PT Cita Mineral Investindo Tbk

20 20



Environmental, Social, and Governance Report

Evolving Responsibly



Evolving Responsibly

PT Cita Mineral Investindo Tbk (CITA)

Evolving Responsibly. CITA envisions becoming a leading producer of bauxite and alumina in Indonesia. In the realization of this, we take great care of two significant aspects: **growth** and **accountability**.

Growth means expansion with efficiency, and Accountability is achieved through legal compliance, meeting the expectations of our stakeholders, and embracing ESG (environmental, social, and corporate governance) aspects. Neither one can be allowed to occur without the other.

The theme for this ESG report, Evolving Responsibly, defines both the progress we have made over recent years and the means by which we intend to move forward. We have taken bold steps in the past with diversification to get us to where we are today, and we continue to evolve. Our newest venture, the alumina refinery, is an effort to commit to downstream processing. Along with it, we establish policies to protect the environment, care for our community, and practice good corporate governance. We are committed to implementing these policies, while staying flexible to the changes around us, an important lesson learned through the COVID-19 pandemic. Our ESG commitments and achievements are reflected in this report, marking an important milestone in our sustainability journey.

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Environmental, Social, and Governance Report 2020



Introduction

PT Cita Mineral Investindo Tbk



I. LETTER FROM OUR PRESIDENT DIRECTOR



Dear honored Stakeholders and friends,

The vital element in a sustainable world lies in the responsibility of the source of our material products. Acknowledging our role as part of an industry at the beginning of a material life cycle, we are fostering sustainability at the heart of our operations.

Guided by the core values of HARITA (Humility, Achievement-oriented, Respect for every individual, Integrity, Teamwork, and Accountability), we pledge high standards in all aspects of Environmental, Social, and Corporate Governance (ESG). This year, we dedicate bold steps that reflect our commitments as embodied in the theme of this ESG Report: **Evolving Responsibly**. The COVID-19 pandemic has allowed all of us to affirm our beliefs on the importance of health and safety as we continue to tackle challenges posed by COVID-19. The mindset of evolving responsibly shifts our perspective of seeing the pandemic as an opportunity to take a pause and strengthen our management system to secure a safe, sound, and sustainable future.

In this report, we present our measures, policies, and commitments that allow CITA to fulfil its responsibility to society and our planet. In the **corporate governance** aspect, we show the steps we have taken beyond merely complying legally – creating an ethical, transparent, fair, and secure



working environment. Through our evolving policies, we also make sure that our employees, communities, and families remain safe through the difficult times of the COVID-19 pandemic. In the environmental protection section, we demonstrate our resolve in managing our operations with paramount concern for the environment around us. From our closed-loop water recycling systems to our state-of-the-art hazardous landfill facility, we strive to maintain a sustainable practice. Our social relationships aspect will show you our commitment to the people. We provide and protect through local economic empowerment, facilitating and boosting health and hygiene, and always listening to the voices of the community. In doing so, we incorporate sustainability through investment in human capital.

Our ESG is embedded in what we do day to day, and creates concrete examples I see in our company each day as we work to serve our customers, shareholders, stakeholders, and communities. I hope you find this report insightful.

I would like to give my highest appreciation to all of you that has helped us achieve the successes we have today. As we move forward in our journey to a better, cleaner business, we hope that you continue to walk with us.

Let's make it happen.

"Our ESG is embedded in what we do day to day, and creates concrete examples I see in our company each day as we work to serve our customers, shareholders, stakeholders, and communities."

II. COMPANY PROFILE

Established in 1992 as PT Cipta Panel Utama, our Company was first engaged in the furniture sector, getting listed on Indonesia Stock Exchange (IDX) as a public company in 2002. Continuous growth and development allowed us to penetrate a new sector, starting bauxite mining in 2005 through an investment in PT Harita Prima Abadi Mineral. Following this business diversification, we changed our name to PT Cita Mineral Investindo Tbk on 2 May 2007. We have since been one of the largest producers of bauxite in Indonesia. According to the most recent Articles of Association, CITA's business activities are **mining and quarrying metal ore**, mainly located in the West Kalimantan region. In 2013, we began building a Smelter Grade Alumina (SGA) processing and refining facility within that region through our associate PT Well Harvest Winning Alumina Refinery (WHW). The refinery began production in 2016, allowing us to become the first SGA-producing Company in the country.





A map of our current operational areas is shown below.

OUR VISION

To become the Leading Producer of Bauxite and Alumina in Indonesia.

OUR MISSION

- » To manage the bauxite resources optimally.
- » To implement Good Mining Practice.
- » Committed to implement the HSE (Health Safety and Environment) Policy and responsible environment.
- » To harmonize the support of environment and local community.
- » To increase the shareholder's value.

III. BUSINESS PROCESS

In the past fiscal year, business activities were bauxite mining and beneficiation to produce Metallurgical Grade Bauxite (MGB) and processing this to produce Smelter Grade Alumina (SGA). Thus, the products of CITA are MGB and, through PT Well Harvest Winning (WHW), SGA. Raw bauxite from mining undergoes a beneficiation process to obtain bauxite with 45% to 48% Al₂O₃ content. This MGB is then transported to the alumina refinery plant as raw material for SGA production.



At the processing plant, the Bayer Process is applied to obtain SGA from MGB. SGA, the raw material for metallic aluminum production, has a 98.6% Al_2O_3 content.



IV. SUSTAINABILITY POLICY AND STRATEGY

CITA and WHW understand that the concept of "capital" goes well beyond the conventional idea of financial capital and takes five primary forms:

- Natural (or environmental) capital, which provides a continuous flow ('income') of ecosystem benefits, including biological diversity, mineral resources, forests, land and soil, wetlands, and clean air and water (primarily capital in the ecological system);
- Built (or productive) capital, such as machinery, buildings, and infrastructure (roads, housing, health facilities, energy supply, water supply, waste management) (mainly all forms of capital in the economic system);
- Human capital, in the form of knowledge, skills, health, cultural endowment, and economic livelihoods (small enterprise development, literacy, health care, inoculation programs) (primarily capital in the social system);
- Social capital, the institutions and structures that allow individuals and groups to develop collaboratively (training, regional planning, decision sharing) (mostly collective forms of wealth in the social system); and

• **Financial capital**, the value of which merely represents the other forms of wealth (and is the purest form of wealth in the economic system).

This broadening of the already broad concept of capital helps illustrate how we plan to contribute to sustainable development – the rise in one form of wealth (e.g., human capital) offsets the decline in another form of wealth (e.g., mineral resources). In an ideal world, the increase of renewable capital through social investment and environmental protection will balance or outweigh the loss of non-renewable capital, bauxite ore, over the life of our business.

INCREASE

DECREMA

V. ESG REPORT METHODOLOGY AND SCOPE

This year, CITA debuts its ESG Report. Envisioning the future, for CITA, means considering all internal and external impacts of our business, and in turn, how these different things affect us in the long run. With this consideration, we understand the urgency and gravity of operating under a strategy for sustainability, setting guidelines to manage our own people, people within our impact areas, and the environment around us. Investing socially, protecting the environment, and maintaining our merit as a business are the necessary strides we have taken and will continue to take to protect our vision of the future. This ESG report covers its three key areas – Environmental, Social, and Corporate Governance – under the theme **Evolving Responsibly**. Structurally, the reporting method was inspired by the Copper Mark criteria, an exemplary framework for ESG. However, CITA acknowledges that it is not currently certified by Copper Mark or any other ESG standard. The creation of this report considered the relevance of, and emphasized, areas where our operations carry the most significant impacts and undergo the most critical changes; hence, sections of the Copper Mark criteria that do not apply are omitted. Furthermore, we have modified other sections to best demonstrate the realization of ESG across our operations.



