safety Performance Indicators for the Refining and Petrochemical Industries; Second Edition.

Key Programmes and Initiatives

We demonstrate our commitment through various HSE programmes and initiatives developed for our employees, business partners and communities.

Incident Prevention Initiatives

We implement diverse OHS programmes targeting both employees and processes to prevent accidents. The initiatives conducted or continued in 2023 include:



Quarterly Corporate HSE Leading Metrics

We have adopted corporate leading metrics by anticipating and mitigating potential risks across all assets before they escalate. This data-driven strategy enables us to identify trends, pinpoint improvement areas, and carry out targeted interventions for better safety outcomes.



Cross Asset Lifting Operations Audit

We launched the Cross Asset Lifting Operations' internal audit to standardise lifting practices across assets by drawing on the expertise of cross-asset technical experts. This approach promotes uniform HSE standards and allows for timely corrective measures that enhance the identification of potential hazards in lifting operations.



HSE Perception Survey at Corridor

We conducted an HSE Perception Survey among employees and a Safety Maturity Assessment to assess the effectiveness of our HSE management system. These initiatives offered insights into the strengths and areas for improvement, which in turn enabled us to adjust our strategies and initiatives. They also provided benchmarks to compare the HSE conditions of the new asset with our existing ones.



Journey Management Enhancement at Corridor

The Corridor asset relies on a robust land transportation system to manage high fleet numbers, travel times, and distances across six operational fields. For this reason, Corridor launched the Motor Vehicle Incident (MVI) Combat Programme to enhance travel safety. As a result, this programme has improved both driving and road safety.



HSE Communications and Campaigns

We engage with our workforce to keep them well informed on HSE at work through communication strategies that employ both printed and electronic media. These campaigns visually provide crucial safety information to employees and contractors, thereby improving their knowledge and skills for safer workplaces and healthier lifestyles.



Engagements with Local Communities in the Ijen Area

Our HSE engagements also extend to the local communities where we operate. For example, Medco Cahaya Geothermal (MCG) familiarised the locals in Curah Macan village and the Kawah Wurung Tourist Attraction with the preparations for drilling and well flow testing.



Process Safety Ambassadors

We appoint our employees and contractors as process safety ambassadors and contractor safety ambassadors for our offshore assets. The process safety ambassadors conduct weekly sessions to boost process safety awareness and motivate colleagues to prioritise safety.



National HSE Month Campaign

We celebrated National HSE Month, also known as *Bulan K3 Nasional*, with various activities. They included safety quizzes, PPE demonstration competitions, webinars, and health promotion activities. This programme aimed to reinforce the company's commitment to safety while enhancing awareness and productivity.



Process Safety Training for Medco Power

Medco Power is building process safety capacity through a series of process safety training sessions for asset leaders. These process safety trainings and campaigns cover not only common material for process safety, but also catastrophic prevention mechanisms in the electrical power generation system, which covers generators, transformers, switchgears, Uninterruptible Power Supply (UPS) and DC supplies.

Employees' Health

At MedcoEnergi, we are committed to protecting the health of all our workforce. In 2023, we organized a programme called the 43 Days Medco Active Movement as part of our commitment to healthier lifestyles. This is an annual health programme featuring virtual challenges and offline events for all employees aimed at promoting fitness and well-being. All workers are encouraged to participate in sports activities, including walking/running, cycling, and working out.



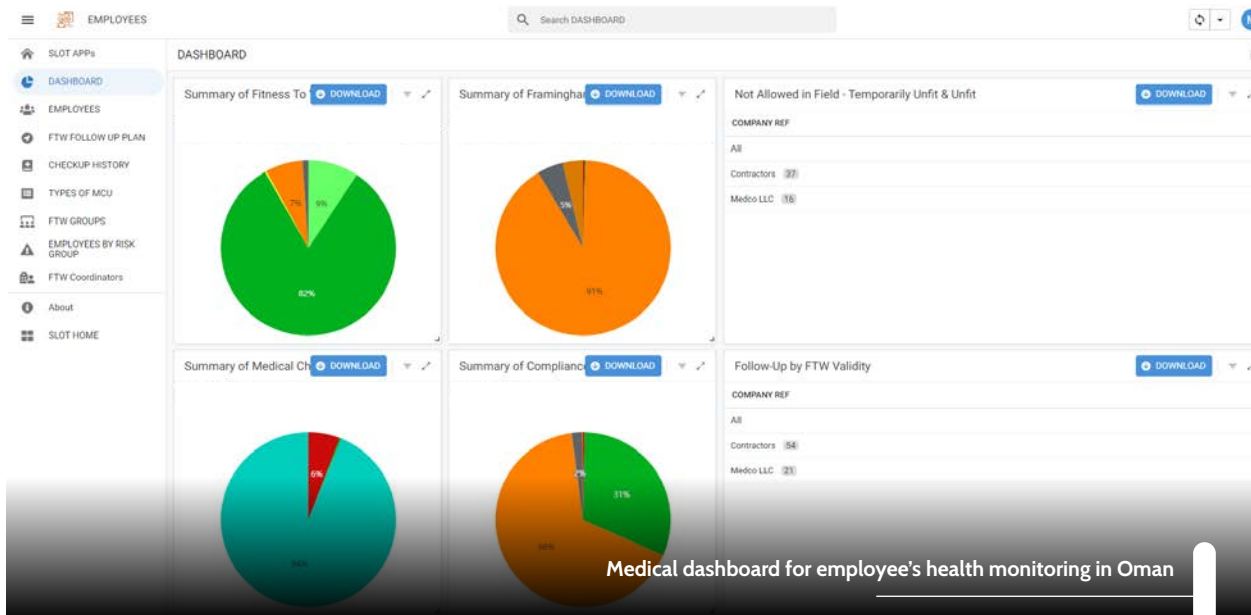
We conducted daily health checks and testing, including vital signs and Romberg tests to measure a person's sense of balance prior to working at height across all asset. We also held initiatives for employees' well-being, such as a hearing awareness campaign and weight reduction programme in the Corridor asset.

