



HARTADINATA ABADI

Environmental and Social Management System

PT Hartadinata Abadi Tbk

DATE
3 June 2024





DOCUMENT DETAILS

The details entered below are automatically shown on the cover and the main page footer.
PLEASE NOTE: This table must NOT be removed from this document.

DOCUMENT TITLE	Environmental and Social Management System
DOCUMENT SUBTITLE	PT Hartadinata Abadi Tbk
Date	3 June 2024
Version	01
The Company name	PT Hartadinata Abadi Tbk

PT. Hartadinata Abadi Tbk.,



Sandra Sunanto
President Director



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1. INTRODUCTION

1.1 PURPOSE OF THE ESMS

This document is to provide a framework of the Environmental and Social Management System (ESMS), which is a dynamic and continuous processes and practices, to consistently manage environmental, social, health and safety (EHS) risks associated with HRTA's facilities throughout construction, operation and maintenance phases.

The ESMS describes corporate level environmental and social (E&S) policies and demarcate roles and responsibilities at each level of involvement, including PT Hartadinata Abadi Tbk. and PT Emas Murni Abadi (hereinafter refer to as "HRTA" or the "Company") and other levels including those have been developed/in operation or to be developed by the company.

1.2 SCOPE OF APPLICATION

The ESMS applies to all the factories and facilities (hereinafter referring as "facilities") of Company that utilise guarantee issued by the Credit Guarantee and Investment Facility, a Trust Fund of the Asian Development Bank ("CGIF"), including the manufacturing facility in Hung Yen Province. The ESMS also extends to Company's contractors/subcontractors, suppliers, distributors, or visitors who are involved in HRTA's business activities. The ESMS's scope encompasses operation and maintenance phases of HRTA's existing factories/facilities as well as the construction and investments in new developments including new distribution stores and warehouses.

1.3 ESMS FRAMEWORK STRUCTURE

The key feature of ESMS framework is the idea of continual improvement, based on the most common method – the "Plan – Do – Check – Act" cycle (PDCA). The ESMS



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framework is described in detail in FIGURE 1-1.



FIGURE 1-1 ESMS FRAMEWORK

This ESMS framework is structured into four (4) levels as shown FIGURE 1-2 and detailed below.

- Level 1 – The ESMS (this document): Comprising of Company’s E&S Policy, and overall principles for managing typical E&S risks and impacts associated with HRTA business activities;
- Level 2 – E&S Management Plan: Including specific procedures, such as EHS Management Plan, Contractor Management Plan, Stakeholder Engagement Plan (SEP), Emergency Preparedness and Response Plan (EPRP) describing how specific E&S risks are identified and managed by HRTA, as required by the ESMS;
- Level 3 – Standards of Operation (SOP)/Instructions/Regulations, including operational control procedures or instructions, with defined responsibilities and actions to manage/control the identified significant E&S aspects associated with the HRTA activities; and
- Level 4 – Records and forms: Including templates and evidence records to demonstrate that the activities have been conducted in the way prescribed in the ESMS document, management plans, SOP, instructions, and regulations.



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FIGURE 1-2 ESMS DOCUMENTATION STRUCTURE

1.4 OBJECTIVES

The ESMS was developed to ensure that HRTA and its facilities (including, but not limited to, manufacturing facilities, show rooms, and warehouses) have appropriate management programs and procedures in place for people to consistently implement in managing environmental and social risks and impacts in compliance with relevant laws and regulations in Indonesia, and conformance with CGIF's Environmental and Social Safeguards (ESS) Policy and the ADB's Safeguard Policy Statement (SPS).

The detailed objectives of the ESMS are:

- To avoid, and when avoidance is not possible, to minimize and mitigate adverse impacts of its facilities on the environment and affected people;
- To strengthen HRTA safeguards systems and develop the capacity to manage environment and social risk; and
- To maximize opportunities for environmental and social benefits.

1.5 TERMS AND DEFINITIONS

Terms and Definitions used across the ESMS are presented in Table 1-1.



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TABLE 1-1 ESMS' TERMS AND DEFINITIONS

Terms	Definitions
Audit	Systematic, independent, and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled.
Continual improvement	Recurring activity to enhance performance
Corrective action	Action to eliminate the cause of a detected non-compliance and/or non-conformity and to prevent recurrence.
Environment	Surroundings in which an organisation operates, including air, water, land, natural resources, flora, fauna, humans, and their interrelationships.
Environmental and social management system (ESMS)	Part of an organisation's management system used to manage environmental and social aspects, fulfil compliance obligations, and address risks and opportunities.
Environmental and social performance	Measurable performance related to the organisation's management of environmental and social aspects.
Environmental and social policy	Overall intentions and directions of an organisation related to its environmental, occupational health and safety and social performance, as formally expressed by top management.
Hazard	Source, situation, or act with a potential for harm in terms of human injury or ill health, or a combination of these.
Hazard identification	Process of recognising that a hazard exists and defining its characteristics.
Incident	Work-related event(s) in which an injury or ill health (regardless of severity) or fatality occurred or could have occurred.



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Terms	Definitions
Internal audit	Systematic, independent, and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which the environmental management system audit criteria set by the organization are fulfilled.
Non-conformity/ Non-compliance	Non-fulfilment of a requirement.
Occupational health and safety	Conditions and factors that affect, or could affect, the health and safety of employees or other workers (including temporary workers and contractor personnel), visitors, or any other person in the workplace.
Risk	Effect of uncertainty – positive or negative
Risk assessment	Process of evaluating the risk(s) arising from a hazard(s), considering the adequacy of any existing controls, and deciding whether the risk(s) is acceptable.
Stakeholder	Person or organisation that can affect, be affected by, or perceive itself to be affected by a decision or activity.
Top management	Person or group of people who directs and controls an organisation at the highest level.



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2. Environmental and Social Policy

2.1 E&S POLICY

The Company has developed an overarching E&S Policy that is aligned with the compliance obligations and appropriate for Company's business activities. The E&S Policy is provided in Appendix A of this document. This Policy acts as a cornerstone of the ESMS and foundation to set the objectives and targets for E&S performance. Additionally, the E&S Policy stipulates the commitment that Company has made to manage the E&S impacts/risks to protect the environment and human, as well as obligate the national and international laws and standards. Where deemed necessary, specific policies addressing specific matters associated with HRTA operation shall also be developed and implemented accordingly. The Executive Management of HRTA takes the responsibility to:

- Establish capable resources to fully implement the E&S Policy across HRTA operations;
- Communicate the E&S Policy within the organisation and to all relevant external stakeholders through various means, such as induction, appointment letters, tender documents, bulletin board, website and other;
- Display the E&S Policy throughout HRTA premises and make available to all relevant stakeholders, as appropriate; and
- Review, update, and improve periodically.

2.2 APPLICABLE STANDARDS

The following sections detail the applicable safeguard requirements that are relevant to the ESMS and form the basis of the compliance obligations for HRTA with respect to E&S matters.

2.2.1 APPLICABLE LAWS AND REGULATIONS IN INDONESIA

HRTA's operations will comply with the relevant environmental and social laws and local regulations in Indonesia. This includes applicable laws and regulations on environment, involuntary resettlement, land acquisition, Indigenous Peoples, physical cultural resources, health and safety, community health and safety, labour and working conditions, and occupational health and safety. This also encompass relevant international laws/standards and conventions ratified by Indonesia where the company facilities are located (together known as the "Applicable Laws").

2.2.2 SAFEGUARD REQUIREMENTS

The following safeguard requirements are relevant to the ESMS and form the basis for the Compliance obligations for HRTA business activities, respective to E&S matters.

- ADB's Prohibited Investment Activities List (PIAL);



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- CGIF's Environmental and Social Policy and Safeguard Framework (ESS);
- Asian Development Bank's Safeguard Policy Statement (ADB's SPS); and
- International Labour Organization (ILO) Core Labour Standards (CLS) that are adopted/ratified by Indonesia.

2.3 LEGAL REGISTER PROCESS

The Company will update and implement the legal register process to identify, update and communicate legal and safeguard requirements applicable to the HRTA's business activities and conduct compliance evaluation. The procedure shall be in accordance with the following process which is presented in **Error! Reference source not found.** and following sections. The HSE Team will be responsible for establishing and monitoring the E&S legal register associated with HRTA's operations supported by CGIF's guarantee. The legal register will identify all E&S Applicable Laws and relevant Indonesia legislations. The E&S legal register will be updated regularly or when any new/ changes of relevant laws or regulations are enacted. Subsequently, the E&S legal register will then be communicated to the HSSE Coordinator of each facility for further evaluating the compliance as well as developing the associated programs in response to the applicable laws and regulations.

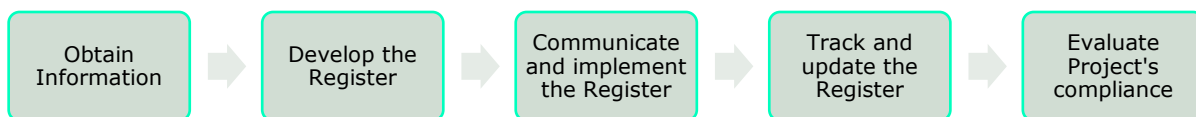


FIGURE 2-1 LEGAL REGISTER PROCESS

2.3.1 OBTAIN INFORMATION

The Company will assign relevant personnel to obtain applicable E&S regulatory documents and safeguard requirements applicable to the business activities, covering construction (if any), operation, and maintenance phases, which may include the data sourced from Section 2.2 above, but are not limited to the following:

- Written notices from local authorities;
- Internet - authority websites and web-based information sources (e.g. Indonesian Government Portal or local government portals); CGIF website, ADB website;
- Regulatory information services;
- Consultation with external regulatory compliance experts that provide professional services in the Company's location;
- Lender document for HRTA;
- Periodic communication with national and local regulatory officials;



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- Attendance at training courses as required by relevant authorities; and
- News media.

2.3.2 DEVELOP REGISTER

The ESMS Committee or the delegates will be responsible for identifying, interpreting, and tracking all environmental, social, health and safety (E&OHS) legal and other requirements applicable to the Company. The legal register will be developed in tabular format, including the following information:

- Name of the law, regulation or standard;
- Issuance date and effective date;
- Summary of the applicable requirements;
- Evidence of compliance; and
- Compliance status.

A template for legal register incorporating CGIF ESS requirements and Indonesia national requirements is provided in Appendix D.