Environmental, Social, and Governance Report 2020



Environmental Governance

PT Cita Mineral Investindo Tbk



1. ENVIRONMENTAL RISK MANAGEMENT

At CITA, we stand by the three pillars of sustainability: economy, society, and environment. Our commitments to the environment, as stated within our ESG policy (Appendix 1), are as follows:

Each stage of operational activity is carried out with deliberation for environmental protection. All tasks in ensuring our environmental legacy must be conducted with excellence, which involves:

- Comply with the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL), as well as all requirements of the environmental permits issued by the Indonesian Government.
- Consider all aspects of the operation that can be improved to enhance efficiency in the use of water and energy resources.
- Execute land clearing operations only as needed based on mine plan and conduct reclamation once mining is completed (mine-out).
- Prevent and/or reduce pollution from impacts of solid, liquid, and gaseous wastes generated by Company operations and support activities, with particular attention to the storage, use, and disposal of hazardous and toxic substances.

- Maintain order and cleanliness in the operational, support, infrastructure, and living areas.
- Coordinate with all of our employees and work partners in carrying out environmental protection.
- Suggest, develop, and put into practice as opportunities arise for all environmental and energy management actions that can reduce greenhouse gas (GHG) emissions or otherwise improve the Company's mitigation and adaptation to climate change.

In recent years, we established our Environmental Conservation Program with policies to support ecosystems and maintain the sustainability of natural resources. We are mindful of how our operations center on natural resource utilization. We apply the principles of "Green Mining" to be environmentally conscious, minimizing any disturbance to the balance and function of nature around us. In 2019, we set success indicators for our program to protect and preserve the living environment, using them as a guide to realizing our program objectives. These indicators, as updated in 2020, are illustrated on page 3, top.

"In 2019, we set success indicators for our program to protect and preserve the living environment, using them as a guide to realizing our program objectives." Involving the community in the planning, realization, and monitoring of environmental program evaluation processes
Returning land to its natural function according to its initial capacity
There are new breakthroughs in preserving the existing environment, such as the integration of the utilization of community household waste which can be of economic value

Through our AMDAL (Environmental Impact Assessment) permitting process, we also conduct environmental risk assessments for all our operational sites. The risk assessments follow these six significant steps:



Analysis of risk involves categorizing risk to arrive at the appropriate reduction strategy. This is applied in both bauxite mining and alumina refinery operations. Risk must be reduced to the level of 'As Low As Reasonably Practical' or ALARP. The following are the levels of risk in consideration of ALARP:

Intolerable	The risk cannot be tolerated and must be reduced		
Moderate	May be considered ALARP if there is a disproportionate ratio of cost to reduction achievement		
Tolerable (ALARP)	Consired ALARP if low-risk and ratio of cost to reduction achievement is acceptable		
Broadly Acceptable	No further risk reduction required		

The mitigation and management plans for various environmental aspects are explained in subsequent chapters and relevant evaluation and documentation. These encapsulate actions for pollution prevention, waste management, water management and conservation, and red mud management, climate change risk assessment, and biodiversity and protected areas. An Environmental and Social Management System (ESMS) is similarly implemented by our associate, the PT Well Harvest Winning Alumina Refinery (WHW), at the port and alumina refinery sites. The risk assessment in WHW's ESMS follows a similar six-step process as our own: identify, assess, mitigate, manage, review, and record. The WHW ESMS follows the overall structure shown below; the same structure applies to CITA's environmental management.



2. POLLUTION PREVENTION AND WASTE MANAGEMENT

Waste generation is part of any economic process, and CITA takes very seriously its waste management responsibilities for hazardous and non-hazardous wastes. Our waste management system is designed to ensure that all our wastes are handled correctly and according to applicable regulations and good international practice sustainability frameworks. CITA applies proper handling with full recognition of our Duty of Care (*Jaminan Keamanan*) in this matter.

a. Non-hazardous Solid Waste

For wastes considered non-hazardous, we maintain awareness of their composition and their disposal sites and conditions, recognizing distinctions among substances that are putrescible or decomposable (biodegradable), and inert/ stable. Responsibilities also require attention to all opportunities to reduce quantities generated, beneficially reuse or recycle waste materials, and recover energy or usable organic matter (compost).

b. Hazardous Waste

For the quantities of toxic or hazardous wastes that we continue to generate, we apply management programs to ensure our employees' safety and avoid unwanted negative impacts to the environment by complying with all applicable regulations and using good international industry practices.

The hazardous waste management plan follows all the standards according to Government Regulation No. 101/2014 (as updated by Government Regulation No. 22/2020). Most of our hazardous waste in bauxite mining comes from supporting activities such as transportation and heavy machinery. As seen in the flow chart below, we ensure that everything is safely stored in a permitted Temporary Storage Facility before transporting it to a licensed third party. This works in conjunction with comprehensive record-keeping, proper spill handling and incident reporting, and with use of standardized personal protective equipment for all personnel involved.





Temporary Storage Facility at site Air Upas.

As for the alumina refinery, the highest volumes of hazardous waste are coal ash and red mud from the refinery plant. Red mud, as it requires specific attention, is discussed in the next section. Based on Government Regulation No. 22/2021, coal ash from a power plant is no longer considered hazardous waste (in contrast to coal ash from the refinery process). The management procedure for coal ash is shown below.



c. Noise and Air

For bauxite mining, changes in air quality (including noise) happen due to transporting the ore and the MGB product. We routinely inspect and monitor the changes in air quality to provide proper management, as illustrated below.





Water spraying to manage fugitive dust.

On the other hand, emissions to air in the alumina refinery are discharged from the factory stacks and the power plant. To reduce the emissions, especially the concentrations of particulates (dust), NO_x , and SO_2 , WHW applies several technological approaches.

Controls through handling and management approaches include:

- a. Use of dedicated trucks to transport coal combustion residues from silo to ash stockpile location.
- b. Transport ash from EP Hopper to a storage silo with Depac System (dense phase positive pressure pneumatic conveyor).
- c. All personnel must use masks.
- **d.** Regular road watering, especially during the dry season.
- e. Conduct ash compacting to provide foundation subgrades and utilize ash as a primary ingredient for cement or concrete blocks where possible.



- **f.** Install and maintain a covered conveyor for coal transportation.
- **g.** Water the coal stockpile to manage humidity and prevent airborne dust problems.
- h. Minimize coal handling when wind speed reaches 16 m/sec and stop handling when wind speed increases to 19 m/sec.

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3. BAUXITE RESIDUE AND RED MUD MANAGEMENT

a. Mining Activities

There are two major types of mining waste at CITA. The first is a result of mining, referred to as overburden (OB) or waste rock. The most critical aspects of handling this material are to ensure that OB is appropriately placed and geotechnically stable and that mine drainage water is managed. Bauxite mining materials do not generate acid water but must be controlled to minimize total suspended solids (TSS) in mine water run-off. Mined-out and OB areas will be properly closed by managing slope, soil coverage, and performing revegetation.

The other important waste is bauxite residue in the form of ore washing sludge, the solids content of which is similar in composition to OB. The sludge has a solids content of around 40% of the processed tonnage from the bauxite deposit, equaling 10,000 to 30,000 tons per day, mixed with 40,000 m³/day of water. The sludge is directed to sediment ponds to allow solids to settle. Each sediment pond can hold the design volume of residue. Once the maximum capacity is reached, more ponds are excavated according to the needs of the mine throughout its lifetime. This creates a series of sedimentation ponds. Each pond that has reached its maximum holding capacity is closed and revegetated according to the Company's plan.

The bauxite residue is a by-product of bauxite ore beneficiation to obtain Metallurgical Grade Bauxite (MGB). Beneficiation involves separation of the bauxite and waste materials through screening, crushing, washing, and dewatering. No chemicals are added to the process. This process produces bauxite residue consisting of water, sands, and clays, and has no difference from the naturally occurring soil materials in the surrounding areas other than a lower metals content. Therefore, it is not classified as hazardous waste.