In addition, our Oman asset conducted HSE campaigns for substance abuse and developed a medical fit-to-work assurance tool. This tool serves as an analytical and tracking mechanism that ensures compliance with required checkups for each position and tracks the validity of medical examinations.

To further promote healthy lifestyles in Medco Power, we conducted regular health talks and training sessions covering specific awareness topics, such as on early detections of cervical and breast cancer for employees and their families. We also conducted cardiovascular emergency drills by providing training and simulations to handle medical emergencies related to heart attacks at MCG, Multidaya Prima Elektrindo (MPE), and Energi Prima Elektrika (EPE).



Early cervical and breast cancer detection training for employees and families at Medco Power.



Medical dashboard for employee's health monitoring in Oman

The Safety Leadership Programme

We implemented our Safety Leadership Programme to minimise workplace incidents and maintain compliance with our safety management systems, procedures and protocols.

HSE Management Visits

The Board of Directors (BoD), Leaders Team (LT), and Line Management of Medco Oil & Gas and Power conducted field visits across different assets under the HSE Management Visit programme. This programme is intended to support HSEMS implementation, improve HSE culture, and manifest organisational openness. During these visits, the management members aimed to foster an HSE information-sharing culture that covered incidents, near misses, and more. They performed the tour to technical and operational divisions, engaged in onsite HSE discussions with employees, and identified unsafe acts, conditions, and events and communicated to prevent recurrence.



Medco Power's President Commissioner during HSE Management Visit to MCG, East Java, Indonesia



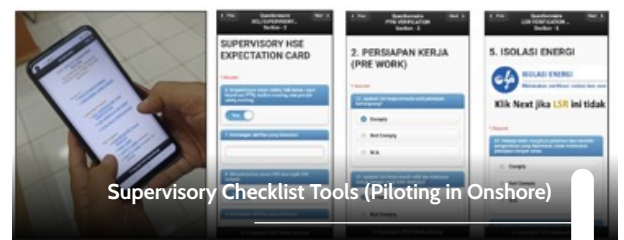
A signing off of a collective safety commitment



Management walkdown at MEB, Riau Islands, Indonesia

Supervisory Checklists

Medco Oil & Gas uses supervisory checklists, a tool designed to monitor line management visibility and enhance their engagement in HSE aspects. Leadership involvement is expected to drive organisational culture and subsequently influence behaviours. Our goal is to cultivate safety-conscious behaviours among workers, thereby reducing accidents. Line management is therefore responsible for implementing the Supervisory Checklist Programme, reviewing its effectiveness, and regularly monitoring and reporting on its execution.



Supervisory Checklist Tools (Piloting in Onshore)

HSE Engagements with Contractors

Maintaining our safety culture requires effective engagements with our contractors. To achieve this, we have developed programmes to instil accountability and promote transparency among our contractors.

Contractor HSE Forum & Workshops

Continuing our Contractor HSE Forum from the past years, in November 2023 we organised a contractor forum for Medco Oil & Gas in collaboration with Corporate HSE and other assets. The focus was on “Leveraging Contractor Leadership & Commitment through HSE Plan Execution and Learning Organisation.” This event provided a platform for constructive dialogues and knowledge-sharing, which fostered a deeper understanding of how HSE plans are executed.



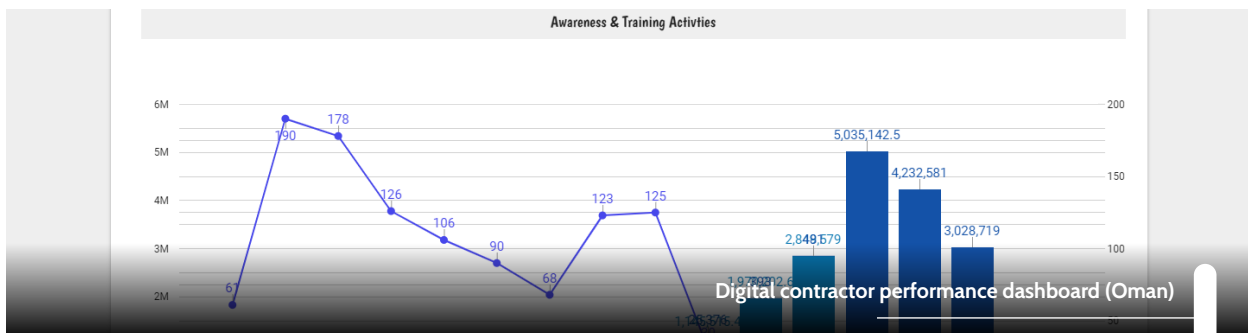
CHSEMS Forum at The Energy Building, Jakarta, Indonesia

Meanwhile, the annual joint HSE engagement in Oman involved 47 leaders from MedcoEnergi and contractors over two days. It covered topics such as HSE performance, business ethics, leadership engagement, and provided feedback for next year’s plans. This forum enabled us to strengthen relationships with our contractors and enhance our commitment to HSE excellence.

Similar efforts were carried out at our Tarakan and Corridor assets. These included regular coaching sessions on Contractor HSE and Monthly Contractor Management Forums, attended by the general managers and operations managers. These sessions were held in various forms, such as focus group discussions, briefings by HSE investigators, and HSE commitment banner signings by contractor leaders.

Contractor Management Initiatives

We enhanced insights taken from historical data and developed a contractors’ HSE performance dashboard to visualise and monitor contractors’ performance as well as trace historical records in Oman.



We conducted contractor HSE audits for brownfield operations and aviation contractors in our Bualuang asset in Thailand. The aim was to foster collaboration and provide feedback on HSE capabilities and system maturity. These audits were well-coordinated with contractors, and the results were communicated to relevant parties.

The ambassadors conducted campaigns on various HSE programmes during daily morning safety meetings. They also participated in planned programmes such as hazard hunting and facilities inspection. By doing this, we aimed to improve contractors' HSE knowledge and awareness, which included adopting safe working habits.

Contractor Safety Ambassadors

We appointed "Contractor Safety Ambassadors" to uphold safety protocols and minimise incidents. They are responsible for implementing the programmes, which included mentoring, coaching, monitoring sessions as well as weekly reports to upper management.