2.3.3 COMMUNICATE AND IMPLEMENT THE REGISTER

- Based on the Register, specific requirements will be identified and responsibilities will be assigned to HR and Administrative Department to fulfil these requirements;
- Evidence of implementation of legal requirements shall be kept for compliance evaluation purposes;
- The ESMS Committee will be responsible for communicating the Register to relevant personnel/ teams/ departments of HRTA and our contractors/suppliers, if deemed necessary; and
- Communication of the Register can be performed in a timely manner through meetings, emails, or intranet whichever is convenient and available. In addition, once any new legal or other requirements are issued, the ESMS Committee will inform relevant parties accordingly.

2.3.4 TRACK AND UPDATE THE LEGAL REGISTER

- The Register will be updated regularly, at least biannually or annually, or whenever any new, updated, amended laws or regulations are issued and enacted. The ESMS Committee (or a designated person) will be responsible for tracking changes (new/ update) to the Register using the sources mentioned above.



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- For HRTA to effectively identify and implement legal requirements applicable to its operations, the Register will be maintained in a format that is readily updatable to allow for the insertion of additional requirements as they are identified.

2.3.5 COMPLIANCE EVALUATION

- The ESMS Committee will be responsible for leading the evaluation of Company compliance with the applicable legal and other requirements. The compliance evaluation will be conducted regularly, at least on an annual basis, to check all the legal and other requirements that HRTA must comply with and the implementation status as well as to identify if any deviations need to be closed to bring HRTA to the compliance with the applicable safeguard requirements.
- Following the compliance evaluation, where any gaps are identified, corrective actions will be taken immediately following the Corrective Action Plan. If necessary, external (such as consultants and legal counsel) may be called upon to assist in evaluating the compliance of Company as well as to support the Company to close the deviations.

3. Organisational Capacity

3.1 ESMS COMMITTEE

PT Hartadinata Abadi Tbk. (HRTA) is headed by a Board of Commissioners (known as HRTA's Senior Management) followed by a Board of Directors. The existing corporate organogram for the HRTA is presented in FIGURE 3-1.

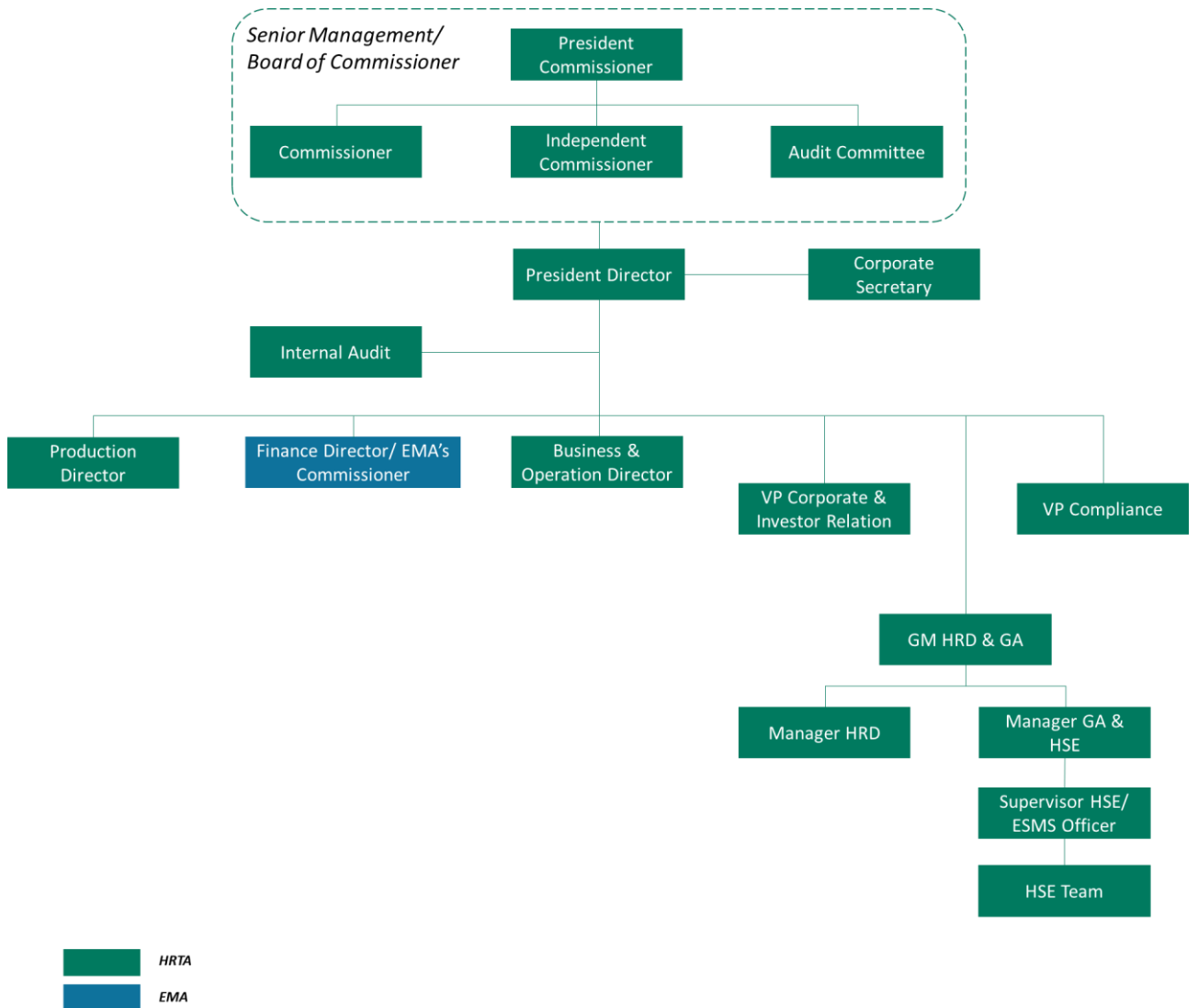


FIGURE 3-1 HRTA ORGANISATION CHART

Similarly, our affiliate, PT Emas Murni Abadi (EMA), is overseen by our Finance Director who acts as EMA’s Board of Commissioners as depicted in **Error! Reference source not found.**

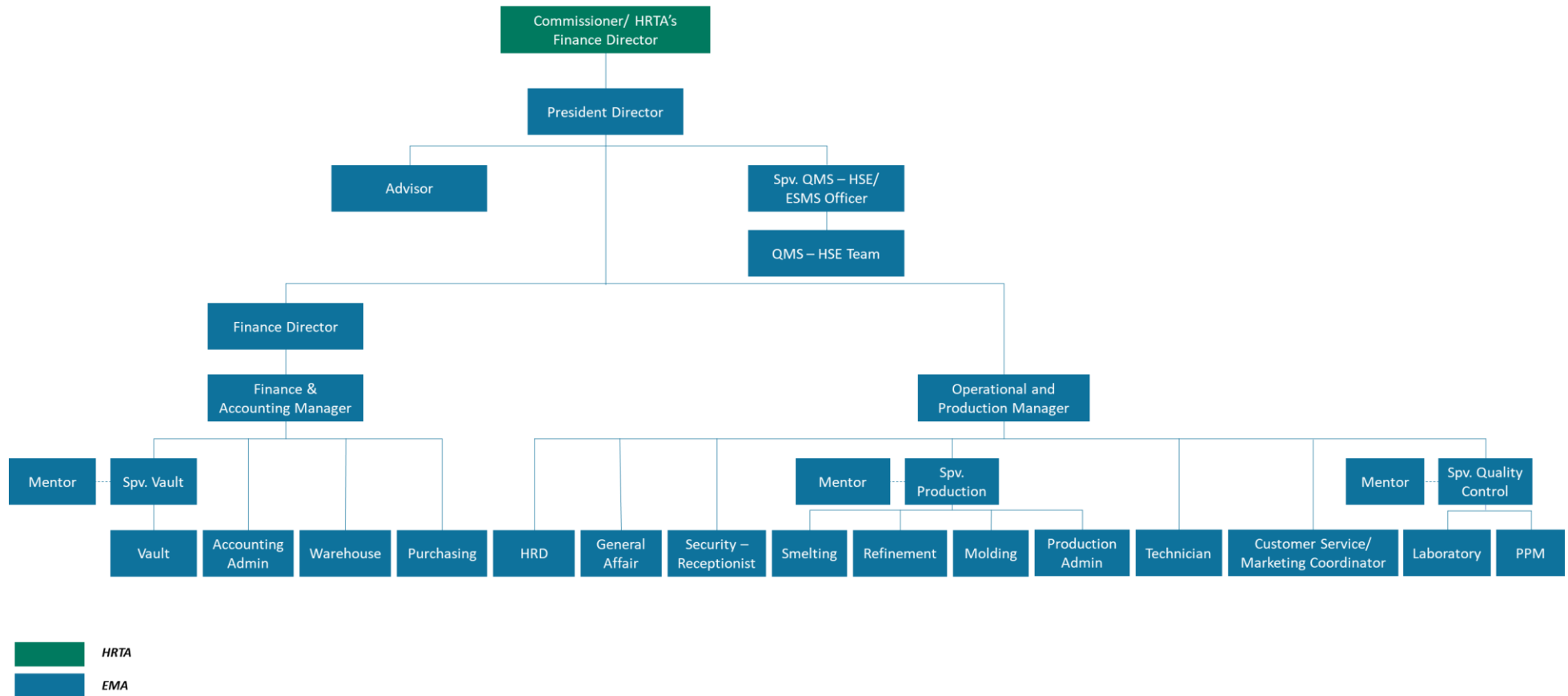


FIGURE 3-2 EMA ORGANISATION CHART



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We are dedicated to upholding stringent ESMS responsibilities and have established an ESMS Committee to meet our E&S commitments. This committee involves collaborative participation from representatives across various departments overseeing environmental and social aspects.

FIGURE 3-3 below depicts HRTA's ESMS Committee structure. HRTA appoints an ESMS Officer (run by HSE Supervisor) at the corporate level, who is directly supervised by a GA & HSE Manager. HRTA's ESMS Officer is responsible to oversee compliance with E&S regulations/ standards, including national regulations and international standards. In executing its duties, our ESMS Officer is assisted by HSE team members to closely coordinate with Production Manager who directly supervises E&S performance at each manufacturing facility, to identify areas for improvement including in the health and safety, pollution prevention, and social aspects.

Our commitment to uphold ESMS extends beyond maintaining exceptional E&S performance within our facilities as we also enforce these standards throughout our supply chain, including with our affiliate, EMA. To ensure EMA adheres to our E&S commitments, our ESMS Officer actively collaborates with EMA's ESMS Officer to monitor the E&S performance at EMA facilities. EMA's ESMS Officer also reports their E&S performance in implementing the Supply Chain Management System and Supplier Code of Conduct to our ESMS Officer, supported by their Marketing Coordinator/ Customer Service.