We have also taken the initiative to perform a complete study to investigate geotechnical, hydrological, and hydrogeological aspects of our residue ponds' existing reinforced soil foundations (RSF). The results of this investigation were analyzed to formulate a plan and design that considers the safety and potential for failures of the pond embankment. This design will create a safe and stable dam with adequate long-term capacity and equipped with an emergency spillway, calculated stormwater capacity, seepage containment, and trapezoidal drainage channel. The geometries of the dam embankments for both Air Upas and Sandai sites are shown below.





This is the embankment design dimensions for Sandai Site. Similar design is used for the Air Upas site, with a smaller slope angle of 35° (where the angle is 40° for Sandai), and 24° (where the angle is 28° for Sandai).

b. Alumina Refinery

Bauxite residue produced by the alumina refinery process is classified as hazardous waste due to additives (mainly sodium hydroxide or caustic soda) that raise the pH (alkalinity) of the bauxite residue to highly corrosive levels. This byproduct is regarded as red mud. The management procedure for the refinery's red mud residue production is shown in the diagram on page 10, top.





The hazardous waste landfill facility (Class II type) created to hold red mud and coal ash was built with geotextile and geomembrane layers and leachate drainage system equipped with a waste water treatment plant as a secure landfill. The Minister of Environment and Forestry granted the landfill operational permit for WHW in 2016.



Coal ash and red mud create a "dry stack" on the geotextile – about 15 m above the ground. Once it is full, the stack is encapsulated in a low permeability layer and revegetated. Naturally, we ensure that our landfill design capacity for waste placement is far above the waste production rates. The "dry stacking" and landfill disposal method applied is far superior in environmental safety to the wet disposal methods (red mud/tailings dam/ ash lagoon) traditionally used for these wastes.

4. WATER MANAGEMENT AND CONSERVATION

Water at the mining site can be classified by usage as follows:

- a. Domestic Use
- **b.** Washing Plant
- **c.** Road Spraying for Fugitive Dust (conditional as needed)
- d. Reclamation

Groundwater is the designated source for domestic use, abstracted from a shallow pumped well. The other three activities obtain water from surface water and water pond/reservoir. Road spraying uses a water truck to control fugitive dust when needed, such as during the dry season. More water is required during the early stages of reclamation; therefore, planting is done during the wet season, and water trucks are only used to water the plants when there is little rainfall.

Recycled water used in the washing plant is obtained from sediment ponds that incorporate a circular (closed-loop) water system. Overflow water that has been separated and cleaned from residue in the sediment pond is returned to the reservoir to be reused for washing. This allows us to conserve water as much as possible.



Sediment ponds with slightly different colorations as sediment deposits. Water is taken up from the clean ponds to be used by the washing plant.





River water is taken up only to make up for the water losses, with higher intake frequencies during dry seasons as water supply becomes difficult. River water flows through a water gate into a capture pond and is pumped into the site reservoir. A centrifugal pump is used to distribute water from the reservoir to ore washing and other operational activities.

The alumina refinery has a relatively higher water consumption. Its usage is divided into the categories below:

- a. Processing Plant
- nt d. Port Activities e. Fire Fighting System
- c. Domestic Use

b. Power Plant

The refinery applies a concept of water conservation similar to that of the mine, by recycling water taken from the red mud management process, mainly from the filter press, and directing it to be reused in processing. Supporting water intake facilities include a tank with an adjacent water treatment plant and an intake canal. Make-up water is taken from a rainwater collector and groundwater. The material and water balance and system flow are diagrammed below. The water treatment plant has a capacity of 2 million tonnes. Up to 90% of water is recycled; the remaining is water lost to evaporation or as moisture content in the disposed red mud.





Wastewater Treatment Plant at the Alumina Refinery

5. BIODIVERSITY AND PROTECTED AREAS

Among the Environmental Impact Assessments conducted as part of our AMDAL process were investigations specifically carried out to form a data registry of habitats and species on and around the Mining License area. These data were used to support the siting of infrastructure locations before any construction and mining operations. No protected species of arboreal, terrestrial, or aquatic biota were found on-site during the assessment of the Air Upas or Sandai operational areas. These assessments were then used to determine the most probable and vital impacts to formulate management and monitoring systems. This included determining relevant parameters and indicators of biodiversity and identifying institutions and agencies to which accountability reporting is required. Routine monitoring of biodiversity is overseen by and reported to the respective Regency Forestry Agency, Plantation Agency, Energy and Mineral Resources Agency, Environment Agency, and Regency Leadership Council. Reports are also submitted to the Environmental Impact Control Agency of West Kalimantan Province. These accountability processes will be applied to all future Company operational sites.



Recognizing that land clearing and removal of topsoil causes significant impacts on organisms and their habitats, we mitigate risk by gradually doing land clearing and limiting land clearing to planned road construction corridors, facilities and infrastructure sites, and the scheduled quarry location.

Washing of ore and wastewater management are also identified sources of risk to surrounding habitats, mainly rivers. We mitigate this by constructing interconnecting ponds to capture overflow and forming circular-loop water systems for each mining site, allowing for water recycling. Dry stacking and landfill waste disposal methods also minimize the impact on surface water surrounding the alumina refinery.

To ensure topsoil and vegetation are restored quickly post-mining, back filling is done immediately after mine out.

Management of Arboreal and Terrestrial Habitats Surrounding Bauxite Mining Sites



Our associate, WHW, also has policies in place for biodiversity in the alumina plant's natural habitat areas. They have implemented a Biodiversity Action Plan (BAP) that presents:

- Biodiversity baseline description of the activity area
- Assessment of Critical Habitats, formulation of biodiversity management priorities, and of key diversity conservation efforts
- Describes in detail the monitoring and evaluation programs for biodiversity conservation.



Major outline of the BAP is as follows:



Baseline biodiversity data collection and preliminary secondary data studies were carried out before construction began on the refinery. These studies identified Ramsar sites, Endemic Bird Areas (EBAs), Important Bird and Biodiversity Areas (IBAs), and existing evaluations of water quality, habitats and ecosystems, and invasive species.

6. CLIMATE CHANGE

We have realized that climate change is one of the most severe problems facing this era. The previous generation did not have the technology; the next generation does not have the time, so it is up to us to take this responsibility and make a change. CITA is making it a priority in 2021 to increase our capabilities in managing both the climate impacts of our business and the ways the climate affects our business. Three main areas will constitute our priority program for climate change risk: assessment, mitigation, and adaptation.



a. Assessment

WHW has started with its Greenhouse Gas (GHG) accounting to correctly estimate the amount of carbon generated from the alumina refinery activities and the potential for savings/reductions in GHG generation.

As shown in the table below, the highest GHG contributor is the coal power plant. That is why an efficiency scenario has been designed to save at least 20% from the full load scenario.

Activity	GHG (Ton CO ₂ -e/year)		
	Phase 1	Scenario: Full Load	Scenario: Efficiency
Alumina plant	673,566.15	1,347,132.31	1,212,419.08
Power plant	1,039,461.11	2,078,922.22	1,871,029.99
Residue disposal (red mud)	2,395.72	4,791.45	4,312.30
Dedicated port	3,709.31	7,418.63	6,676.77
Support	7,022.62	14,045.24	12,640.72
Total	1,726,154.92	3,452,309.84	3,107,078.86

The bauxite mining side of the business will also conduct a baseline assessment for climate change risk involving GHG inventory and climate modelling. This will let us know which areas of our operations are the most significant GHG contributors and provide specific plans to manage them. The climate modelling would estimate the severity of climate change effects to the extent we will be able to adaptation strategies as part of the risk assessment.

b. Mitigation

In designing the hazardous waste landfill for the alumina refinery, WHW has considered flood risk due to climate change. Based on the 100-year flood discharge calculation, with the difference in the height of 1 meter (site-river) and the distance of 715 meters, it can be confirmed that the hazardous landfill will be safe even from a 100-year flood risk.