Emergency Preparedness

In MedcoEnergi, emergency preparedness is integrated into our Operational Excellence. The responses are covered in our three tiers of response organisation, which define response capabilities across all levels, from asset to senior management levels:

- A Tier-1 response is a tactical response managed by the Incident Management Team (IMT) at the site level, utilising local resources.
- A Tier-2 response is a tactical support response requiring additional resources and personnel. Our response efforts in such situations involve both the site level IMT and the asset Emergency Management Team (EMT).
- A Tier-3 response is activated when a crisis surpasses the limits of the Tier-2 response capabilities. This response is a strategic corporate response managed by the Crisis Management Team (CMT), involving senior management from both the asset and corporate levels.

We have also established "Business Continuity Teams" for our assets and corporate functions. These teams cooperate to plan and execute recovery efforts following disruptions to our business.

In addition, we conduct a variety of regular tabletop and wet drills to improve our responses to potential hazards. Mustering drills are conducted monthly. Other drills that include helicopter crashes, subsurface piping failures and gas releases, heavy equipment, structural damage, abandonments and lifeboats, amongst others, are conducted annually.

Some of these drills include the Ramba Jetty oil spill response exercises as well as the oil spillage drills for Medco Power. These exercises aim to simulate emergency responses and train our Emergency Response Team (ERT) to handle oil spills in our work areas in compliance with the Minister of Transportation's Regulation Number 58 Year 2013.

We also conducted multiple casualties integrated exercises for our Corridor assets to prepare EMT members and comply with SKK Migas' Health Emergency Preparedness Programme.

CMT-EMT Training & Tabletop Exercise


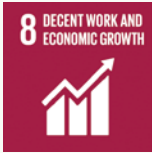
We conducted a CMT-EMT Training and Tabletop exercise in collaboration with Oil Spill Combat Team (OSCT) in November 2023, which focused on a major on-water oil spill scenario. This involved CMT and EMT members from all oil & gas Indonesian assets and representatives from Bualuang and power assets.

This training provided insights into roles and responsibilities during incidents that require further handling or higher-level escalation. The tabletop exercise aimed to guide CMT and EMT to handle crises related to oil spills in water and follow the CMT planning cycle process.



Alignment of Sustainability Initiatives with the UN SDGs

The following table maps our sustainability initiatives to advance our health and safety culture against the United Nations Sustainable Development Goals (UN SDG) targets. Please note that this mapping does not mean that MedcoEnergi claims to have measured or set targets for host governments in our operational areas in terms of achieving the UN's SDGs.

UN SDGs	Relevant Targets	Key Initiatives
	3.4, 3.6, 3.8, 3.9	<ul style="list-style-type: none"> Health, Safety and Environment Management System (HSEMS) Hazard identification and implementation of associated controls Emergency preparedness and table-top exercises Health programmes (e.g. medical checkups, 43-day Medco Active Movement) Process Safety Ambassadors
	8.8	<ul style="list-style-type: none"> HSE campaigns, programmes, and initiatives Contractor HSEMS Contractor Safety Ambassadors Emergency preparedness and tabletop exercises

Action Plans

The following action plans have been developed to help us meet our objectives and continue advancing our health and safety culture. We regularly measure, monitor and report on our progress and performance against these actions.

Category	Short-Term Actions	Medium/Long-Term Actions	Status
Workplace Health and Safety	Fit to Work for All Workers & Health Case Management		
	Achieve remaining Medical Check-Up (MCU) compliance 100% for Jakarta Office, Oman and Medco Power.	Implement pilot project involving predictive analyses for individuals' fit to work status in oil & gas assets.	Completed MCUs & Fit to Work Classifications.
	Improve wellness campaign programme for South Sumatra, Tarakan and Oman.	Improve wellness campaign programme for all assets.	Completed the wellness programme that started on 1 September 2023.
	Implemented Pilot System (Integrated Fit to Work) monitoring system for all onshore assets.	Further implement integrated fit to work monitoring systems to Onshore, Offshore, Corridor, and Thailand.	Completed Integrated Personnel Mobilisation System (IPMS) for all onshore assets, which started in August 2023.

Category	Short-Term Actions	Medium/Long-Term Actions	Status
	Implement updated fit to work governance and case management.	Implement audits for fit to work and OHS standards at all oil & gas assets.	Completed the governance of the updated fit-to-work and monitored the implementation of case management.
	Improve Medical Emergency Response Plans (MERP) in South Sumatra and Tarakan.	Improve Medical Emergency Response Plans (MERP) in East Java and Medco Power (West Java and South Sumatra), followed by other assets by 2025.	Completed MERP in South Sumatra and Tarakan as a pilot project.
	Maintain a safe and healthy working environment		
	Conduct self OE assessments for Corridor and Medco Power		Completed OE self-assessments for Corridor and Medco Power.
	Develop safety culture (own) self-assessment tools.	Implement safety culture self-assessments at all oil & gas assets and power locations.	These tools are already available and subject to customisation according to our needs.
	Establish corporate HSE audit protocols and conduct audits at onshore locations.	Conduct corporate HSE audits at all oil & gas assets and power locations.	Conducted HSE audits as mandated by SKK Migas.
	Establish governance for learning organisations and evaluate effectiveness.	Implement improved learning organisations at all oil & gas assets and power locations.	The drafting of the development guidelines is in progress and will be incorporated into the Incident Reporting Procedures.
	Improve Life-Saving Rules (LSR) Field Verification (FV), including IOGP Start Work Checks (SWC).	Implement LSR FV at all oil & gas assets and power locations.	Undergo improvement processes for LSR FV and include IOGP Start Work Checks (SWC).
	Implement SKK Migas methodology on CHSEMS on oil & gas assets (PTK 005).	Implement pilot project of predictive safety performance in all oil & gas assets and power locations.	Conducted familiarisations and training of PTK 005. Conducted training for evaluators/auditors. Baseline and continuous scoring of Initial and Ongoing Assessment (<i>Penilaian Awal dan Penilaian Berjalan</i> /PA & PB) are tracked by leading metrics.