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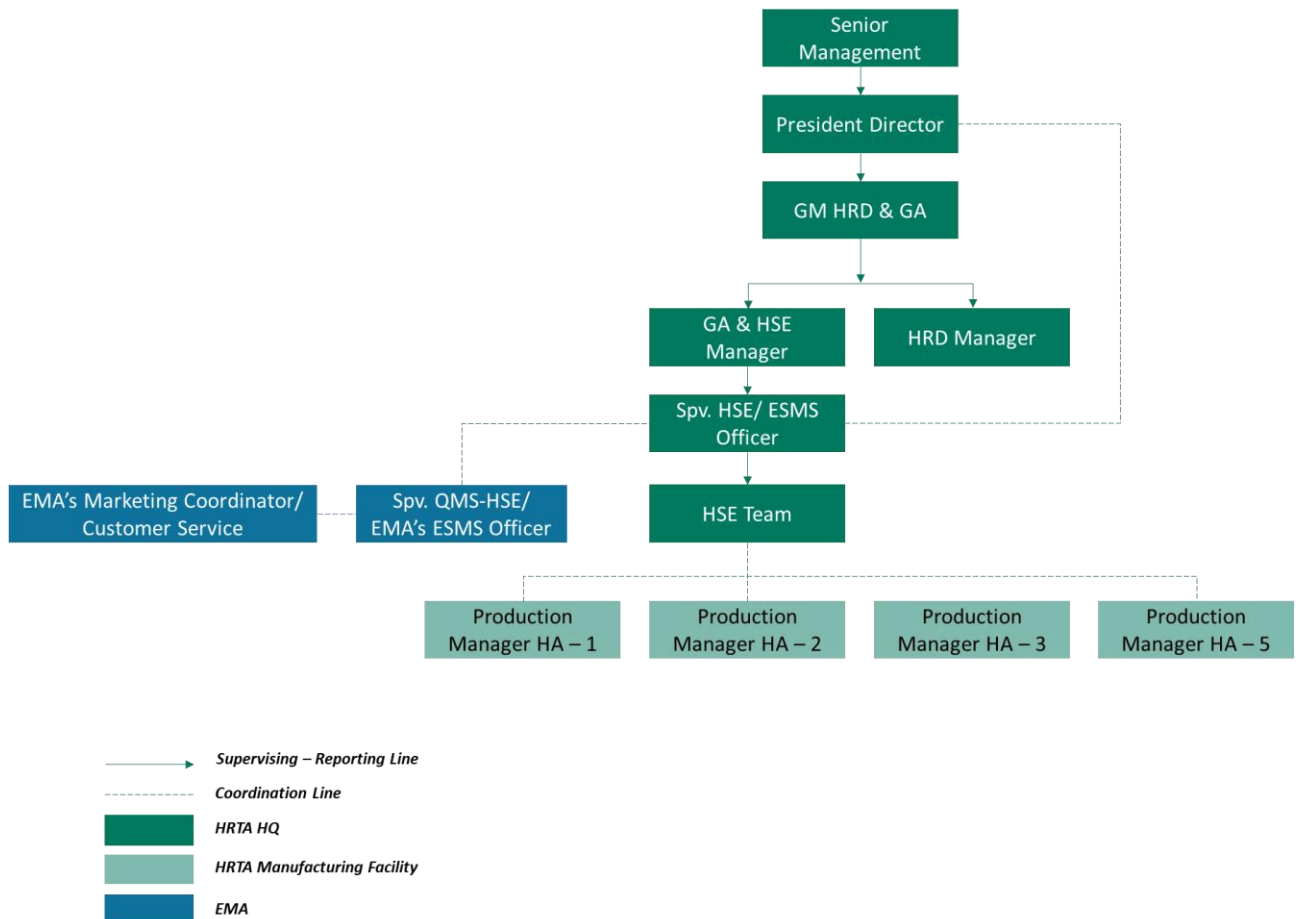


FIGURE 3-3 HRTA ESMS COMMITTEE STRUCTURE

EMA's commitment to implementing exceptional E&S performance is shown by EMA's effort to appoint an ESMS Officer, which will be run by EMA's Supervisor in QMS-HSE Department. EMA's ESMS Officer works closely with our ESMS Officer to discuss the prioritised E&S aspects at EMA.

In executing its duties, EMA's ESMS Officer collaborates with Operational and Production Manager to gain insights on the health and safety, environmental, and social aspects in the facilities area. EMA's ESMS Officer also coordinates with their Marketing Coordinator/ Customer Service to ensure the implementation of E&S commitments in EMA's supply chain.

3.2 ROLES AND RESPONSIBILITIES

3.2.1 SENIOR MANAGEMENT

- Assumes ultimate responsibility and authority to ensure overall compliance with the ESMS requirements;



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- Ensures that adequate resources in terms of people, skills and equipment are available to allow the implementation and continuous improvement of the ESMS;
- Reviews and approves significant changes to the ESMS.

3.2.2 PRESIDENT DIRECTOR

Planning

- Provides endorsement of results of the Screen and Categorization process, as well as the process for Identification and Assessment of Environmental and Social Impacts and Risks;
- Ensures the E&S agenda is included in HRTA's and EMA's senior management meetings; and
- Approves HRTA's and EMA's E&S objectives and targets.

Implementation

- Spearheads the implementation and monitoring of the ESMS;
- Maintains, revises, and issues all ESMS-related documents;
- Provides adequate resources (manpower, budget, and facilities) for the ESMS development and implementation;
- Includes department-appointed representatives from HSE and HR/GA as well as QMS HSE and Customer Service (Marketing) at EMA;
- Be accountable for the overall implementation of the ESMS, its overall development and periodic monitoring in order to provide continuous improvement during the execution of the ESMS;
- Oversees the overall record management of the ESMS;
- Ensures the E&S Policies are applied by all HRTA and EMA facilities that use CGIF's guarantee/ fund;
- Coordinates internal and external ESMS-related communications;
- Ensures the appropriate trainings are timely delivered to concerned staff;
- Reports on the HRTA's ESMS performance to the Senior Management and to CGIF throughout the CGIF guarantee/ fund tenor;
- Signs and submits the annual E&S safeguards performance report (ESSPR) to CGIF;
- Ensures that procurement practices for both goods (specifically gold/ diamonds) and services adhere to the Supplier Code of Conduct.

Improvement

- Takes overall responsibility of the ESMS annual review and of continuous improvement during the ESMS execution; and
- Ensures that the E&S Policy and other related policies and procedures specified within this ESMS will be maintained and reviewed on a regular basis.



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3.2.3 ESMS OFFICER (HRTA)

Planning

- Leads the Screening and Categorization process, as well as the process for Identification and Assessment of Environmental and Social Impacts and Risks, in accordance with national and CGIF's ESS requirements; and
- Identifies HRTA's E&S objectives and targets for all HRTA's facilities.

Implementation

- Member of the ESMS Committee, nominated by the Senior Management to lead the implementation and continuous improvement of HRTA's ESMS;
- Spearheads the implementation and monitoring of the ESMS performance across all assets within the HRTA operation (manufacturing and refinery facilities);
- Ensures that E&S procedures are developed by GA & HSE and HRD Departments in alignment with this ESMS provisions;
- Updates the legal register whenever necessary;
- Regularly reviews the ESMS and ensures the ESMS is updated when necessary;
- Participates in the screening, categorization, and review due diligence process prior to consideration of an investment or mergers and acquisitions;
- Ensures compliance of HRTA assets to national and local regulations;
- Represents HRTA in communication and engagement with relevant local regulatory and enforcement authorities and external stakeholders as appropriate in relation to E&S matters in relevant sector;
- Responsible for annual reporting of HRTA's ESMS (the annual Environmental and Social Standards Performance Report (ESSPR)) performance to CGIF as part of ongoing monitoring;
- Gains endorsement of the E&S performance and compliance report (ESSPR) to the President Director before being forwarded to CGIF;
- Leads the incident investigation report, supported by GA & HSE Department team members and provide the notification to CGIF on the incident happened, incident report, and corrective measures;
- Reviews the training need analysis and an E&S training matrix developed by GA & HSE Department and HRD Department team members to ensure compliance with local regulations and international standards;
- Works closely with Production Managers to maintain the implementation of E&S policies and procedures at HRTA's facilities;
- Coordinates with EMA's ESMS Officer, supported by EMA's Marketing Coordinator/ Customer Service, to monitor EMA's E&S performance, including on the Supply Chain Management System and Supply Chain Code of Conduct;
- Reports the ESMS performance at the asset level to the ESMS Committee.



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Improvement

- Leads the E&S internal audit supported by GA & HSE Manager and HRD Manager to review the E&S performance in compliance with local regulatory and international standards (such as CGIF's ESS Framework and ADB's SPSs);
- Conducts ESMS annual review and develops continuous improvement strategies based on the discretion of the President Director as well as GA & HSE Manager and HRD Manager.

3.2.4 ESMS OFFICER (EMA)

Planning

- Participates in the Screening and Categorization process, as well as the process for Identification and Assessment of Environmental and Social Impacts and Risks, in accordance with legal and CGIF's ESS requirements lead by the HRTA's ESMS Officer; and
- Participates in the identification of EMA's E&S objectives and targets in accordance with the facilities' conditions.

Implementation

- Spearheads the implementation and monitoring of the ESMS performance at EMA;
- Ensures compliance of EMA's Supply Chain Management System (SCMS) to HRTA's ESMS;
- Develops related procedures at EMA aligned with this ESMS;
- Updates the legal register whenever necessary;
- Coordinates with Operational and Production Manager (supported by the supervisors at the facility level, such as EMA's Production Supervisor) to accordingly implement E&S Policy and procedures;
- Oversees the E&S performance at the facility level to ensure compliance with local regulatory and international standards (such as CGIF's ESS Framework and ADB's SPSs);
- Captures HSE/ social-related issues from the staffs/ workers at the facility level and discuss the resolution with the President Director, by participating the Operational and Production Manager as necessary;
- Communicates with HRTA's ESMS Officer in reporting the E&S performance at the facility level on a regular basis, including on the implementation of ESMS and SCMS;
- Leads and develops the incident investigation report, including ensures the implementation of the corrective measures accordingly, and provides the notification to HRTA's ESMS Officer and CGIF on the incident happened, incident report, and corrective measures;



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- Reviews the training need analysis and an E&S training matrix developed by HRD Department and QMS-HSE Department team members to ensure compliance with local regulations and international standards;
- Coordinates with Operational and Production Manager in identifying any supports needed for HRD/GA Department in developing and implementing the labour management procedure, stakeholder engagement procedure, and grievance management procedure.

Improvement

- Leads the E&S internal audit supported by Operational and Production Manager to review the E&S performance in compliance with local regulatory and international standards (such as CGIF's ESS Framework and ADB's SPSs); and
- Participates in the ESMS annual review and develops continuous improvement strategies to increase the effectivity of ESMS at the facility level.