The facility is also not located in a disaster-prone area, lacking significant hazards from volcanic activities and earthquakes. Also, CITA has started installing solar power plants to help reduce the need for fossil fuel generation for energy production. The mining site is not connected to the national grid, so the bauxite mining still relies on diesel generators to power our operations.

Reflecting on our current performance in terms of energy sources, CITA intends to increase the number of solar panels in 2021.

c. Adaptation

The main issues that we have felt about climate change are the prolonged dry seasons and the high intensity of the rainy seasons. Currently, bauxite mining has several programs to adapt to these conditions, especially during dry seasons.

- Increase the intensity of road watering for safety and to reduce air pollution.
- Conserve water through ponds and water circulation for make-up water supply during the dry seasons.



Solar Panel installed on a street lamp at stockpile area.



Road Spraying during dry season.

7. RECLAMATION AND MINE CLOSURE

Reclamation and mine closure are significant responsibilities for CITA, as they are for all mining companies. As we aim to make the surrounding communities and the environment better due to our activities, we want to ensure that we leave our sites in conditions that the communities will use sustainably.



To put things into perspective, presented below are the comparison between our mining license business (IUP) area and the cumulative mining (active and non-active) area:



Mining business license (IUP) area = 13,630 ha Cumulative mining area = 379.09 ha

Sandai



Mining business license (IUP) area = 26,245 ha Cumulative mining area = 2,094.56 ha

Air Upas
Since the early design phases, CITA has developed our mine closure and reclamation plans to ensure our technical and financial capabilities could confidently support our targets. The reclamation phases after a mining operation are finished are:







CITA uses the contour strip mining method. Thus, there is no need for the subsoil to be transported to a disposal area; the subsoil and topsoil are collected beside the mining pit.

CITA uses legume cover crops and pioneer plants to reduce erosion and increase soil fertility. For the primary plants, CITA uses:

- a. Palm oil
- **b.** Multipurpose Tree Species (MPTS): jengkol, bitter bean (petai), randu, and coconut;
- **c.** Fruit trees: durian, jackfruit, cempedak, soursop, matoa, and mentawa.

We have achieved significant progress in terms of regrading and revegetation. For the Sandai site, we have revegetated a total of 174.73 ha from the 200.07 ha of regraded land. In comparison, we have also revegetated 2,002.01 ha from the 2,400.87 ha of regraded land at the Air Upas site.

According to the Indonesian law, mining business needs to deposit a certain amount of assurance coverage for mining closure paid yearly (based on the calculation from the government). We have set aside:

- Sandai: 100% of the 4,794,240,000 Rupiah needed
- Air Upas: 37% of the 11,111,320,000 Rupiah needed*

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* mine closure guarantee payment for Air Upas is in progress by year in accordance to government approval.



Reclamation Area Information Board at Sandai Site.



Successful Revegetation after Mineout.



Environmental, Social, and Governance Report 2020



Social Governance

PT Cita Mineral Investindo Tbk



8. COMMUNITY DEVELOPMENT

It is at the heart of our value system not just to operate in an area but also to be a part of the community and grow together. In doing so, we are committed to producing positive value for the local communities.

Our programs are primarily developed through social consultations complemented with best practices adaptations and expert opinions. We must ensure that our community development programs [PPM] are based on their own needs. Participatory Rural Appraisal (PRA) is the social mapping technique we use to collect two-way information on community needs and grievances to receive details directly from the local people. This is carried out in conjunction with *musyawarah rembuk daerah* or local consultation/discussion forums to reinforce local input and participation.

The targeted villages for our community development program are developed in rings, starting from the nearest settlements, as illustrated below. Regional consultations are also held to allow bottom-up synchronization from village to district to regency for the program's action plan. The overall flow of PPM program formulation and execution is presented below, emphasizing the need to exit from participation when a program is self-sustaining.



Ring Division of Villages surrounding Air Upas Mining Site



Ring Division of Villages surrounding Sandai Mining Site



CITA has conducted **283 specific community development activities with a budget of 10.22 billion Rupiah in 2020**, increasing **47% from 2019's 6.94 billion Rupiah budget**. There are various vital contributions that CITA has made to the surrounding villages, described below, that constitute the major community development programs the Company operates: economic empowerment, infrastructure, community health and safety, education, and sociocultural programs.

8.1. Local Economic Empowerment

We intend to create an economic environment for the local communities that could stay productive beyond CITA's operational lifetime and independent of our assistance. Economic empowerment initiatives in 2020 aimed to empower the communities' Micro, Small, and Medium Enterprises (MSMEs) that currently have established company structures. We also implemented food security programs. There are five steps followed in our program to develop local economic empowerment, as diagrammed below.

Initiation	Development	Strengthening	Independence	Sustainability
 Using a participative approach, identify the community's requirements in the vicinity of the mining activity Creating a CSR group based on shared interests and skills Identify potential local heroes 	 As part of a capacity-building initiative, revolving fund support is available Institutional legality to be connected to other agencies 	 Existing businesses' diversification Increase in working capital 	 Healthy financial reporting and increasing performance characterize the achievement of group business performance 	 Creating a multiplier effect to other areas

A group of women who make crackers and cakes, a group of chicken and cattle breeders, a group of freshwater fish farmers, and a vegetable and *palawija* (dry-season crops) farming program are among the projects funded by CITA to date.





8.2. Infrastructure Development

In line with the credence principle of the Indonesian Government, we believe that infrastructure is the pathway to economic development. That is why public infrastructure construction is one of our main programs for assisting the villages in CITA's operational area. **In 2020, CITA had built** or repaired 88.26 km of roads at 23 different points in West Kalimantan. The West Kalimantan government has granted CITA an award for the community development program's contribution to the Province in repairing public road infrastructure utilized by numerous communities.



8.3. Community Health and Safety

CITA is as concerned for the health and safety of local communities as we are for the well-being of our employees, most of whom are local residents. That is why it is a big part of our mission to create a productive society around CITA through delivering programs that improve health and safety within these communities.

As the COVID-19 pandemic hit hard everywhere and for everyone in 2020, it was also our priority to help people living around CITA's operational area reduce the transmission rates, increase the



availability of treatments, and ease the burdens caused by the pandemic. Throughout 2020, we have disbursed:

- Staple food assistance for 2,688 families, including elderly and underprivileged widows, in the Ring 1 area around CITA operational area; and enough for 1,000 families to contribute to the West Kalimantan Provincial Government program.
- Assistance with PPE garments, eye protection, hand sanitizer, gloves, and vitamins for Health Clinics (*Puskesmas*) around CITA's operational area.





• Laboratory Reagent Kits (96 units) were provided to assist the West Kalimantan Provincial Government.



COVID-19 Assistance

As part of our commitment to improving community health, we strive to quickly act in response to requests made by the community during public consultation. A crucial issue brought to our attention was water shortage during dry seasons. We responded with our **Clean Water Program**. Enhancing healthcare was also an essential objective for us. This led to our programs for free medical treatment, nutritional food assistance for toddlers, and programs boosting clean and healthy living.





We provide clean water in the forms of potable water and bathing water through several facilities, including dug wells and retention basins with water purification equipment.



Our efforts with community health support also ensured the repair of health care clinics and the provision of medical supplies, especially throughout the COVID-19 pandemic. We provided free medical check-ups and free treatment for community members, focusing on the elderly.



Health check-ups for the elderly as reported in Suara Pemred. *Source: suarapemredkalbar.com*

Additionally, routine community health and safety monitoring is also carried out in the vicinities of both the alumina refinery (processing plant) and port.