Category	Short-Term Actions	Medium/Long-Term Actions	Status
Asset Integrity (Storage & Transportation)	Ensuring the Security and Integrity of the Asset		
	Finalise Corporate level HSEMS for oil & gas assets.		Development of a corporate level HSEMS is in progress for oil & gas assets.
	Develop Process Safety Management governance for oil & gas assets.	Review effectiveness of Process Safety Management.	Undergo Process Safety Framework development for managing process safety in oil & gas assets.
	Conduct asset integrity and process safety through Corporate HSE audits at oil & gas onshore assets.	Conduct asset integrity and process safety through Corporate HSE audits at all oil & gas assets and power locations.	The audit programme has been shifted to 2024 due to the requirement to conduct SIAP SELAMAT audits mandated by SKK Migas instead.
	Implement process safety event metrics on power assets.		Completed the process safety event metrics documents.
	Implement onshore flowline replacement programme in the South Sumatra region.	Implement onshore flowline replacement programme in all South Sumatra areas	Completed the Rimau flowline replacement (3,989 meters) and SSB flowline replacement (4,744 meters) as per the 2023 plans.
	Improve asset integrity and safety systems on Tarakan.	Improve asset integrity and safety systems in Rimau and South Sumatra region.	Installed and commissioned a shutdown valve & programmable logic controller. The vessel installation is in progress until 2024, according to the plans.
	Improve strategies to minimise vandalism in all onshore assets (focus on the Jene Pengabuan pipeline).	Improve strategies to minimise vandalism in onshore assets in Rimau and South Sumatra region.	Currently running the Task Force of Revitalisation Pipeline Programme, which covers security, operations, integrity, social aspects, and stakeholder engagements. Regular programme updates to South Sumatra Region (SSR) Management.
Establish Business Continuity (BC) governance and BC improvements in functions (IT, the Jakarta Office), oil & gas onshore and offshore.	Evaluate effectiveness of BC governance through audits in all oil & gas assets and power locations.	Developing Business Continuity standards is in progress. BC improvements are in progress for IT, offshore and onshore oil & gas assets.	

Appendix

2023 Awards

Award	Awarder	Description
Oil & Gas and MEI		
The 4th ICIUOG Award 2023	SKK Migas	Medco E&P Natuna received the Project Performance Award in the Exploration category for the Belida Extension Project
		Medco E&P Indonesia received the Assurance and Consulting Excellence Award in the Internal Supervision category.
		JOB Tomori received the Integrity Compliance and Ethics Award and the Best Cost Initiative Award in the Internal Supervision category.
Patra Karya Raksa Madya	Ministry of Energy and Mineral Resources, Directorate General of Oil and Gas	Oil and Gas Safety Training Category: PT Transportasi Gas Indonesia recognised for oil & gas work safety
Patra Nirbhaya Karya Utama Adinugraha	Ministry of Energy and Mineral Resources, Directorate General of Oil and Gas	JOB Simenggaris received an award for the category 'without losing working hours as a result of an accident'
Patra Nirbhaya Karya Utama	Ministry of Energy and Mineral Resources, Directorate General of Oil and Gas	JOB Tomori and South Natuna Sea Block B received an award for the category 'without losing working hours as a result of an accident'
Patra Nirbhaya Karya Madya	Ministry of Energy and Mineral Resources, Directorate General of Oil and Gas	Block A and Lematang received an award for the category 'without losing working hours as a result of an accident'
Patra Nirbhaya Karya Pratama	Ministry of Energy and Mineral Resources, Directorate General of Oil and Gas	Bangkanai and Madura Offshore received an award for the category 'without losing working hours as a result of an accident'
Subroto Award	Ministry of Energy and Mineral Resources, Directorate General of Oil and Gas	Medco E&P Grissik recognised for maximum efforts in improving Non-tax State Revenue from Upstream Oil and Gas.
Anugerah Tata Bandha Energi	Ministry of Energy and Mineral Resources, Directorate General of Oil and Gas	South Natuna Sea Block B secured the second place for the category of Contractors for Large Asset Value Upstream Oil and gas Cooperation Contracts
		Tarakan secured the second place for the category of Contractors for Small Asset Value Upstream Oil and Gas Cooperation Contracts
Tax Award	Ministry of Finance, Directorate General of Taxes	Medco E&P Grissik and Medco E&P Tomori Sulawesi recognised for tax payments that contribute greatly to Indonesia's development
The Best 5 Investortrust Companies 2023	Investortrust.id Media	Presented to PT Medco Energi Internasional Tbk
Press Partner Award/'Sahabat Pers' (Friend of the Press) Award	Indonesian Cyber Media Union (SMSI)	Presented to Medco E&P Indonesia
2023 CSR Award	Indonesian Fishermen Association (HNSI) of the Anambas Islands	Presented to South Natuna Sea Block B
3 rd Best CSR	Governor of Aceh	Presented to Block A