3.2.5 MARKETING COORDINATOR

Planning

- Participates in the Screening and Categorization process, as well as the process for Identification and Assessment of Environmental and Social Impacts and Risks, in accordance with legal and CGIF's ESS requirements lead by HRTA's ESMS Officer; and
- Participates in the identification of EMA's E&S objectives and targets for the responsible facility.

Implementation

- Develops the Supply Chain Management System (SCMS) based on the Supply Chain Management Framework in the ESMS;
- Supports HRTA's compliance to national and local regulations related to Supply Chain;
- Develops EMA's procedures or work instructions in support of the SCMS;
- Ensures the implementation and monitoring of the SCMS is maintained at EMA, including on the screening activity of E&S risks during the procurement / marketing process;
- Develops the contract with the supply chain organisations by integrating EMA's E&S standards (aligned with HRTA's E&S standards) that need to be complied by the supply chain organisations;
- Reports EMA's SCMS performance to EMA's ESMS Officer and subsequently to HRTA's ESMS Officer by EMA's ESMS Officer.

Improvement

- Leads the E&S supply chain audit supported by EMA's ESMS Officer, to review the E&S performance in compliance with local regulatory and international standards (such as CGIF's ESS Framework and ADB's SPSs);



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- Requests supply chain organisations to perform recommended corrective actions following the audit and verify the implementation of the corrective actions;
- Participates in the ESMS annual review and develops continuous improvement strategies to increase the effectivity of ESMS at the supply chain level.

3.2.6 GA & HSE MANAGER (HRTA)

Planning

- Participates in the Screening and Categorization process, as well as the process for Identification and Assessment of Environmental and Social Impacts and Risks, in accordance with legal and CGIF's ESS requirements lead by HRTA's ESMS Officer; and
- Participates in the identification of HRTA's E&S objectives and targets.

Implementation

- Develops HRTA's HSE policies and procedures in accordance with the local regulations and CGIF's Environmental and Social Safeguards Policy and Framework and ADB's SPSs;
- Collaborates with HRTA's ESMS Officer to identify potential additional HSE risks and rooms for improvement at the facility level;
- Provides inputs for the corrective measures and support HRTA's ESMS Officer, and supervisors at the production facilities to implement the corrective measures;
- Develops the training need analysis and training matrix for HSE aspects (supported by HSE Department team members) that align with the local regulations and international standards;
- Facilitates HSE-related trainings and socialisations to the staffs/ workers, contractors, and visitors, as necessary;
- Prepares any HSE reports which are required by local authorities (supported by HSE Department team members), and participates in providing HSE-related data for ESSPR Reports;
- Supports the incident investigation activity conducted by HRTA's ESMS Officer in identifying the root causes and corrective actions;
- Develops lesson learnt and performs management of change as necessary to mitigate similar accident from happening.

Improvement

- Supports HRTA's ESMS Officer to review the HSE performance in compliance with local regulatory and international standards (such as CGIF's ESS Framework and ADB's SPSs);
- Participates in the ESMS annual review and suggests HSE related strategies to improve the effectiveness of ESMS implementation.



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3.2.7 HRD MANAGER (HRTA)

Planning

- Participates in the Screening and Categorization process, as well as the process for Identification and Assessment of Environmental and Social Impacts and Risks, in accordance with legal and CGIF's ESS requirements lead by HRTA's ESMS Officer; and
- Participates in the identification of HRTA's E&S objectives and targets.

Implementation

- Develops HRTA's social-related policies and procedures in accordance with the local regulations and CGIF's Environmental and Social Safeguards Policy and Framework and ADB's SPSs;
- Monitors the implementation of HR and social policies and procedures at all facility levels;
- Collaborates with HRTA's ESMS Officer to identify potential additional social risks and rooms for improvement at the facility level;
- Provides inputs for the corrective measures and supports HRTA's ESMS Officer, and supervisors at the production facilities to implement the corrective measures;
- Develops the training need analysis and training matrix for social aspects (supported by HRD Department team members) that align with the local regulations and international standards;
- Facilitates social-related trainings and socialisations to the staffs/ workers, contractors, and visitors, as necessary; and
- Prepares any social reports which are required by local authorities (supported by HRD Department team members), and participate in providing social-related data for ESSPR Reports.

Improvement

- Supports HRTA's ESMS Officer to review the social performance in compliance with local regulatory and international standards (such as CGIF's ESS Framework and ADB's SPSs);
- Participates in the ESMS annual review and suggests social related strategies to improve the effectiveness of ESMS implementation.

3.2.8 EMPLOYEES, WORKERS, CONTRACTORS, AND VISITORS

- Commit full compliance with HRTA's/ EMA's E&S policies, standards, and procedures;
- Attend the E&S induction, training, and socialisation as required by HRTA's/ EMA's ESMS Officer;
- Take reasonable care of their own health and safety and the health and safety of others who might be affected by their work activities; and



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- Notify HRTA's/ EMA's ESMS Officer of any unsafe acts or conditions.

3.3 TRAINING REQUIREMENTS AND CAPACITIES

We, along with our affiliate, EMA, are committed to ensure the presence of qualified personnel with the necessary expertise to identify, assess, and effectively manage the E&S risks associated with the HRTA/ EMA activities. This also ensures that HRTA and EMA personnel are fully equipped with skills, knowledge, and experience to fulfil their designated E&S roles and responsibilities, as outlined in this ESMS. To achieve this, HRTA and EMA will adhere to the following steps to identify and address pertinent capacity-building requirements as below:

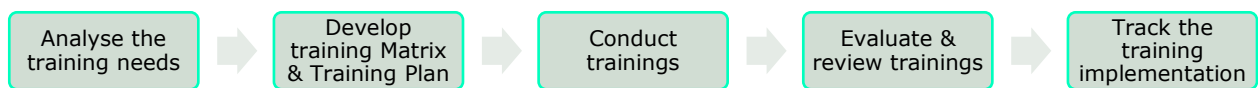


FIGURE 3-4 TRAINING DEVELOPMENT PROCEDURE

3.3.1 TRAINING NEED ANALYSIS

ESMS Committee of HRTA and EMA conducts an E&S Training Needs Analysis to develop and implement a Training Matrix and an E&S Training Plan, to:

- Address regulatory requirements, ESMS, and other safeguard requirements;
- Fill the gaps between current knowledge and skills and the established competencies for specific positions or roles; and
- Ensure those with E&S roles are competent to carry out their responsibilities, and control significant E&S impacts and risks.

3.3.2 DEVELOP A TRAINING PLAN

At HRTA and EMA, the annual training plan has been integrated into our company-wide E&S Implementation Plan, extending its application to all departments and facilities. The E&S Training Plan is subject to regular updates, driven by the outcomes of our E&S Training Needs Analysis. This comprehensive plan will precisely outline the necessary training and competencies required for every position within HRTA's and EMA's operations.

Furthermore, we also maintain a commitment to updating the annual E&S Training Plan, which is subject to final approval by our Top Management. Upon approval, each department will carry out the Annual E&S Training Plan. This plan will be prepared and submitted for approval each financial year and subject to review and updates as deemed necessary. It is designed to provide clear details, including but not limited to the essential training sessions, timing, and frequency, intended trainees, and training providers.

The E&S Training Plan should, at the very least, encompass the following key components:



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- ESMS Awareness Training for all personnel involved in HRTA/EMA-related tasks, covering:
 - Awareness of E&S policies;
 - Understanding potential E&S risks and impacts linked to job activities;
 - Clarification of individual contributions and responsibilities in maintaining ESMS effectiveness;
 - Recognition of the advantages of enhanced E&S performance;
 - Awareness of the consequences of non-compliance with ESMS, regulatory, and applicable standards; and
 - Emphasis on the significance of adhering to ESMS, regulatory, and applicable standards.
- E&S Induction Training for new hires before commencing work. This should include ESMS awareness training, along with information regarding other E&S requirements and regulations specific to the HRTA's/EMA's business;
- Identify Compulsory E&S Training applicable to HRTA's/EMA's operations as mandated by relevant laws, such as:
 - OHS Committee (at least consisting of head of OHS Committee, secretary who also must hold a General OHS Expert certificate, and committee member) as mandated under the Minister of Labor Regulation No. PER.04/MEN/1987;
 - An electrical OHS expert, which is mandatory for the refinery as the refinery utilizes a generator of approximately 500 kVA capacity, as mandated under the Minister of Labor Regulation No. 12/2015;
 - A Person in Charge of Air Pollution Control Installation Operation (for the refinery only), as mandated under the Minister of Environment and Forestry (MoEF) Regulation No. P.6/MENLHK/SETJEN/KUM.1/2/2018;
 - A Person in Charge of Air Pollution Control (for the refinery only), as mandated under the Minister of Environment and Forestry (MoEF) Regulation No. P.6/MENLHK/SETJEN/KUM.1/2/2018;
 - Chemical OHS Officer(s) that has gone through relevant technical training, depending on the amount of hazardous chemicals the facility uses as mandated under the Minister of Labor Decree No. KEP.187/MEN/1999;
 - A Chemical OHS Expert, depending on the amount of hazardous chemicals the facility uses, as mandated under the Minister of Labor Decree No. KEP.187/MEN/1999.



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- Specialized Training for specific job activities that require it (operation of forklift or air compressor);
- E&S Induction Training for Visitors upon their initial visit to HRTA/EMA and its facilities; and
- Refresher Training on a regular basis, at least annually, in compliance with regulations or best practices, to maintain the competence of HRTA's and EMA's personnel. This is especially important for individuals who have been away from work for more than six months or when significant changes occur in the HRTA's/EMA's operations. It is also relevant for personnel who repeatedly violate the HRTA's/EMA's E&S requirements.

3.3.3 CONDUCT THE TRAINING

Before training commences, the ESMS Committee will take several critical steps:

- Identify qualified training providers to ensure that the training provider (internal or external) has adequate experience and qualification corresponding to contents of the training courses to be delivered;
- Ensure adequate training facilities;
- Provide materials in the preferred language (Indonesian or English);
- Document and retain training records (attendance lists, training certificates, and training materials); and
- Monitor and ensure timely implementation.

3.3.4 EVALUATE AND REVIEW THE TRAINING

The ESMS Committee shall ensure the training effectiveness through the following methods:

- Administer competency tests after training;
- Assess post-training work practices via observations, inspections, and periodic monitoring programs;
- Analyse incidents for training-related causes; and
- Gather feedback through the Training Feedback Form.

3.3.5 TRAINING IMPLEMENTATION TRACKING

We will deploy a system to monitor employees' mandatory training and its frequency. This system can be an Excel-based tracking sheet or an alternative system that meets the necessary requirements.