	Processing Plant	Port
Parameters Monitored	Incidences of Acute Respiratory Infections (ARI) within working area of Kendawangan's district health center.	 Increase in cases of sexually transmitted diseases due to contact between ship crew and local workers as well as with local residents. Emergence of prostitution hidden within other activities, such as dimly lit cafes and inns or hotels that provide sexual services.
Source of Data	Kendawangan Public Health Center and field observations with interviews involving the local community.	Observations are done directly in the field and secondary data are obtained from local public health centers.
Frequency	Every 6 months throughout operational phase	Annually throughout operational phase
Monitoring Location	Employee housing area of Sungai Tengar and Silingan Hamlets, Mekar Utama Village, Kendawangan District, Ketapang Regency, West Kalimantan Province	Port Area

Monitoring Community Health and Safety in Processing Plant and Port Areas

8.4. Education

We believe that establishing the independence of a community begins with providing quality education. The way we equip children as best as we can means investing in the leading generation of tomorrow. Our education programs emphasize improving the teaching faculty.

We provide:

- Monthly incentive aid for teachers to support them in their noble work,
- Scholarships for achievers to build healthy competitive spirit among students,
- Revitalization of school buildings to create a comfortable learning environment, and
- Provision of learning tools such as computers, schoolbags, and stationery.

A total of 688 students and teachers from Air Upas and Sandai communities received financial benefits in 2020.



Official Opening of New Classroom Sponsored by CITA.

8.5. Social Culture

A community cannot be separated from its sociocultural identity. This identity helps people form shared knowledge, assumptions, beliefs, and traditions, all crucial to identifying action programs that will lead to greater well-being. That is why social and cultural activities are also integrated into our community development programs. Most of the sociocultural support by CITA is done through the financial support of proposed activities by the communities. CITA, through the PPM program in the sociocultural sector, has supported several types of activities such as:



Aside from financial assistance, CITA had also directly collaborated with the heirs of the Simpang Matan Kingdom to renovate the Gusti Panji Tomb Cultural Heritage Site in Matan Jaya Village from 15 February to 1 March 2020. This activity occurred in Simpang Hilir District of North Kayong Regency. The renovation activities included:

- Cleaning the cultural heritage area,
- Repairing bridges,
- Paving roads,
- Painting cannon houses & core tombs, and
- Installing ceilings.



9. COMMUNITY RELATIONS

As part of our stakeholder management system, CITA has also established and recorded how we communicate and maintain a solid relationship with external stakeholders. Presented below are the key methods.

9.1. Grievance Mechanism

CITA takes grievances from the communities very seriously. In 2020 and early 2021, Sandai and Air Upas site management personnel received and resolved 97 grievances related to health, land, and infrastructure reported by the villages around the sites. CITA not only resolves all issues related to CITA's operational activities, but also any concerns brought independently by the local communities. This applies especially to infrastructure-related grievances such as road repair and maintenance.

The process of receiving, managing, and resolving grievances is illustrated below.



Opposite page's graphic are some examples of grievances received by CITA and the solutions provided for and acceptable to the communities.

Our associate company operating the alumina refinery, WHW, also maintains a unit within its Community Relations Department to receive and process grievances from local communities.



Normalization of river flow.

9.2. Community Feedback

We value the thoughts and suggestions of our surrounding communities and document their feedback on the solutions we have implemented through our PPM programs. We have been gratified to hear the communities' positive and grateful responses to our programs. Our initiatives have successfully improved community health and access to health. We also take note of suggestions to enhance our programs further. In our most recent evaluation, the advice given was:

- 1. Extend the current clean water pipe network until the entire community receives access.
- Routine free medical check-ups every three months with specialist doctors present that could tend to illnesses relating to skin, eyes, earnose-throat (ENT) problems.

3. Provide training to the locals on making healthy food using locally found raw ingredients.





Public Consultation at Sandai Kiri Village. (Picture taken before pandemic)



Public Consultation at Istana Village. (Picture taken before pandemic)

10. LAND ACQUISITION AND RESETTLEMENT

CITA's mining operation avoids any resettlement in the land acquisition process. Entities owning land purchased by CITA are involved in discussions for long-term planning, from the acquisition to postoperation and rehabilitation of the land. Due to the location of the mines, most of the grounds utilized are plantations. There are two types of ownership and management for these plantations: corporate entities and local smallholders. A specific scheme was followed for land acquisition from the local community to ensure fair agreement and compensation. This process is diagrammed below.



CITA keeps a record of agreements for collaborative land utilization, with two types of arrangements: with business entities and with local landowners. These agreements ensure that land and vegetation, where applicable, are appropriately compensated.

There are comparable policies in place at PT Well Harvest Winning for the alumina refinery. These include the resettlement and livelihood restoration policies along with an indemnity policy for land procurement. The indemnity policy is complemented with a standardized basic compensation calculation. These policies are laid out in detail in a Land Acquisition and Livelihood Restoration Plan and were created based on IFC Performance Standards, EBRD Performance Requirements, and ADB Safeguards Policies.

Land procurement follows a standard procedure that involves public consultation with the community. Regarding conflict potential, a grievance mechanism has been implemented to handle complaints. Focus Group Discussions (FGDs) and social mapping were also under-taken to identify appropriate livelihood restoration measures for Project Affected People (PAP). Following these FGDs, the SWOT analysis (Strengths Weaknesses Opportunities Threats) highlighted the importance of the following issues:

- 1. Economic Self-Reliance of Fishermen;
- 2. Economic Self-Reliance of Farmers;
- 3. Education;
- 4. Health as particular Weakness;
- 5. Infrastructure;
- 6. Sociocultural, Religious, and Youth issues.

These evaluation results led to the creation of a Livelihood Restoration Strategy (LRS). Adverse impacts were identified through five major approaches: natural capital, human capital, social capital, physical capital, and financial capital. A complete Livelihood Restoration Action Plan was then formulated focused on the six issues identified above.



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Corporate Governance

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11. LEGAL COMPLIANCE

We understand that legal compliance is the strong foundation that any business must have to operate. Law and order must exist in the mining business to guarantee that, as a bauxite and alumina producer, we protect the health, welfare, and legal and human rights as much as we secure our business operations. Failure to comply with the existing policies and standards could damage both the Company's reputation and increase the risk of unwanted legal consequences.

a. Code of Conduct

We have developed and set ethical standards for all our staff as outlined in the Code of Conduct, published on our website, as an expression of CITA's commitment to the conduct of business activities and operations based on ethics and **integrity**. The Code of Conduct is a collection of corporate principles and business ethics that seek to raise awareness and influence, guide, control, and shape conduct to aid the pursuit of CITA's vision and mission by ensuring proper behavior is present across all levels in CITA.

During 2020, CITA, its subsidiaries, and respective board members and commissioners were not involved in or accused of any disputes concerning criminality, taxation, state administrative obligations, industrial relations, bankruptcy, or postponement of responsibilities. Additionally, we were not subject to, or responsible for, payments of debts, business competition, and arbitration cases before any Indonesian judicial authorities.



b. Permitting

CITA ensures that we comply with every regulation, law, and rule set by the Government of Indonesia for the bauxite mining industry. Graphic on the left page are examples of the permits we acquired and maintained compliance with up through 2020 for bauxite mining, including the respective number of licenses/permits.

12. BUSINESS INTEGRITY

As part of our Company's HARITA values, integrity is vital to us. We believe that adhering to a strict moral code constitutes the success and sustainability of our company. We have implemented principles of Good Corporate Governance (GCG) – **openness**, **accountability**, **responsibility**, **independence**, **and fairness and equality** – to maintain an ethical environment in all our lines of business.

Our GCG objectives are to:

- 1. Achieve the long-term vision and mission of the Company.
- 2. Increase the effectiveness and efficiency of operational activities and business supervision.
- 3. Achieve sustainable value for stakeholders.
- **4.** Drive the competitiveness of the Company in conducting its business.

These are supported through six of our corporate governance policies as listed below.

Our Policies

- 1. Anti-Corruption Policy
- 2. Anti-Money Laundering Policy
- 3. Sanctions Policy
- 4. Whistle-blowing Policy
- 5. Risk Management Policy
- 6. Policy on Selection and Capacity Enhancement for Suppliers and Vendors.



Virtual Session on Company Policies during the COVID-19 Pandemic.