Award	Awarder	Description
Sizeable Contract Award	European supermajor Shell	Subsea7 has been awarded a "sizeable" contract by European supermajor Shell for the decommissioning of subsea infrastructure associated with a floating production, storage and offloading vessel offshore Brazil.
Thailand Sustainability Disclosure Recognition Award 2023	Thaipat Institute, Thailand	Bualuang PSC recognised for transparent sustainability disclosure in accordance with international ESG practices and standards.
Best Spokesperson	Energy and Mining Editor Society (E2S)	Leony Lervyn, Senior Manager Communication, was awarded the "Best Spokesperson" titles for O&G.
Triple Best Social Responsibility Awards	SKK Migas	The awards recognised South Natuna Sea Block B's commitment to fostering positive transformation in the communities surrounding its operational areas.
2 Green PROPER Awards	Environment and Forestry Ministry	Medco E&P Natuna and Medco Energi Sampang recognised for dedication to environmental conservation.
Gold PROPER Award	Environment and Forestry Ministry	JOB Tomori recognised for dedication to environmental conservation and the implementation of sustainable community empowerment programmes around its operations.
Gold Title	Badan Pengelola Migas Aceh (BPMA)	Block A has been recognised in the evaluation of the key performance indicators of the human resources function in 2023
Empowerment Figure Award	Rumah Zakat	Corridor Grissik was honoured with the 2023 Empowerment Figure Award by Rumah Zakat for its unwavering commitment to community development and outstanding contributions to public education.
The Highest Local Content (TKDN) for Cost Recovery 2023	SKK Migas	Medco E&P Indonesia has won The Highest TKDN for Cost Recovery 2023 from the Special Task Force for Upstream Oil and Gas Business Activities. The accomplishment reflects Medco E&P's commitment to enhancing national capacity.
1 st Rank	Badan Pengelola Migas Aceh (BPMA)	Block A received the Supply Chain Management (SCM) 2022 Key Performance Indicator (KPI) 1st rank award
Best Asset Management and Optimisation	Directorate General of State Assets Management, Ministry of Finance	Corridor received a rank 2 for PSC with the highest utilisation of the State-Owned Assets (BMN) Hulu Migas Tarakan received a rank Category C for with the highest utilisation of the BMN Hulu Migas
National Champion Award	Ministry of State-Owned Enterprises (BUMN)	MedcoEnergi has been honoured with the prestigious National Champion award in the Customer/Buyer category from the Ministry of State-Owned Enterprises (BUMN). This award underscores MedcoEnergi's commitment as a BUMN partner dedicated to the advancement of Indonesia.
Best Sustainability Leadership Initiatives	Energy and Mining Editor Society (E2S)	Hilmi Panigoro received an award for his outstanding contributions to driving sustainable practices within Medco

Award	Awarder	Description
Power		
Silver achievement in The 12th Indonesia Operational Excellence Conference & Award 2023 (OPEXCON) for Mining and Energy Category	OPEXCON	Transformation Culture of Behavior-Based Safety Through Digitalisation HSE Observation by MPI-myHSE Mobile Application
Zero Accident Award	Ministry of Manpower	Tanjung Jati B Power Services, Mitra Energi Batam and Medco Ratch Power Riau recognised for zero accidents.
HIV & AIDS Prevention and Control Programme in The Workplace – Platinum category	Ministry of Manpower	For the achievements in implementing HIV & AIDS prevention and control programmes in the workplace
COVID-19 Prevention and Control Programme in the Workplace – Platinum category	Ministry of Manpower	For the achievements in implementing COVID-19 prevention and control programmes in the workplace
Gold PROPER	Ministry of Forestry & Environment	In appreciation of Tanjung Jati B Power Services that performs environmental regulations, provide added value to the company's natural resource maintenance activities, energy conservation efforts, and community development
HIV & AIDS Prevention and Control Programme in the Workplace – Platinum category	Ministry of Manpower	For the achievements in implementing HIV & AIDS prevention and control programmes in the workplace
COVID-19 Prevention and Control Programme in the Workplace – Platinum category	Ministry of Manpower	For the achievements in implementing COVID-19 prevention and control programmes in the workplace
HIV & AIDS Prevention and Control Programme in the Workplace	Ministry of Manpower	For the achievements in implementing HIV & AIDS prevention and control programmes in the workplace
Blue PROPER	Ministry of Forestry & Environment	In appreciation of Mitra Energi Batam that performs environmental compliance to Ministry of Environmental and Forestry regulation
Appreciation for implementation of P2K3 programmes in the workplace	Ministry of Manpower	Achievement of implementation of P2K3 programmes in the workplace
SMK3	Ministry of Manpower	Achievement of implementation of an occupational safety & health management system (Gold Rank)
Indonesia Best Electricity Award 2023	Listrik Indonesia	Medco Power Indonesia recognised as Best of the Best Renewables Company. Energi Listrik Batam recognised as Best Non-renewables Power Plant Company.

OJK Sustainability Reporting Standards and Requirements (SEOJK No. 16/2021)

No.	Topic	No.	Disclosure	Page	
A	Corporate sustainability strategy	A.1	Explanation of the sustainability strategy	36-48	
B	Summary of sustainability performance	B.1	Economic aspect	16	
		B.2	Environmental aspect	17	
		B.3	Social aspect	18	
C	Summary of company profile	C.1	Vision, mission and sustainability values	25	
		C.2	Company's address	Back Cover	
		C.3	"Scale of business"	22, 28, 171-172	
		C.4	Products, services, and business activities conducted	22	
		C.5	Association memberships	48	
		C.6	Significant changes to the company	Not applicable	
D	Letter from Board/Director(s)	D.1	Letter from the Board/Director(s)	8-13	
E	Sustainability governance	E.1	Responsibility for the implementation of sustainable finance/ operations	55-58	
		E.2	Competency development pertaining to sustainable finance/ operations	61-62, 64, 71-72, 75-76, 112-113, 175-179	
		E.3	Risk assessment on the implementation of sustainable finance/ operations	58-59	
		E.4	Stakeholder relations	46-47, 139	
		E.5	Issues on implementation of sustainable finance/ operations	Not Applicable	
F	Sustainability performance	F.1	Initiatives in building a culture of sustainability	36-37, 52-59, 66, 84-87, 102-104, 110-111, 138, 162-165, 170, 173, 186-189	
		Economic Performance			
		F.2	Economic comparison of production targets and performance portfolio, financing target, or investment, income and profit/loss	16, 33	
		F.3	Economic comparison of target and portfolio performance, financing target, or investments in financial instruments or projects relating to sustainable operations	Not Applicable	
		Environmental Performance			
		F.4	Environmental cost	98, 141	
		Material Aspect			
		F.5	Use of environmentally-friendly materials	89-92	
		Energy aspect			
		F.6	Amount and intensity of energy usage	122-123	
F.7	Efforts and initiatives for energy efficiency and renewable energy	124-131			