Output Document Training Matrix

- Annual E&S Training Plan;
- Training Records (attendance list, training materials, certificates, post-training evaluation, photos);
- Training Feedback Forms;
- Training Tracking; and
- Training competency test record.



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4. ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT

4.1 SCREENING AND CATEGORIZATION

At a minimum, all proposed facilities including expansion and renovation) benefiting from the CGIF Guarantee will implement the Environmental and Social Management System (ESMS) from the development phase to operation. CGIF encourages HRTA and EMA to carry out environmental and social risk assessment in all future operations. Within the ESMS framework, HRTA and EMA will conduct a screening and categorization process for their facilities to:

- Identify and assess the potential environmental and social impacts and risks associated with the facility, including those related to the environment, involuntary resettlement, and Indigenous Peoples.
- Determine the level of assessment needed and allocate institutional resources to address safeguard issues.
- Establish requirements for information disclosure and consultation.

The key steps for the screening and categorization process are outlined below. Throughout this process, consultations with relevant stakeholders, including local communities and authorities, will be conducted to better understand potential environmental and social impacts and risks. The roles and responsibilities of each individual involved in the screening and categorization process will be detailed in the following section.

4.1.1 SCREENING

All HRTA and EMA facilities seeking CGIF's guarantee undergo the following screening and categorization process:

- **Prohibited Investment Activities (PIAL):** In the initial project identification stage, HRTA and EMA employ the ADB's PIAL to screen each proposed project against prohibited activities listed in the PIAL (CGIF - Credit Guarantee & Investment Facility). If the proposed activity involves a prohibited action, HRTA will be notified that the bond proceeds cannot be used for that activity. If there are no prohibited activities involved, the Environmental and Social (E&S) Committee, along with other relevant stakeholders, conducts a rapid environmental and social assessment using screening and categorization checklists.
- **Environmental, Indigenous Peoples, and Involuntary Resettlement Impacts:** The ESMS Committee, including HRTA's ESMS Officer and EMA's ESMS Coordinator, as well as external parties such as local authorities or consultants, assess the significance of potential environmental, indigenous peoples, and involuntary resettlement impacts associated with the proposed project's construction and operation. This assessment utilizes screening and categorization checklists



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provided in the Appendix C. Basic information about the proposed project, including design concept, location, operational philosophy, and general site features, is required to complete these checklists. Once the checklists are finalized, the proposed project is categorized by HRTA and EMA based on the significance of its impacts and risks.

4.1.2 CATEGORIZATION

The following classification system used by CGIF is adopted by HRTA and EMA to assign a preliminary categorization for each of the environmental, involuntary resettlement and indigenous peoples impacts associated with proposed project(s). The categorization system is presented in Table 4-1. The ESMS applies to all the factories and facilities (hereinafter referring as "facilities") of Company that utilise guarantee issued by the Credit Guarantee and Investment Facility, a Trust Fund of the Asian Development Bank ("CGIF"), including the manufacturing facility in Hung Yen Province. The ESMS also extends to Company's contractors/subcontractors, suppliers, distributors, or visitors who are involved in HRTA's business activities. The ESMS's scope encompasses operation and maintenance phases of HRTA's existing factories/facilities as well as the construction and investments in new developments including new distribution stores and warehouses. below.

Following the screening and categorization process, the ESMS Committee will inform the HRTA and EMA Management Board about the applicable requirements, which are presented in the following sections.

TABLE 4-1 PROJECT CATEGORIZATION SYSTEM

Category	Environmental Safeguards	Involuntary Resettlement (IR) Safeguards	Indigenous Peoples (IP) Safeguards
A	Projects that are likely to have significant adverse environmental impacts that are irreversible, diverse, or unprecedented. These impacts may affect an area larger than the sites or facilities subject to physical works.	Projects are likely to have significant involuntary resettlement impacts, which is defined as 200 or more persons will experience "major impacts", which are defined as being physical displaced from housing (relocation, loss of residential land; or loss of shelter); or losing 10% or more of their productive assets (income generating).	Projects that are likely to have significant impacts on Indigenous Peoples. The significance of impacts on indigenous peoples is determined by assessing: (i) the magnitude of impact in terms of customary rights of use and access to land and natural resources; socioeconomic status; cultural and communal integrity; health, education, livelihood, and social security status; and the recognition of indigenous knowledge;



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Category	Environmental Safeguards	Involuntary Resettlement (IR) Safeguards	Indigenous Peoples (IP) Safeguards
			and (ii) the level of vulnerability of the affected Indigenous Peoples community.
B	Projects that have potential adverse environmental impacts that are less adverse than those of Category A projects. The impacts are site-specific, few if any of them are irreversible, and in most cases, mitigation measures can be designed more readily than Category A projects.	Projects have involuntary resettlement impacts that are not deemed significant.	Projects that are likely to have limited impacts on Indigenous Peoples.
C	Projects that are likely to have minimal or no adverse environmental impacts.	Projects have no involuntary resettlement impacts.	Projects that are not expected to have impacts on Indigenous Peoples.

Following the project categorization, appropriate safeguards compliance requirements will be applied in accordance with CGIF's ESS, as presented below (Table 4-2).

TABLE 4-2 SAFEGUARDS CATEGORIZATION SYSTEM

Category	Environmental Safeguards	Involuntary Resettlement Safeguards	Indigenous Peoples Safeguards
A	The Project must comply with (i) Applicable Laws regarding the environmental impacts of the Project; and (ii) Safeguard Requirements: 1: Environment. An EIA, including an environmental management plan (EMP) is required.	The Project must comply with (i) Applicable Laws regarding the involuntary resettlement impacts of the Project; and (ii) ADB's Safeguard Requirements 2: Involuntary Resettlement (of ADB's SPS). A resettlement plan, including assessment of social impacts is required.	The Project must comply with (i) Applicable Laws regarding the impact of the project on Indigenous Peoples; and (ii) ADB's Safeguard Requirement 3: Indigenous Peoples Plan (IPP), including assessment of social impacts, is required.



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Category	Environmental Safeguards	Involuntary Resettlement Safeguards	Indigenous Peoples Safeguards
B	The Project must comply with (i) Applicable Laws regarding the environmental impacts of the project, and (ii) any additional requirements as determined by the CGIF depending on the nature of the project and the host country's safeguard system including, as applicable requirements for consultation with affected people	The Project must comply with (i) Applicable Laws regarding involuntary resettlement impacts of the Project; (ii) any additional requirements as determined by the CGIF depending on the nature of the project and the host country's safeguard system including, as applicable requirements for consultation with affected people	The Project must comply with (i) Applicable Laws regarding the impacts of the project on Indigenous People, (ii) any additional requirements as determined by the CGIF depending on the nature of the project and the host country's safeguard system including, as applicable requirements for consultation with affected people
C	Environmental implications need to be reviewed and the Project must comply with Applicable Laws regarding the environment	No further action is required except attaining assurance that the project complies with Applicable Laws regarding involuntary resettlement	No further action is required except attaining assurance that the project complies with Applicable Laws regarding Indigenous People

The summarized requirements for each category, in accordance with CGIF's standards, are as follows:

Category A Projects: For projects falling under Category A using CGIF guarantee, CGIF must be notified, and HRTA's ESMS Officer will lead the development of a comprehensive Environmental Impact Assessment (EIA) following ADB's Safeguard Requirement 1 – Environment, a Resettlement Plan (RP) following ADB's Safeguard Requirement 2 – Involuntary Resettlement, and an Indigenous Peoples Plan (IPP) following ADB's Safeguard Requirements 3 – Indigenous Peoples. The outlines of an EIA report, RP, and IPP are provided in the annexes of ADB's Safeguard Policy Statement (2009) for reference. Importantly, Category A projects are ineligible for financing with CGIF's bond proceeds.

Category B Projects: For Category B projects using CGIF guarantee, CGIF deems the national regulatory EIA report (e.g., AMDAL or UKL/UPL) sufficient to address all environmental risks and impacts. However, the scope of the regulatory EIA must be reviewed and commented on by CGIF, as agreed upon between CGIF and HRTA. This ensures that all relevant aspects of the EIA process are adequately covered in alignment with CGIF's ESS requirements.

Category C Projects: No further actions are deemed necessary for Category C projects, apart from ensuring compliance with applicable laws and regulations.



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4.1.3 ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

Upon completion of the screening and categorization, the ESMS Committee will lead the environmental and social due diligence (ESDD) for the proposed facilities. The due diligence is an environmental and social compliance audit against the Applicable Safeguard Requirements to confirm that i) all potential E&S impacts of the project have been identified; ii) effective measures to avoid, minimize, mitigate or compensate for adverse impacts are incorporated into the safeguards documentation and project design; iii) the necessary commitment and capacity in accordance with CGIF' ESS to adequately manage E&S risks are available; iv) the role of third parties (if have) is appropriately defined; and v) consultation with affected people are or have been conducted in accordance with ADB's SPS requirements.

The approach to the ESDD will depend on the complexity of the project, such as a desktop review for Category-C projects, a site visit for Category-B projects or a full-scale review of Category-A projects (which must be advised to CGIF and require CGIF guidance). It should be noted that Category A for Environment and Category A and B for involuntary resettlement (IR) and Indigenous peoples (IP) projects shall not be financed with CGIF guarantee/ fund.

Where compliance gaps are identified, the audit report will incorporate this into a corrective action plan (CAP). The CAP will define necessary remedial actions, the budget for such actions, resources required and the time frame for resolution of non-compliance (with clear milestones).

HRTA and EMA can either conduct the ESDD assessment by its internal resources or engage a competent external expert to help with the assessment.

Outcomes of the ESDD assessment (ESDD report and CAP) will be submitted to the Senior Management (Board of Director) for further consideration during the project feasibility review.

4.2 IDENTIFICATION AND ASSESSMENT OF IMPACTS AND RISKS

4.2.1 REGULATORY ENVIRONMENTAL IMPACT ASSESSMENT

Depending on its project type, scale, and waste emissions, HRTA and EMA will ensure the operations comply with legal requirements, with regards to the implementation of Environmental Impact Assessment (EIA). In specific:

- HRTA and EMA prepare the EIA report and acquire the necessary Environmental Permit for all facilities as per Indonesian legal requirements (Government Regulation No. 22 of 2021) and is deemed sufficient to address potential impacts from HRTA and EMA operations to the environment.



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- During the operation phase, if there is any significant renovation involving an existing facility or construction activity of new facilities, that may potentially lead to legal obligation issues as required by laws, the ESMS Officer/ Coordinator, along with the HSE Team, will review the scope of renovation or construction. This review will determine whether the renovation or construction activities triggers any legal requirements relating to the upgrading/revising of the regulatory environmental dossiers (AMDAL/UKL-UPL/SPPL); and
- In case of acquisition of an existing facility, the ESMS Officer/ Coordinator, supported by the HSE Team will review all E&S compliance obligations applicable to the proposed facility and ensure that all required documents have been acquired.