Each of these policies is aligned with legal requirements for meeting the Indonesian Government's expectations, as well as those of our shareholders. Their implementation unifies our Company by creating a culture of honesty and transparency, promoting a healthy and thriving working environment. Complete documents of all six policies are accessible on our website, **www. citamineral.com**. Additionally, all employees are given guidance regarding these policies.

Our whistle-blowing policy is notable, as it was established to provide an opportunity for all stakeholders of CITA and the general public to submit anonymous reports or complaints regarding suspected violations of the principles of GCG. It assists the enactment of all other policies. Whistleblowers may also report breaches of ethical values that apply in CITA, especially those relating to integrity and transparency, if these reports are based on accountable evidence and submitted in good faith for the benefit of CITA and its stakeholders. In ensuring the system's sustainability, we guarantee the protection and confidentiality of the whistleblower and other parties related to the reporting if the violations have been reported in confidence. Implementation of this whistleblowing system is expected to detect and prevent potential GCG breaches on the part of CITA.



Scope of the whistleblowing system includes:

- 1. Deviation from prevailing laws and regulations;
- 2. Violation of Company policies and regulations;
- **3.** Abuse of position for interests outside CITA as a whole;
- 4. Blackmail;
- 5. Cheating/Fraud;
- 6. Conflict of Interest;
- 7. Gratuities or Acts of Bribery.

The whistle-blowing system procedure is shown in the flowchart below.

In 2020, no parts of CITA, nor subsidiaries of our Parent Company, including all respective members of the Board of Directors and Board of Commissioners, were involved in and/or recorded any dispute and/or any cases of criminal, civil, taxation, state administration, industrial relations, bankruptcy, postponement dispute, obligation to pay debts, business competition, or arbitration actions before any judicial bodies in Indonesia. Neither did any of the preceding receive any subpoenas or claims that are material and may affect any business activities and the business continuity of CITA.

CITA has complied with all applicable laws and regulations and has not received any administrative and/or financial sanctions from the competent authorities or regulatory agencies in 2020.

13. STAKEHOLDER ENGAGEMENT

We believe we must maintain an open and transparent relationship with key stakeholders. As no entity could conduct a business by being a 'lone wolf' or isolated actor, we believe having a sound stakeholder management plan allows us to communicate how our business affects our stakeholders and how their perspective could help us grow as a Company Various methods and practices are applied at regular intervals that ensure we maintain relationships with our key stakeholders. The table/graphic below shows the types of activities or media CITA uses for stakeholder relationship management. Our primary communication topics are our sustainability efforts and our business achievements.

No	Internal Stakeholders	General Topic	Methods	Frequency
1.	Board of Directors	Annual Operational Performance	General Meeting of Shareholders	At least once a year
2.	Board of Commissioners	Annual Operational Performance	General Meeting of Shareholders	At least once a year
3.	Corporate Group	Operation & others	Satellite meeting	Monthly
4.	Employees (head office and field)	Operasional: HSE, RKL/ RPL, all aspect, and latest policies	Periodic meeting/ socialization	Weekly/Incidental

No	Internal Stakeholders	General Topic	Methods	Frequency
5.	PT WHW	Work Plan and Budget	Periodic meeting	Quarterly / yearly
		Financial Report	Correspondence	Monthly
		Supply MGB/Schedule	Periodic meeting	Routine
		Progress Line II	Periodic meeting	Monthly
		All aspect	CITA places 2 Directors in WHW appointed by CITA	

No.	External Stakeholders	General Topic	Methods	Frequency
1.	Communities (village, sub-district, district)	Social empowerment and recruitment	Village council	Daily, monthly, yearly
2.	Local leaders dan local champions	Social empowerment		
3.	Regulators	Company performance	Regular Report (Q1,Q2,Q3, Audit Re- port)	Quarterly, per semester, yearly
4.	Central government	Latest policies	Socialization	Unscheduled
		Regular report		Quarterly, per semester, yearly
5.	Regional government	Latest policies	Socialization	Unscheduled
		Regular report		Quarterly, per semester, yearly
6.	Mining company asso- ciation/FKPLPI/FRHL- HBT/FAI	Discussion/socializa- tion of government reg- ulations & implications in the field	Socialization, workshop	Unscheduled
7.	Contractors		Correspondence	Unscheduled
8.	Customers / Business partners	Contract (update/ addendum)	Correspondence	Unscheduled
9.	Suppliers	Contract (update/ addendum)	Correspondence	Unscheduled
10.	Investors	Company performance	Annual Report	Yearly
			Regular Report (Q1,Q2,Q3, Audit Report)	Quarterly, per semester, yearly
			Press release	Unscheduled
11.	Public	Company performance	Public expose Press release	Yearly

No.	External Stakeholders	General Topic	Methods	Frequency
12.	Media and CSOs	Community Development and infrastructure support for government	Media exposure Media gathering	Unscheduled

14. BUSINESS RELATIONSHIPS

It is no longer enough only to ensure CITA's own legal compliance and sustainability. **The people** with whom we do business are an extension of our values.

To have business partners that uphold the same or similar sustainability values as we do, CITA takes extra steps in communicating our expectations and maintaining the results. Up until 2020, CITA focused on ensuring the practice of good governance, starting from legal compliance of our contractors and our direct supply chain.

CITA has several standards and criteria for deciding which entities become the organization's commercial partners, namely that each:

- 1. Is a legal entity and complies with legal requirements within its field of business.
- 2. Has competence, experience, and demonstrated technical and managerial qualities in their business sector.
- **3.** Has appropriate resources to meet CITA's acquisition standards for timely delivery of goods/services.
- **4.** Capability for providing high-quality services/ products at reasonable costs.
- **5.** Quality of the goods/services produced is consistent with CITA's established standards.
- 6. Promptness in delivering goods/services.

- 7. Supplier/vendor/provider track record in the region and industry.
- **8.** Not involved in or presently facing criminal charges.
- **9.** Willing to sign the CITA Integrity Pact for partners/suppliers/vendors.
- **10.** Other criteria are decided based on the type of goods/services procured.

When operating within CITA's area, our vendors and contractors must adhere to our regulations, especially those regarding good mining practice and occupational health and safety. An example of this policy, as written in one of our contracts, follows:

- The workplace occupational health and safety conditions are fully responsive to both parties' requirements for compliance with relevant occupational health and safety standards. According to this criterion, both parties must safeguard occupational health and safety at mining sites with adequate health and safety equipment and practices.
- 2. Both parties shall adequately insure all their employees at their respective expense for all risks incurred in conjunction with mining operations.



By 2021, we intend to increase the comprehensive quality of our policy in maintaining sustainability in our supply chain management, starting with auditing the applicable environmental permits, especially those of business partners operating within CITA's compound. In short, we aim to make sustainability performance one of the main criteria in our partnership deals.

15. LABOR AND WORKING CONDITIONS

Workplace conditions must be "nurturing" in the sense of promoting success and mental well-being. Aside from maintaining essential standards for health and safety, the working environment has an indispensable role in determining how motivated and happy employees are and how productive and efficient they may be.

There are several aspects that we see as priorities for us to govern, as outlined below.

a. Forced and Child Labor

CITA takes human rights and fundamental freedoms very seriously and includes them in the business rules enforced on all associates. The eradication of child labor and forced labor is a crucial problem for the international community, and CITA does its part in resolving these issues within our business capabilities. CITA will not tolerate child labor and forced labor under any circumstances.

In compliance with Indonesian Law No. 13 of 2003 on Labor in Article 68, which bans businesses from hiring children, CITA does not employ minors.

This principle is regularly implemented in our Recruitment Policy, wherein candidates under employment age are not selected.

CITA intends to emphasize our commitment in this matter by issuing a dedicated policy statement concerning forced and child labor under our good governance principles.

b. Anti-Discrimination, Bullying, and Sexual Harassment

Policies for non-discrimination and antiharassment are important for CITA to create a "nurturing" and safe and harmonious work environment, clearly stated in the Company Regulations that govern these matters. Every new employee at the time of 'New Employee Induction' has this policy communicated to them. We also ensure that CITA handles any complaints related to these matters with strict confidentiality and complete protection of victim rights by CITA staff and management.