No.	Topic	No.	Disclosure	Page
			Water aspect	
		F.8	Water usage	94-95
			Biodiversity aspect	
		F.9	Impacts of operations near or within a conservation area/areas rich in biodiversity	98-101
		F.10	Initiatives for biodiversity conservation	98-101
			Emission aspect	
		F.11	Amount and intensity of emissions produced by type	120-122
		F.12	Initiatives and achievements for emission reduction	118-119, 124-131
			Waste and effluent aspect	
		F.13	Amount of waste and effluent produced by type	90, 92, 96
		F.14	Waste and effluent management mechanism	89-92, 95-96
		F.15	Spills that occurred (if any)	93
			Complaints regarding the environment aspect	
		F.16	Number and material of environmental complaints received and resolved	84
			Social performance	
		F.17	Commitment in providing services on products and/or equivalent services to consumers	Not applicable
			Employment aspect	
		F.18	Equal employment opportunity	170
		F.19	Child labor and forced labor	30, 170
		F.20	Regional minimum wage	170
		F.21	Decent and safe working environment	170
		F.22	Employee capabilities training	175-179
			Community aspect	
		F.23	Impact of operations on surrounding communities	138-167
		F.24	Public complaints	69, 74
		F.25	Corporate environmental and social responsibility initiatives (related to UN SDGs)	138-167
			Responsibility for the development of sustainable products and services	
		F.26	Innovation and development of sustainable products and services	Not applicable
		F.27	Products and services that have been evaluated for customer safety	Not applicable
		F.28	Impacts of products and services	84-86
		F.29	Number of products recalled	Not applicable
		F.30	Customer satisfaction survey on sustainable products and services	Not applicable
G	Written verification from an independent party	G.1	Written verification from an independent party (if any)	3
H	Feedback form	G.2	Feedback form	Feedback Form
		G.3	Responses to the previous year's report feedback	Not applicable
I	Responses to the previous year's report feedback	G.4	List of disclosures according to Circular Letter of Financial Service Authority Regulations (OJK) Number 51/POJK.03/2017	211-212

Singapore Exchange (SGX) Index

SGX Primary Component Index

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3	Policies, practices and performance	36-48, 52-77, 84-104, 110-131, 138-164, 170-180, 186-204 GRI Performance Data page 2-57
4	Targets	32, 79-81, 106-107, 112, 133-134, 166-167, 182-183, 205-207
5	Sustainability reporting framework	3, 39-40, 78, 105, 114, 132, 164-165, 181, 205, 211-214
6	Board statement and associated governance structure for sustainability practices	8-13, 55-58

SGX Core ESG Metrics Index

Core ESG Metrics set in SGX	Disclosure	Location	Reason of non-disclosure
Environmental			
Greenhouse Gas Emissions	Absolute emissions by:		
	a) Total	119, 120-122	
	b) Scope 1, Scope 2	120-122	
	c) Scope 3, if appropriate	Not disclosed	Information incomplete. We aim to disclose Scope 3 by 2025
	Emissions intensities by:		
	a) Total	121	Disclosed for Scope 1 intensity
	b) Scope 1, Scope 2	121	Disclosed for Scope 1 intensity
	c) Scope 3, if appropriate	Not disclosed	Information incomplete. We aim to disclose Scope 3 by 2025
Energy Consumption	Total energy consumption	123	
	Energy consumption intensity	123	
Water Consumption	Total water consumption	94	Disclosed our water withdrawal
	Water consumption intensity	94-95	Disclosed our water withdrawal
Waste Generation	Total waste generated	90, 92	

Core ESG Metrics set in SGX	Disclosure	Location	Reason of non-disclosure
Social			
Gender Diversity	Current employees by gender	171	
	New hires and turnover by gender	GRI Performance Data page 40-42	
Age-based Diversity	Current employees by age groups	171	
	New hires and turnover by age groups	GRI Performance Data page 47	
Employment	Total turnover	GRI Performance Data page 42-43	
	Total number of employees	171	
Development & Training	Average training hours per employee	Not disclosed	Information incomplete
	Average training hours per employee by gender	Not disclosed	Information incomplete
Occupational Health & Safety	Fatalities	195	
	High-consequence injuries	GRI Performance Data page 48	
	Recordable injuries	195	
	Recordable work-related ill health cases	195	
Governance			
Board Composition	Board independence	Annual Report page 98-101	
	Women on the Board	170	
Management Diversity	Women in the management team	170	
Ethical Behaviour	Anti-corruption disclosures	59-81, GRI Performance Data page 8	
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Certifications	List of relevant certifications	87	
Alignment with Frameworks	Alignment with frameworks and disclosure practices	3, 39-40, 78, 105, 114, 132, 164-165, 181, 205, 211-214	
Assurance	Assurance of Sustainability Report	3	