4.2.2 ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT (ESIA)

Apart from the regulatory AMDAL/UKL-UPL/SPPL process, based on the outcomes of the screening, categorization, and due diligence, HRTA and EMA will undertake additional works in accordance with CGIF's ESS, including:

Prepare EIA reports for category A projects in accordance with requirements of ADB's SPS.

For category B projects, CGIF will be informed, and advice sought on the additional requirements to be applied such as an Initial Environmental Examination (IEE) report. The following initial guidance can be referred for the EIA/IEE applicability once the additional requirements are confirmed by CGIF. The EIA/IEE should be undertaken as part of the feasibility study during the subproject design stage.

Category A project

Scoping¹. Once the category A project is identified and decided for investment, the ESMS Committee will carry out a scoping review to develop the terms of reference (ToR) for an EIA. Participation by an environmental specialist during the scoping, particularly for the EIA, is desirable. It should be noted that Category A for Environment and Category A and B for involuntary resettlement (IR) and indigenous peoples (IP) projects shall not be financed with CGIF's bond proceeds.

Outputs of the scoping may include:

- an evaluation of the environmental soundness of the concept, approach, and prospective sites of the project.
- an evaluation relevant environmental legislation including environmental standards.

¹ Scoping is a process for determining the issues to be addressed, the information to be collected, and the analysis required to assess the environmental impacts of a project.



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- a review of the HRTA and EMA administration of the EIA process and degree of participation in multilateral environmental agreements.
- an identification of major environmental concern.
- an exploration of other feasible technology and design alternatives.
- a determination of the level and scope of environmental assessment; and
- an assessment of the environmental management capability.

Terms of Reference (ToR) for the EIA. The scoping results are used to prepare the draft ToR, cost estimates, and implementation arrangements for the EIA. CGIF and HRTA then will agree on the level of effort and ToR for the environmental assessment.

The ToR defines the scope of the environmental assessment, the responsibilities or obligations of the environmental assessment team, and the expected outputs, and may include:

- background of the project.
- objectives, scope, and size of the project.
- delineation of the area(s) to be covered by the environmental assessment.
- brief description of the potential environmental problems and possible alternatives to address the environmental problems that the consultants will be required to investigate.
- description of the expected outputs, including information to be collected, analysis of environmental impacts of alternative project sites and designs, mitigation measures, monitoring programs, an Environmental Management Plan (EMP), and action plan for implementing the EMP.
- estimates of inputs required for the environmental assessment.
- institutional involvement/strengthening.
- public consultation and information disclosure action plan; and
- arrangements for implementing the environmental assessment.

Environmental Impact Assessment. During the project design, the EIA should be undertaken as part of the feasibility study. The environmental assessment team should work closely with the technical planning and design group to ensure that environmental considerations are integrated into the project design. Their participation in field work, public consultations and report writing will increase their understanding of the



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environmental issues and will help build institutional capacity in EIA. In general, the environmental assessment team will:

- coordinate with government concerned and environment agencies.
- prepare a project description, define the study area, collect environmental baseline data, prepare site maps, and other relevant maps for the study area.
- identify potential environmental impacts based on the information obtained on the proposed project and the baseline environmental conditions of the study area.
- identify alternatives and analyze the environmental impacts of each alternative and propose measure to avoid or prevent impacts.
- estimate the magnitudes of environmental impacts and assess the significance of the impacts. The assessment of the significance should include consideration of whether the impacts are (i) acceptable, (ii) acceptable after mitigation measures are applied, or (iii) are unacceptable – because of significant adverse impacts to people and their livelihoods, or because there will be an irreversible impact on the ecosystem.
- recommend environmental mitigation measures and estimate the mitigation costs.
- prepare an EMP to be implemented during project development.
- prepare the EIA report; and
- conduct public consultation and information disclosure; and develop plans for public consultation and information disclosure during project implementation.

Review of the Draft EIA Report. The draft EIA is to be reviewed by CGIF. All comments from the project affected people and other stakeholders are to be incorporated into the final report.

Category B project

The environmental assessment requirements for Category B are less stringent than those for Category A and in compliance with the national regulation.

Terms of Reference for the IEE. In general, the scope of the IEE is more limited and the level of effort to prepare the IEE is significantly less than for an EIA. Specifically, there is limited consideration of alternatives, and a description of “institutional arrangements and environmental monitoring plan” replaces the requirement for preparation of an EMP.

Initial Environmental Examination. The IEE should be conducted as part of feasibility study. The environmental assessment team should work closely with the technical planning and design group to ensure that environmental considerations are integrated into the project design. While the scope of the IEE ToR is more limited and the level of effort needed smaller, the environmental assessment team still conducts many of same

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tasks and analysis as required for an EIA. The IEE must conclude as to whether or not significant environmental impacts warranting an EIA are likely. If the EIA is warranted, the IEE must provide a recommendation on scope and ToR for the EIA.

Review of Draft IEE. The draft IEE is reviewed by CGIF. Depending on the scope of public consultation activities, additional comments may be sought from the project affected people and other stakeholders. All comments from the project affected people and other stakeholders are to be incorporated into the final report.

Category C project

Category C projects do not require the preparation of EIAs or IEEs. However, environmental assessment is to be undertaken. The environmental implications of these projects need to be assessed. The assessment is to be reported in the RRP. In some instances, capacity building activities during implementation may be needed to ensure that environmental considerations are addressed. In other cases, environmental loan covenants may be needed to ensure compliance with the environmental and social safeguards policies.



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5. E&S MANAGEMENT FRAMEWORK

The following management frameworks have been developed by PT Hartadinata Abadi Tbk and its affiliates ("the Company") to provide guidance for managing typical E&S risks and impacts associated with the entire operation of PT Hartadinata Abadi Tbk.

5.1 ENVIRONMENTAL MANAGEMENT FRAMEWORK

The Company in their implementation has been provided with Environmental document which is the Statement of Capability for Environmental Management and Monitoring (locally known as *Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup* [SPPL]). This Environmental Management Framework document will further detail the plan and programs committed by the Company to ensure that all HRTA's business activities follow National Regulations and International Guidelines.

The specific Operations Environmental and Social Management Plan (OESMP) will be developed by HRTA and EMA, based on the following environmental management frameworks, as applicable, to define the minimum practices which are to be employed to ensure effective management of the environment by HRTA and EMA in accordance with legislative & regulatory requirements, and CGIF's ESS requirements.

The Operations Environmental and Social Management Plan (OESMP) shall include the information related to:

- Objectives, Scope, Roles and Responsibility
- Policy, Legal , and Institutional Framework
- Environmental Management Framework
- Social Management Framework
- Emergency Response Preparedness Plan
- Monitoring, Evaluation and Reporting
- Training Analysis

In the specific OESMP, amend and insert the applicable documents with the Company's document reference. The documents referenced below can be used to build the specific OESMP. HRTA/ EMA can also be cross-referenced in relevant sections of the document.

- EHS Guidelines and Hazard Control
- Hazard Identification, Risk Assessment and Determining Controls (HIRADC) document
- Environmental Aspect Impact Assessment
- Environmental Management Plan
- Emergency Response Planning (ERP)
- Personal Protective Equipment (PPE)



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5.1.1 AIR QUALITY MANAGEMENT

The Company will assign an individual/team to be responsible for applying the following techniques to control air quality throughout the business activities:

- Source Reduction and Process Modification: Implementing changes in manufacturing process to reduce the generation of pollutants at the source. Furthermore, the Company also committed to replacing materials and chemicals with less harmful alternatives. In implementation, PT HRTA will use eco-friendly refrigerants. Steer clear of ozone-depleting alternatives and go for refrigerants with low global warming potential.
- Emissions Control System: Installing air emissions control systems (dust collector/bag filter) to meet emissions standards aligning with the applicable regulations.
- Monitoring Program: Regular monitoring emissions level and maintaining equipment to ensure optimal performance. In terms of incompliance occurring, corrective action shall be performed. If third parties are engaged in conducting the monitoring program, it is required to engaged with certified third parties according to the regulations.
- Reporting: Ensure strict compliance with all air emission control legal requirements, including:
 - Maintain weekly walkaround inspections, by the HSE Specialist, of a visual nature and any significant non-compliant issue on air quality escalated to the monthly E&S meetings in case of recurrent or unresolved issues- all of which are informal and not formalized reporting schedule. The Company will conduct formal Environmental Monitoring biannually;
 - Report significant non-compliance (such as exceedance of air emission) relating to air quality to the ESMS Committee, The Company Senior Management (Board of Directors), and CGIF on a regular basis following E&S reporting process; and
 - Report of air quality monitoring results to local authorities in Annual Environmental Protection Management Report.

5.1.2 WASTE MANAGEMENT

Waste management highlights the management practices of wastes generated by the business activities to ensure that the potential risks posed by the waste are within acceptable level in compliance with applicable local requirements and international guidelines. To comply with Applicable Standards, the Company shall follow the following principles in managing wastes:

- Identifying Waste: Assess the types and quantity of wastes generated in the manufacturing process and classify waste into categories such as hazardous waste, non-hazardous waste, recyclable, organic, etc.
- Waste Reduction Strategies: Adjust the manufacturing process to cut down on waste production. This can involve implementing lean manufacturing concepts, streamlining inventory control, and streamlining production procedures. Waste reduction strategies



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can be implemented by replacing hazardous or non-recyclable materials with safer and more sustainable alternatives.

- **Reuse and Recycling**: Create recycling initiatives for commodities including glass, paper, plastic, and metal. Establish specific locations for collection and make sure recyclables are properly separated. If third parties are engaged in conducting the monitoring program, it is required to engaged with certified third parties according to the regulations.
- **Waste treatment and Disposal**: Dispose and treat waste properly to prevent environmental and health impacts as required by applicable regulations. Ensure waste transportation, treatment, and disposal are handled by legitimate, licensed enterprises.
- **Waste Management Training**: Provide waste management trainings to employees, contractors, suppliers, and distributors (warehouses/showrooms) and Promote waste reduction, recycling, and reuse to employees, subcontractors, visitors, and customers.
- **Waste Monitoring and Reporting**: Perform waste monitoring by tracking waste volumes and maintains records for all waste types, ensuring consistency in measurement units and performing weekly walkaround inspections by the HSE Specialist of a visual nature and any non-compliant issue linked to waste management escalated to the monthly E&S meetings – all of which are informal and not formalized reporting schedule. The Company will conduct formal Environmental Monitoring biannually. Furthermore, the Company shall report waste management results or significant non-compliance issues in the monthly E&S monitoring report to the Management by HSE Team.