Our policy is confirmed in:

- Company Regulation (Peraturan Perusahaan), Article 12, Section 4
- CITA's "Bullying, Discrimination, and Sexual Harassment Prevention Policy and Reports of Action," reinforced with a signed compliance agreement.

The following principles will guide the enforcement and implementation of this policy:

- Investigations must be conducted as soon as possible, and thoroughly once a complaint is received.
- After the investigation is completed, both the complainant and the alleged harasser will be notified of the findings and the resolution.
- If charges of bullying, discrimination, violence, or sexual harassment are confirmed, CITA will act equitably in imposing appropriate consequences, with the perpetrator receiving sanctions up to and including termination.
- Behavior determined by Company legal counsel to constitute criminality will be reported in full detail to appropriate authorities.
- Seniority and/or standing in CITA have no bearing on the judgment on the appropriate sanction in these situations.
- CITA maintains written records of all complaints and full details on how they are investigated and resolved. These records are kept private.

c. Security and Human Rights

CITA's business ethics and values are contained in the Parent Company's statement of values, in which HARITA stands for Humility, Achievementoriented, Respect for every individual, Integrity, Teamwork, and Accountability. Among CITA's ESG policies is a commitment to security in the workplace (Appendix 1).

Security and Human Rights

CITA ensures a safe and conducive work environment in its operating areas and surroundings. This includes:

- Create safe and equitable conditions in the workplace that recognize human rights for all.
- Provide fair privileges and equal opportunities for all employees.
- Respect the diversity, ethics, cultures, interests, and customs of our employees and surrounding communities.
- Secure physical and nonphysical assets in CITA's work environment.
- Implement an integrated security posture that combines internal and external security to ensure CITA's construction and operation activities run safely.

As an expression of our respect for Human Rights in the host community, our PPM program (*Pengembangan dan Pemberdayaan Masyarakat or Community Development and Empowerment*) commits to improving the livelihoods of residents. It is conducted through developing sustainable, diverse small businesses, boosting facilities for health and education, and ensuring the safety of those within our impact area.

d. Gender Equality

CITA ensures and maintains equal rights in the workplace. We implement this first and foremost through fair recruitment, stated as a non-discrimination principle within our Company Regulation Article 12, Section 3. As of June 2021, the percentage of women at CITA includes 32% of headquarters employees, 8% of employees at Sandai site, and 7% of employees at Air Upas site.

CITA Employees/ June 2021	Headquarters	Sandai	Air Upas
Male	78	640	338
Female	37	58	25
Total	115	698	363

We acknowledge that the percentage of men dominates our labor force, as is common within the Extractive Industry of Indonesia. However, we are committed to increasing gender inclusivity and equality as we move forward with this awareness.

Breaking through the traditional stigma of mining and masculinity is undoubtedly a challenge. However, it is one we refuse to shy away from. We believe in creating a safe and healthy working environment that respects and is aware of diversity and equality. In maintaining fair privileges and equal opportunities for all, we have begun the shift from a male-oriented business to being gender-equal, encouraging and welcoming more women on the field, in the office, and as part of management.



16. OCCUPATIONAL HEALTH AND SAFETY POLICY IMPLEMENTATION

Listed among our five Company missions are our commitments to implementing the Health, Safety and Environment (HSE) Policy and responsibility toward the environment. We strive to continuously improve occupational health and safety for all our employees across all our operational activities, involving all our vendors and contractors through agreed commitments, as discussed in section 14.

Considering the severe effects of the COVID-19 pandemic as it developed, we enacted protocols to protect our employees and the surrounding communities by implementing the Work From Home (WFH) policy where possible, strict screening, rapid testing, quarantines, routine disinfecting, and mask distribution. Further details are given in the section on COVID-19 response that follows below.

Standard operational procedures (SOPs) are applied and adjusted where needed to establish the best practices of Occupational Health, Safety, and Environment (OHSE) across all our operations. These include but are not limited to:

- Standardized working hours SOPs for handling spillage and waste
- Compulsory usage of safety equipment and gear (such as earplugs in the fabrication area)
- Building of storage facilities for fuel and electrical generators according to national standards
- Management of drainage and oil traps and mechanisms for repair when needed.



Field Briefing.

According to their respective roles, these are appropriately detailed in contracts and memorandums of understanding (MoU) with our contractors. Notices are also displayed across all sites. We believe in taking preventive measures and lowering risk from the beginning rather than performing correction later.

Annual pre-assessment is performed across all operational areas including but not limited to

- Main activity area (mining sites)
- Workshops
- Warehouses
- Offices.

Our annual Occupational Health, Safety and Environment (OHSE) report for 2020 is available for both mining sites (Air Upas and Sandai), showing

OHSE Evaluation 2020/Site	Air Upas	Sandai
Lost Time Injury (LTI)	2	1
Fatalities	0	0



health records of employees for every month throughout the year, including the number of cases and incidences, types of illness, and diagnosis. Regular audits were also performed at each site, evaluating and recording safety aspects.

The report also disclosed occupational health programs executed in 2020, as summarized in the diagram below. Actions are taken to handle the unsatisfactory results of inspections. For example, at the Air Upas Site, CITA's HSE team and the onsite contractor agreed on terminating the mining operator permit (KIMPER) of employees found consuming alcohol while working.



17. COVID-19 Response

We are very mindful regarding our response to the COVID-19 pandemic. Our care and concern are reflected in the policies we created, their subsequent implementation, and our continuous monitoring of COVID-19 infections. We have enacted SOPs for handling COVID-19 that include screenings and monitoring of the number of cases and vaccinations. We have also imposed Work From Home (WFH) programs as part of our commitment to follow the policies and guidelines set by the local COVID-19 task force and the Government for those who work in the Jakarta head office. Additionally, for on-site employees where WFH isn't possible, we have implemented tight screening measures and reduced the number of people allowed on-site at one time. From January to June 2021, the number of positive COVID-19 cases among our staff is less than 11% of our total number of employees, with no fatalities.



Our SOP in preventing and managing the spread of coronavirus are shown below for the CITA operational sites and headquarters. These SOPs are adapted and revised following experience and changes in conditions.

Purpose	To give guidance regarding the implementation of emergency protocols in response to the COVID-19 virus for employees and guests visiting and leaving the CITA head office to prevent the spread of COVID-19.
Scope	The SOP applies to all employees and guests of CITA within the Jakarta head office area.
Policy	All employees at the head office must undergo routine Antigen Tests; if positive, they are required to undergo a Polymerase Chain Reaction (PCR) Swab Test.
Responsibilities of Management	Ensuring that all operational activities and all supporting facilities adhere to the Health Protocols of the Government of the Republic of Indonesia
Responsibilities of HR-GA department	 Ensuring all facilities and equipment supporting health protocols are in good condition. Executing routine COVID-19 Antigen Tests for employees once a month Supporting the treatment of employees exposed to/infected with COVID-19

Responsibilities of HSE department	 Ensuring all operational activities are carried out with attention to details of this Health Protocol Keeping records of all preventive and control measures taken concerning the spread of the COVID-19 virus Ensuring that all supporting health equipment and PPE items are available at CITA's Jakarta head office Reporting all employee COVID-19 positive cases
	according to Government regulations
Responsibilities of Employees	 Attending to all work responsibilities while abiding by the requirements of the Government Health Protocols. Following the 3M measures (washing hands, wearing masks, and social distancing) Obeying procedures/mechanisms in place if detected positive/reactive during routine COVID-19 testing.



Additional information detailed in our SOP includes:

- Screening procedure for employees and visiting our sites
- Screening procedure for employees and guests leaving our sites
- Routine testing procedure for employees
- Details of subsequent procedures when positive/ reactive testing results are detected
- Details of protocol implementation at Sandai Site and Air Upas Site
- Screening procedure for employees returning from leave.