Acronym and Abbreviations

3R	Reduce, Reuse, and Recycle	CHSEMS	Contractor HSE Management System
A&IC	Audit and Integrity Compliance	CIP	Climate Impact Platform
A&OI	Asset and Operating Integrity	CIVD	Central Integrated Vendor Database
ABC	Anti-Bribery and Corruption	CLA	Collective Labour Agreement
ACCA	Association of Chartered Certified Accountant	CMS	Competency Management System
ACD	Accelerated Corridor Development	CMT	Crisis Management Team
ABMS	Anti-Bribery Management System	CNG	Compressed Natural Gas
ADB	Asian Development Bank	CO ₂ e	Carbon dioxide equivalent
AGMS	Annual General Meeting of Shareholders	CoC	Code of Conduct
AMDAL	Environmental Impact Assessment (<i>Analisis Mengenai Dampak Lingkungan Hidup</i>)	COD	Commercial Operation Date
AML	Anti-Money Laundering	CoI	Conflict of Interest
AMMT	PT Amman Mineral Internasional Tbk	COO	Chief Operating Officer
APEC	Asia-Pacific Economic Cooperation	COP28	2023 United Nations Climate Change Conference
API	American Petroleum Institute	CPA	Certified Practising Accountant
ASEAN	Association of Southeast Asian Nations	CST	Corridor Storage Tanker
B+HR	Business and Human Rights	CSR	Corporate Social Responsibility
BAT	Best Available Technologies	CSRM	Corporate Sustainability and Risk Management
bbls	Barrels	DEB	PT Dalle Energy Batam
BBIA	Anambas Centre for Fish Seeds (<i>Benih Bibit Ikan Anambas</i>)	DIT	Digital Information Technology
BCP	Business Continuation Plans	DJK-ESDM	Directorate General of Electricity of the Ministry of Energy and Mineral Resources (<i>Direktorat Jenderal Ketenagalistrikan, Menteri Energi dan Sumber Daya Mineral</i>)
BEP	Belinda Extension Project	DSLNG	PT Donggi Senoro LNG
BIP	Business Impact Projects	E&P	Exploration and Production
BJI	PT Bio Jatropa Indonesia	EBTKE	Renewable Energy & Energy Conservation (<i>Energi Baru, Terbarukan, dan Konservasi Energi</i>)
BMN	State-owned Goods License	ECC	Ethics & Compliance Committee
BNSP	National Professional Certification Agency (<i>Badan Nasional Sertifikasi Profesi</i>)	EES	Employee Engagement Survey
BoC	Board of Commissioners	ELB	PT Energi Listrik Batam
BoD	Board of Directors	ELO	Ethics Liaison Officer
boe	Barrel of Oil Equivalent	EMS	Environmental Management System
BSR	Business for Social Responsibility	EMT	Emergency Management Team
CAO	Chief Administrative Officer	EP	Equator Principles
CAPEX	Capital Expenditures	EPE	PT Energi Prima ElektriKa
CATS	Corrective Action Tracking System	ERM	Enterprise Risk Management
CCPP	Combined Cycle Power Plant	ERT	Emergency Response Team
CCRA	Climate Change Risk Assessment	ESG	Environmental, Social, and Governance
CCS	Carbon Capture and Storage	ESAP	Environmental Social Action Plan
CCUS	Carbon Capture, Utilization and Storage	ESHIA	Environmental, Social, and Health Impact Assessment
CDP	Formerly the Carbon Disclosure Project, an international non-profit organisation that helps companies and cities disclose their environmental impact	ESHMP	Environmental, Social and Health Management Plan
CEO	Chief Executive Officer	EV	Electric Vehicle
		FAAP	Finance Apprentice Acceleration Programme

FAMI	Indonesian Oil & Gas Auditor Forum (<i>Forum Auditor Migas Indonesia</i>)
FGD	Focus Group Discussions
FORKOPMIDA	District leadership coordination forums (<i>Forum Komunikasi Pimpinan Daerah</i>)
FPIC	Free, Prior and Informed Consent
FPSO	Floating Production Storage and Offloading
FRA	Fraud Risk Assessment
GCG	Good Corporate Governance
GEG	Gas Engine Generator
GHG	Greenhouse Gas
GJ	Gigajoule
GMS	General Meeting of Shareholders
GOI	Government of Indonesia
GRI	Global Reporting Initiative
GSA	Gas Sales Agreement
GTG	Gas Turbine Generator
GTR	Government Travel Expense Requisition
HAOP	Hazard and Operability
HFW	Harassment-Free Workplace
HOA	Head of Agreement
HR	Human Resources
HRA	Human Rights Assessment
HRIA	Human Rights Impact Assessment
HRDD	Human Rights Due Diligence
HRGS	Human Resources & General Services
HSE	Health, Safety, and Environment
HSEMS	Health Safety and Environment Management System
IBCSO	Indonesian Business Council for Sustainable Development
ICE	Integrity Compliance and Ethics
ICT	Incident Management Team
IDR	Indonesian Rupiah
IDX	Indonesia Stock Exchange
IEA	International Energy Agency
IESG	Industry Environmental Safety Group
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IMO	Integration Management Office
IOGP	International Association of Oil & Gas Producers
IPA	Indonesia Petroleum Association
IPA ECC	Indonesian Petroleum Association Ethics and Compliance Committee
IPCC	Intergovernmental Panel on Climate Change
IPP	Independent Power Producer
IS	Information Systems
ISED	Inclusive Sustainable Economic Development

ISO	International Organisation for Standardization
ISPS	International Port and Ship Security
IT	Information Technology
JOB	Joint Operating Body
KADIN	Indonesian Chamber of Commerce and Industry (<i>Kamar Dagang dan Industri</i>)
KAP PSS - EY	Kantor Akuntan Publik Purwanto, Sungkoro & Surja (A member firm of Ernst & Young Global Limited)
KKKS	Contractor Partnership (<i>Kontraktor Kontrak Kerja Sama</i>)
KPI	Key Performance Indicator
KPK	Indonesian Corruption Eradication Commission (<i>Komisi Pemberantasan Korupsi</i>)
KSF	Karim Small Fields
kWp	Kilowatt peak
KYC	Know-Your-Customer
LEAD	Leadership Essential Development
LSP Migas	Oil & Gas Professional Certification Institute (<i>Lembaga Sertifikasi Profesi Minyak dan Gas</i>)
LSR	Life-Saving Rules
LTI	Lost Time Incident
LTIR	Lost Time Incident Rate
LTP	Long-Term Plan
mboepd	Million Barrels of Oil Equivalent Per Day
MCG	PT Medco Cahaya Geothermal
MEB	PT Mitra Energi Batam
MEI	PT Medco Energi Internasional Tbk
MEMR	Ministry of Energy and Mineral Resources
MEPI	PT Medco E&P Indonesia
MEPM	PT Medco E&P Malaka
MEPN	Medco E&P Natuna Ltd (South Natuna Sea Block B)
MESL	Medco Energi Sampang Pty. Ltd
MGB	Mercury Guard Bed
MLB	Medco Leadership Behaviours
mmscfd	Million Standard Cubic Feet per Day
MoEF	Ministry of Environment and Forestry
MOU	Memorandum of Understanding
MPE	PT Multidaya Prima Elektrindo
MPEP	Medco Project Excellence Process
MPI	Medco Power Indonesia
MPMA	Medco Project Management Academy
MPSI	PT Medco Power Servis Indonesia
MRPR	PT Medco Ratch Power Riau
MSCI	Morgan Stanley Capital International
MSLDP	Medco Senior Leadership Development Programme
MSME	Micro, Small, and Medium-sized Enterprise
MW	Megawatt
MWp	Megawatt peak
NDC	Nationally Determined Contribution