5.1.3 HAZARDOUS WASTE MANAGEMENT

In terms of hazardous waste management, the Company shall establish dedicated Hazardous Waste Materials Management which provides guidance through the following aspects:

■ Identifying Hazardous Waste Materials

Every department must create an inventory list, or register, of the chemicals used in their respective fields, including those used by suppliers doing business on the Company's property. Hazardous material classification shall be done in accordance with National Regulation which is aligned to the Globally Harmonized System (GHS) of Chemical Classification and Labeling.

■ Hazardous Waste Storage

In general, the provisions of the hazardous waste storage include but not limited to:

- a) Post warning signs, chemical information (such as chemical identity number, risks, pictograms, and warning language), and visible chemical safety laws;
- b) Appropriate emergency exit doors, exit lights, emergency lights, and evacuation routes;



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- c) Suitable ventilation systems;
- d) Electrical equipment and appropriate lighting systems must be fire-resistant and adhere to fire safety regulations;
- e) The floors are equipped with a drainage system, spill sump pit, suitable secondary containment, and resistance to chemicals and slips;
- f) Provide secondary containment to prevent unwanted release of chemicals to the floor or environment;
- g) Fire prevention and firefighting system meeting legal requirements;
- h) Suitable emergency response equipment, such as eyewashes, spill kits, absorbents, emergency showers, and apparatus for fighting fires and preventing them;
- i) Hazardous material storage and arrangement must adhere to supplier guidelines and the instructions included on each material's Safety Data Sheet (SDS).

- Hazardous Waste Transportation

The Company shall engage with licensed third parties in hazardous waste transporting and disposal.

- Hazardous Waste Training

Provide waste management trainings to employees, contractors, suppliers, and distributors (warehouses/showrooms) and Promote waste reduction, recycling, and reuse to employees, subcontractors, visitors, and customers.

- Recording and Reporting

The Company shall record all the hazardous waste generated by HRTA's business activities in the form of Hazardous Waste balance sheet as stipulated in MoEF Regulation No 18 of 2020 Attachment II and report it through SIRAJA LIMBAH on <https://plb3.menlhk.go.id/siraja-2022/login/index/app/siraja>

5.1.4 MANAGEMENT OF WASTEWATER DISCHARGE

The Company intends to implement the ensuing general standards in order to efficiently handle the wastewater produced by all of its business operations by performing these principles:

- Wastewater Separation: The stormwater should be separated from process/industrial and domestic wastewater. Surface runoff from process areas or potential contamination sources should be prevented. Additionally, runoff from these areas should be collected and treated separately.
- Wastewater Segregation: Segregate wastewater streams based on their characteristics and treatment requirements.



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- **Wastewater Treatment:** Select the treatment technology based on the characteristics of the wastewater. Engage competent and experienced contractors for the design and installation. Periodically maintain the wastewater treatment system and its facilities as per the commitment in the EIA document.
- **Wastewater Discharge:** If wastewater is discharged to the environment, ensure treatment meets applicable discharge standards specified in legal requirements.
- **Wastewater Monitoring:** Regularly monitor wastewater discharge according to legal requirements, EIA document, and permits in terms of frequency, locations, and parameters. Incorporate wastewater monitoring results into the Annual Environmental Monitoring Report, which will be submitted to the relevant local authority as legally required. Ensure that any third parties involved in conducting the monitoring program are certified as per legal requirements.

5.1.5 CHEMICAL/HAZARDOUS MATERIALS MANAGEMENT

The Company's facilities shall manage hazardous materials in accordance with the following guidelines/standards listed below:

- **Chemical/Hazardous Material Classification**

The Globally Harmonized System (GHS) for Chemical Classification and Labelling's classification principles define a hazardous chemical or material as one that demonstrates one or more of the following hazardous properties.

- **Information and Labelling**

In accordance with regulatory regulations, the Company shall request suppliers to produce Manual safety Data Sheet (MSDS) for any hazardous materials purchased for the business. Post warning signs, chemical information (such as chemical identity number, risks, pictograms, and warning language), and visible chemical safety laws.

- **Chemical/Hazardous Materials Storage**

In general, the provisions of the hazardous materials storage include but not limited to:

- a) Post warning signs, chemical information (such as chemical identity number, risks, pictograms, and warning language), and visible chemical safety laws;
- b) Appropriate emergency exit doors, exit lights, emergency lights, and evacuation routes;
- c) Suitable ventilation systems;
- d) Electrical equipment and appropriate lighting systems must be fire-resistant and adhere to fire safety regulations;
- e) The floors are equipped with a drainage system, spill sump pit, suitable secondary containment, and resistance to chemicals and slips;



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- f) Provide secondary containment to prevent unwanted release of chemicals to the floor or environment;
- g) Fire prevention and firefighting system meeting legal requirements;
- h) Suitable emergency response equipment, such as eyewashes, spill kits, absorbents, emergency showers, and apparatus for fighting fires and preventing them;
- i) Hazardous material storage and arrangement must adhere to supplier guidelines and the instructions included on each material's Safety Data Sheet (SDS).

- Personal Protective Equipment (PPE)

The Company is responsible for electing and providing appropriate PPE to employees who work with hazardous substances; providing related PPE training and hazardous materials handling and ensuring that the employees always use PPE when working with hazardous substances. Provision of PPE shall be recorded, regularly updated, and retained by The Company for monitoring and audit purposes.

- Chemical Emergency Response

The Company will identify all operations-related activities that pose a chemical danger and create emergency response protocols unique to each branch or site. The storage location needs to have a procedure in place for emergency evacuation. A hazard warning system, emergency exits, and evacuation routes are all part of this access.

- Hazardous Materials Training

The Company shall Provide appropriate training programs on hazardous material management to relevant employees to ensure compliance with ESMS, relevant procedures, and legal requirements.

- Hazardous Material Record and Reporting

All the chemical materials used in HRTA's operation shall be registered and documented properly.

5.1.6 WATER CONSERVATION

The Company will follow below principles for water conservation purposes:

- Avoid losses or wastage in water use.
- Reduce water pollution.
- Increase water recycling and maximize water recovery.
- Enhance awareness in terms of water conservation.

To implement above principles in practice, we shall implement Water Conservation Program comprising of:

- Identifying water consumption sources



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The Company shall install water meters or sub-meters in all of its facilities where it is feasible to track the amount of water used by water-intensive processes, parts, or equipment, as well as the overall amount of water consumed for all activities.

- **Performing Baseline Water Use**

To monitor water consumption, the Company will designate a person to be in charge of reading the meters and submeters at the end of each month. The person is also in charge of assessing water use trends, including seasonal variations. Every month, data from meter readings will be logged and sent to upper management.

- **Identification of Potential Opportunities and Cost Effectiveness Analysis**

An appointed personnel will take the lead in finding options for water conservation to improve water usage efficiency and conduct an economic analysis based on the data on water use. The person will also offer water conservation goals and an implementation plan.

- **Continuous Improvement Plan**

The Water Conservation execution Plan and the Water Conservation Goals will be approved for execution by the Company Senior Management, and the Company Senior Management shall provide sufficient funding to carry out the plan.

- **Monitoring and Reporting**

The HSE Team is in charge of informing the appropriate parties and staff members about the strategy so that it may be put into action. The Company's Top Management will receive a monthly report on the plan's implementation status, and as part of the regular management review process and will examine the implementation plan.

5.1.7 ENERGY CONSERVATION

The Company will follow below principles for energy conservation purposes:

- Avoid loss or wastage in energy use.
- Whenever feasible, reduce the amount of energy used at all HRTA facilities by utilizing natural light and airflow, upgrading the HVAC, lightning, and other refrigeration systems, and other equipment.
- Enhance awareness in terms of energy conservation.

To implement above principles in practice, the Company shall implement Energy Conservation Program including but not limited to the listed below:

- **Identifying Energy Consumption Sources**

The Company will place meters to track how much energy is used overall across all facilities, processes, parts, and machinery.

- **Performing Baseline Energy Use**

The Company will appoint a person to read the meters at the end of each month to monitor energy use. In accordance with that, the person is responsible to assess trends in energy

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use. On monthly basis, the Management will receive a report with the data from the meter readings.

- Identification of Potential Opportunities and Cost Effectiveness Analysis

HSE Team will take the lead in finding opportunities for energy conservation to improve energy usage efficiency and conduct an economic analysis based on the data on energy use. The HSE Team will also suggest goals for conservation and an implementation plan for conservation.

- Continuous Improvement Plan

The Energy Conservation Goals and Conservation Implementation Plan will be approved for implementation by the Company's Management, and the organization shall provide sufficient resources to carry out the plan.

- Monitoring and Reporting

The HSE Team is in charge of informing the appropriate parties and staff members about the strategy so that it may be put into action. The Management will receive a monthly report on the plan's implementation status, and as part of the regular management review process and will examine the implementation plan.



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5.2 OHS MANAGEMENT FRAMEWORK

5.2.1 RISK IDENTIFICATION, ASSESSMENT, AND CONTROL

5.2.1.1 RISK IDENTIFICATION

To achieve a safe and healthy work environment, hazards must be identified and either eliminated or minimized to an expectable level. The HSE Team, Supervisor and all employees will be constantly vigilant for the presence of hazards in the workplace.

Hazards that are identified as part of work activities need to be efficiently and effectively controlled. The basic approach to the management of assessing risks in health and safety can be summed up as follows:

- Consider all tasks and situations
- Identify the hazards that are, involved
- Analyze the risks of injury or loss from the hazards
- Evaluate if the risk is adequately controlled
- Consider measures that may eliminate or reduce risk further in accordance with the hierarchy of Controls
- Implement the risk control measures
- Monitor the measures

A typical workflow version of the risk management process is shown below.