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Routine Antigen Testing Procedure for Employees in Headquarters



CITA has actively listed all employees for the Gotong Royong vaccination program, proceeding in stages according to the quotas allotted by the Ministry of Health and the Indonesian Chamber of Commerce and Industry. To boost these efforts, we have encouraged employees who have not gotten the Gotong Royong vaccine to get vaccinated independently at clinics and vaccine sites provided by the Government. As of 2 July 2021, **27% of our entire Company staff has been vaccinated**, **amounting to 330 people**, and these numbers increase with every passing week.

Our well-documented efforts and management system for the pandemic will be compiled into the emergency preparedness and response plan in full detail, to ensure an available comprehensive reference for future similar conditions.

15. TRANSPARENCY AND DISCLOSURE

Good governance frameworks, in order to be comprehensive and reliable, should include transparency and disclosure policies and practices. All important information about the business not judged confidential, including its financial status and performance, should be disclosed in a timely and accurate manner to provide shareholders, stakeholders, and potential investors with the opportunity to make informed decisions. Since 2016, CITA has been publishing through our official website:

- Annual reports
- Annual financial reports
- Semi-annual financial reports
- Financial overview.

To improve our quality of governance in sustainability, this year CITA has also published a description of our sustainability efforts through a dedicated section on our website for information that includes this ESG report.



All transparency and disclosure principles applied by CITA are also in line with the requirements of the Indonesian stock market, as CITA is a publicly listed company. China Hongqiao Group Co Ltd, as the major stakeholder in WHW, is also a public listed company in Hong Kong stock market). Consequently, a high level of transparency and disclosure is also required.











Top: Annual Report 2020; Annual Report 2019; Annual Report 2018.

Bottom: Annual Report 2017; Annual Report 2016;







PT CITA MINERAL INVESTINDO Tbk

APPENDIX

Safety, Health, Environment, Social Relations and Corporate Governance Policies

PT Cita Mineral Investindo Tbk (CITA) commits to achieve its best performance and put forward health, safety, environment, social relationships and good corporate governance in all its activities and ensures that accidents and environmental contaminations can be prevented through mutual commitment and proper technology application, also competent human resources. ESG has been and will continue to be part of our business and decision-making process.

CITA owns bauxite mining licenses, and an alumina refinery through its associate PT Well Harvest Winning Alumina Refinery (WHW) at Ketapang, West Kalimantan province.

CITA's Commitments:

- 1. Comply with the Indonesian rules & regulations and shareholders related to HSE (Health Safety Environment), social community, as well as licensing which has been set in the Environment Management Plan and Environmental Monitoring Plan during the exploration, mining production operation and alumina refinery activities.
- Recognize and adapt to international sustainability frameworks where possible as part of our global contribution and collaboration.
- **3.** Deliver and ensure optimum availability of resources in implementation of integrated health and safety program in every stage of our work.

- 4. Create and execute quality management system, in the form of general instructions, procedures, and work standards according to CITA work area.
- 5. Carry out regular identification, health and safety risk control management, environmental protection, security as well as increasing effectiveness and also preventing unwanted social impacts.
- 6. Conduct programmed and scheduled training to ensure the expected level of competency level in order to create a healthy, safe and comfortable work environment.
- Execute continuous improvement and/or performance improvement effort to achieve the best health and safety, security, and social protection.
- 8. Involve the participation of all employees in every activity of health, safety, security and environmental protection.
- **9.** Act professionally in every task and improve performance.
- **10.** Participate in corporate social responsibility efforts and maintain good relations with the surrounding community through the implementation of the Five Pillars of Community Development.
- **11.** Be transparent and proactive in disclosing our Company's business performance and sustainability efforts to stakeholders including the public.

OCCUPATIONAL HEALTH AND SAFETY

CITA is committed to prioritizing, creating, and maintaining a safe working environment for its employees and contractors or others associated with the Company's activities. It is intended to:

- Prevention of fatal accidents.
- Prevention of minor or major injuries, and comprehensive treatment where necessary.
- Prevention of property damage from accidents, operational errors, lack of supervision, and/or lack of maintenance.
- Reduce morbidity rate and lost working days due to illness and implement health promotion programs for employees and contractors.
- Work safely and healthily in accordance with health and safety procedures and standards.
- Create a conducive environment in our construction activities and production operations where employees and contractors can work efficiently, safely, and free from conditions that could result in losses, construction delays, and/or work cessation.

ENVIRONMENTAL PROTECTION

Each stage of operational activity is carried out with deliberation for environmental protection. All tasks in ensuring our environmental legacy must be conducted with excellence, which involves:

- Comply with the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL), as well as all requirements of the environmental permits issued by theIndonesian Government. Comply with the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL), as well as all requirements of the environmental permits issued by the Indonesian Government.
- Consider all aspects of the operation that can be improved to enhance efficiency in the use of water and energy resources.
- Execute land clearing operations only as needed based on mine plan and conduct reclamation once mining is completed (mine-out).
- Prevent and/or reduce pollution from impacts of solid, liquid, and gaseous wastes generated by Company operations and support activities, with particular attention to the storage, use, and disposal of hazardous and toxic substances.
- Maintain order and cleanliness in the operational, support, infrastructure, and living areas.

- Coordinate with all of our employees and work partners in carrying out environmental protection.
- Suggest, develop, and put into practice as opportunities arise for all environmental and energy management actions that can reduce greenhouse gas (GHG) emissions or otherwise improve the Company's mitigation and adaptation to climate change.

SECURITY AND HUMAN RIGHTS

CITA ensures a safe and conducive work environment in its operating areas and surroundings. This includes:

- Create safe and equitable conditions in the workplace that recognize human rights for all.
- Provide fair privileges and equal opportunities for all employees.
- Respect the diversity, ethics, cultures, interests, and customs of our employees and surrounding communities.
- Secure physical and nonphysical assets in CITA's work environment.
- Implement an integrated security posture that combines internal and external security to ensure CITA's construction and operation activities run safely.

SOCIAL RELATIONS

CITA constantly aims to collaborate with our stakeholders to magnify the positive impacts we bring to communities. This includes:

 Provide added value to stakeholders through the implementation of community development activities at the Company's operations in Ketapang Regency, West Kalimantan Province, which are oriented toward maintaining harmonious relations with all stakeholder and the implementations of the five pillars of the program, namely Health, Education, Productive Economic Enterprises, Social Culture, Infrastructure, and maintaining harmonious relations with all stakeholders.

- Prioritize employing local workers in accordance with the required job competencies.
- Maintain local wisdom and culture in each of the Company's operations.

CORPORATE GOVERNANCE

- CITA in its operations strives to implement the principles of good corporate governance in every activity of the Company in order to create accountable business climate in line with the principles of democracy and an efficient market in line with avoiding corrupt practices.
- Comply with the laws and regulations in Indonesia, the articles of association and bylaws, as well as the resolutions of the General Meeting of the Shareholders of the Company.
- Periodically evaluate the policies, procedures and work instructions to ensure that the Company's operations run according to the Company's business development plans.
- Minimize negative impacts and maximize profitable opportunities.
- Disseminate and implement the code of ethics to all members of the Board of Commissioners, Directors, and employees as well as the Company's subsidiaries. The code of ethics of the Company applies to all levels of office without exception.
- Practice fairness and equality in recruitment of our labor force, with no discrimination for ethnicity, religion, culture, nor gender, and remain strongly against child labor, establishing that no workers under the age of 18 are employed.

All of the above commitments and principles must be enacted not only by CITA, but also by contractors operating within our work area as part of the sustainable business partnership program.

Jakarta, 6 May 2021

Harry Kesuma Tanoto President Director Ferry Kadi Director

Robby Irfan Rafianto Director

Yusak Lumba Pardede

Director





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