NGO	Non-governmental organisation
OADP	Operations Apprentice Development Programme
OE	Operational Excellence
OECD	Organisation for Economic Co-operation and Development
OFAC	Office of Foreign Assets Control
OGMP	Oil & Gas Methane Partnership
OHS	Occupational Health and Safety
OHSAS	Occupational Health and Safety Assessment Series
OJK	Financial Services Authority (<i>Otoritas Jasa Keuangan</i>)
OPF	Onshore Process Facility
OSCT	Oil Spill Combat Team
OSRL	Oil Spill Response Limited
OT	Operational Technology
P2P	Procure-to-Pay
PDCA	Plan-Do-Check-Adjust
PDPA	Personal Data Protection Act
PDO	Petroleum Development Oman
PFSP	Port Facility Security Plan
PIC	Persons in Charge
PKK	Family Welfare Programme (<i>Pemberdayaan Kesejahteraan Keluarga</i>)
PLN	Indonesian State-owned Electricity Company (<i>Perusahaan Listrik Negara</i>)
PMS	Performance Management System
PDO	Petroleum Development Oman
PPA	Power Purchase Agreement
PPDSM Migas	Oil & Gas Human Resources Centre (<i>Pusat Pengembangan Sumber Daya Manusia Minyak dan Gas Bumi</i>)
PPE	Personal Protective Equipment
PPKH	Forest Area Usage Approval (<i>Persetujuan Penggunaan Kawasan Hutan</i>)
PPP	PT Pembangkitan Pusaka Parahiangan
PROPER	Performance Rating Programme in Environmental Management
PSC	Production Sharing Contract
PSE	Process Safety Events
PT	Limited Liability Company (<i>Perseroan Terbatas</i>)
PV	Photovoltaic
PWT	Produced Water Treatment
QPR	Quarterly Performance Review
R&D	Research & Development
R&S	Relations and Security
REC	Renewable Energy Certificate
RCP	Representative Concentration Pathway
RO	Reverse Osmosis
RPIA	Women and Children Empowerment House (<i>Rumah Pemberdayaan Ibu dan Anak</i>)

RPJMN	National Medium Term Development Plan (<i>Rencana Pembangunan Jangka Menengah Nasional</i>)
SAE	Standards on Assurance Engagement
SASB	Sustainability Accounting Standards Board
SCBD	Sudirman Central Business District
SCL	Supervisory Checklist
SCM	Supply Chain Management
SDGs	Sustainable Development Goals
SDS	Sustainable Development Scenario
SEP	Stakeholder Engagement Plan
SKK Migas	Special Task Force for Upstream Oil & Gas Business Activities (<i>Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi</i>)
SKKL	Environmental Permit (<i>Surat Keputusan Kelayakan Lingkungan Hidup</i>)
SMKM	Safety Management System for the Oil & Gas Industry (<i>Sistem Manajemen Keselamatan Migas</i>)
SMP	Security Management Plan
SMS	Social Management System
SoA	Statement of Adherence
SPARING	Continuous Wastewater Quality Online Monitoring (<i>Sistem Pemantauan Kualitas Air Limbah secara Terus Menerus dan Dalam Jaringan</i>)
SPI	Sustainable Performance Improvement
SRMC	Sustainability and Risk Management Committee
SROI	Social Return on Investment
SSC	Shared Services Centre
SSP	Shared Socioeconomic Pathway
SSR	South Sumatra Region (Consists of Lematang, Rimau and South Sumatra Block)
STEPS	Stated Policies Scenario
STP	Sewage Treatment Plant
SQR	Service Quality Review
TB	Tuberculosis
TCFD	Task Force on Climate-related Financial Disclosures
TCMS	Technical Competency Management System
tCO ₂ e	Metric tons of carbon dioxide equivalent
TDC	Technical Development Committee
TJBPS	PT Tanjung Jati B Power Services
TLV	Threshold Limit Value
TOE	Ton of Oil Equivalent
TOX	Thermal Oxidizer
TPC	Team Performance Contract
TRIR	Total Recordable Injury Rate
UDHR	Universal Declaration of Human Rights
UMP	Provincial minimum wage (<i>Upah Minimum Propinsi</i>)
UN	United Nations
UNGP	United Nations Guiding Principles
UNODC	United Nations Office on Drugs and Crime

US	United States of America
USD	US Dollar
VIDA	Virtual International Development Assignment
VP	Vice President
VPSHR	Voluntary Principles on Security and Human Rights
WBCSD	World Business Council for Sustainable Development
WBS	Whistleblowing System
WTC	Waste Treatment Centre
WWTP	Wastewater Treatment Plants

Feedback Form

This Sustainability Report provides an overview of MedcoEnergi's 2023 sustainability performance. We look forward to receiving suggestions for improvement from our stakeholders. Please share your feedback and/or comments about this Sustainability Report by completing this feedback form and returning to us by e-mail, fax, or mail.

Stakeholder Group

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

Please choose the most appropriate answer(s) to the questions below:

- | | Yes | No |
|---|--------------------------|--------------------------|
| 1 This report is useful to you | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 This report describes the Company's performance in sustainability development | <input type="checkbox"/> | <input type="checkbox"/> |

Please rate the following material aspects based on the level of importance according to your view of MedcoEnergi's sustainability performance (score 1 = most important to 16 = least important).

- | | |
|---|-----|
| Workplace health, safety, and wellbeing | () |
| Climate Risk and Resilience | () |
| Water | () |
| Asset Integrity & Security | () |
| Human Rights | () |
| Responsible Procurement Practices | () |
| Security Practices | () |
| Climate Mitigation | () |
| Air Quality | () |
| Local Communities | () |
| Stakeholder Engagements | () |
| Talent Attraction, Retention, and Development | () |
| Climate Adaptation | () |
| Effluents and Waste | () |
| Anti-Corruption & Business Ethics | () |
| Policy & Regulatory Environment | () |

Please provide suggestions/comments for this report:

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

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EXPANDING OUR HORIZONS



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ISSN 2962-4606



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