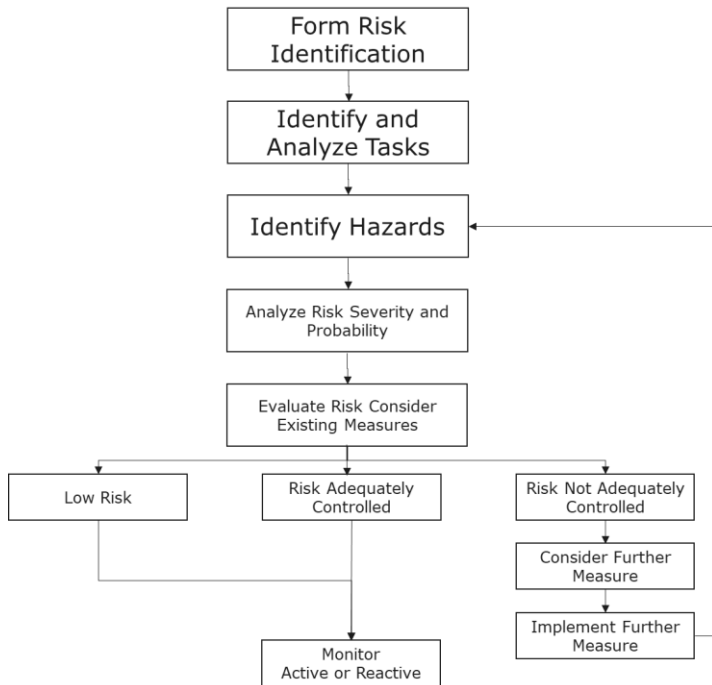


FIGURE 5-1 RISK MANAGEMENT PROCESS WORKFLOW

5.2.1.2 RISK ASSESSMENT

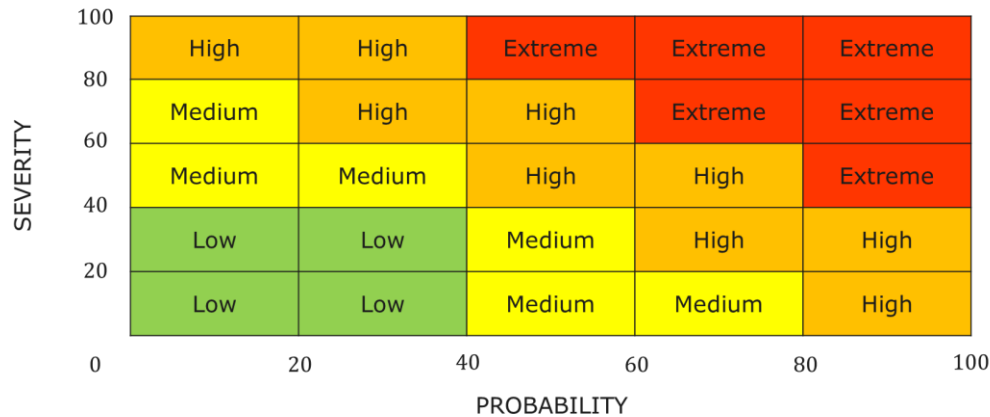
All hazards identified shall be appointed points for each rating criteria based on their probability and severity of the hazards occurring. The consequential Risk Rating can then be calculated using:

$$Total\ Score = \frac{Actual\ Score}{Total\ Extreme\ Score} \times 100\%$$

The relevant Risk Level can then be identified through a Risk Level Matrix which will determine the appropriate Risk Control Action Plan. Samples of the determination of probability of harm, severity of hazard and risk level matrix can be found in the Figure below.



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The level of risks forms the basis for deciding whether control actions are required and the timescale for such actions. The outcome of a risk assessment should be an action plan that aims to develop, maintain, improve, and monitor the implemented control actions.

Categories	Severity Description
0 to 20 Low	Localised impact to areas around equipment only. No notification to the authority is required in case of incident. No loss time injury is anticipated
40 to 60 Medium	Localised impact to unit area. Notification to the authority may be required in case of incident. Minor injury is anticipated.
60 to 80 High	Impact may be facility-wide. Requiring notification to the authority in case of incident. Serious injury/ single fatality to personnel is anticipated.
80 to 100 Extreme	Impact may be extended to outside of facility battery limits. Requiring notification to the authority in case of incident with potential media coverage. Serious injury or fatality to surrounding community.

Categories	Probability Description
0 to 20 Low	The incident has never been occurred in the facility or has happened in another similar facility Indonesia within the last 10 years
40 to 60 Medium	The incident has happened in the facility once within the last 10 years
60 to 80 High	The incident has happened in the facility twice within the last 10 years
80 to 100 Extreme	The incident has happened in the facility three times or more within the last 10 years.

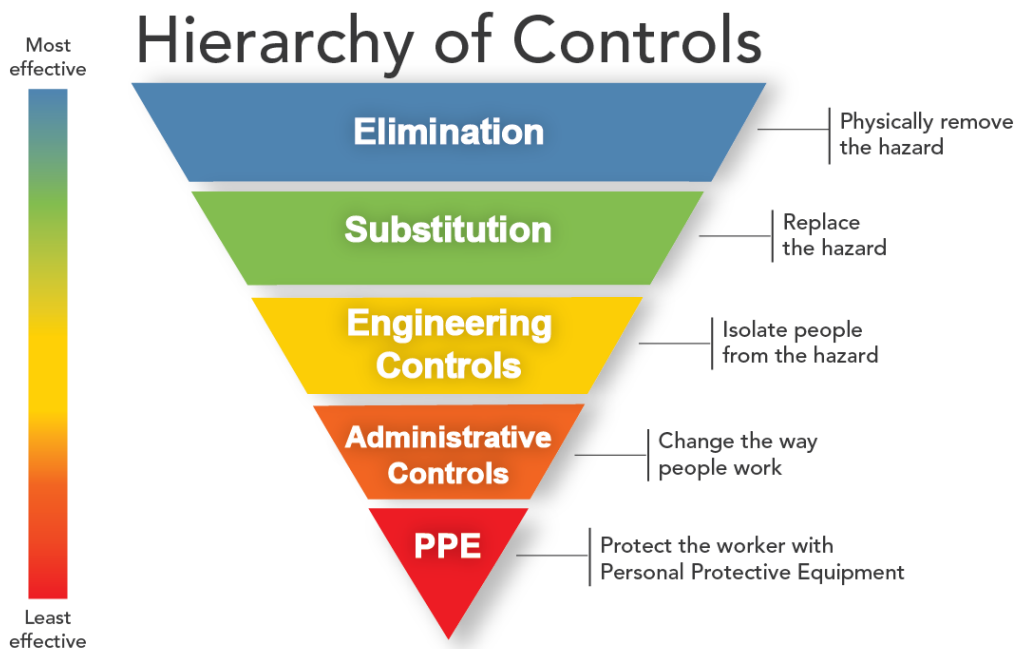


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Categories	Risk Level Description
0 to 20 Low Risk	The task can proceed with reasonable confidence. Standard safety protocols and preventive measures should be followed
40 to 60 Medium	Caution and additional safety measures may be necessary. Proper planning, training and safety equipment are important to mitigate risks effectively
60 to 80 High Risk	Extra precautions and proactive risk management are essential. Rigorous safety procedures, continuous monitoring and expert supervision may be needed
80 to 100 Extreme	The risk is not acceptable without further controls. Work should stop immediately until adequate measures are in place to reduce the risk significantly. Evaluate the work method and implement comprehensive safety measure before resuming

5.2.1.3 RISK CONTROL

Once a hazard has been identified, a suitable control measure or preventive action must be implemented by a competent person appointed by the Company. The implementation of the type of risk control shall be determined in accordance with the Hierarchy of Risk Control:



Elimination

Hazard elimination is the most effective of reducing the risk by removing the hazard from the workplace. For example, changing work process to stop using toxic chemical, heavy object or noisy equipment.



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Substitution

If hazard elimination is not feasible, hazard substitution can be implemented. Example: replacing a material with less hazardous substances; replacing an engine with less noise type.

Engineering Control

It is implemented when eliminating or substitution of the hazard is not feasible. Example: use of higher pressure rated equipment; blast proof building; installing fire protection equipment; installation of sensor and control system; pressure safety valves; etc.

Administrative Control

Administrative controls is implemented when engineering controls is not feasible or do not provide adequate control of the identified hazard. Examples of administrative controls: SOP; checklist; sign and warning; etc.

Personnel Protective Equipment (PPE)

Providing appropriate personal protective equipment (PPE) in conjunction with training, use, and maintenance of the PPE. A list of PPE required shall be determined in line with governing international and/or national standards.



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5.2.2 JOB SAFETY ANALYSIS

At any stage during operation, HSE Team must review a Job Safety Analysis for all work activities. Supervisors can fill out a Job Safety Analysis (JSA) form below. The purpose of a JSA is to detail the job steps and risk assessment for high-risk work activities easily understood by all employees.

The JSA form has been designed for supervisors to complete at the workplace where they identify a risk or hazard that is deemed unsafe and has the potential to cause harm. The JSA form contains provisions for actions to be undertaken, and if it is identified that they are required immediately, work shall be ceased until the actions are implemented and the hazard is managed adequately.



JOB SAFETY ANALYSIS (JSA)

DESKRIPSI PEKERJAAN:		Analisis oleh: Supervisor	DATE: PAGE NO : 1 OF 1
LOKASI	TANGGAL	Ditinjau oleh: HSE	JSA NO. 1 <input type="checkbox"/> NEW
LANGKAH KERJA	IDENTIFIKASI POTENSI BAHAYA DARI SETIAP AKTIVITAS KERJA	TINDAKAN YANG DAPAT DIGUNAKAN UNTUK MENGURANGI BAHAYA	OLEH SIAPA





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5.2.3 PERSONAL PROTECTIVE EQUIPMENT

The Company's induction shall be used as a forum to advise on the general personal protective equipment that shall be required for all personnel whilst they work on the project. Additional personal protective equipment (PPE) requirements shall be identified through risk assessment.

Areas where personal protective equipment is required to be worn shall be prominently sign posted. Instruction on the correct use and maintenance of personal protective equipment is communicated at pre-start and toolbox meetings. A list of PPE required shall be determined in line with governing international and/or national standards

All personnel and visitors entering the designated work area, under the control of the Company shall conform to the minimum requirements for personal protective clothing and equipment, e.g.:

- Steel capped safety footwear with laces
- Safety glasses
- Hearing protection (designated areas)
- Respiratory protection (designated areas)
- Eye protection for activities with interaction to hazardous chemical substances.

5.2.4 OHS ORGANISATION AND COMPETENCE

1. Production Director

The Production Director shall be responsible for:

- Ensure development, approval and meaningful disclosure of HSE Policy, targets and the ESMS documentations of the Plant.
- Ensure the implementation of the approved HSE targets.
- Provide adequate resources for the HSE development and implementation, including support the Team Leader promoting HSE culture, leaderships, participations and consultations at the Plant.
- Ensure periodic monitoring of the effectiveness of EHSMS and achievements of HSE targets in order to provide continuous improvement during the execution of the Site's operational phase.
- Ensure the Site's HSE issues, including EHS incidents and grievances from labor and/or communities are timely and sufficiently managed/ addressed as per the EHSMS.
- Lead the regular management review of EHSMS during operation.

2. General manager Human Resources Development (GM HR/GA)

The GM HR/GA shall be responsible for:

- Implement the EH&S management plans, programs, and procedures.



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- Conduct EH&S risks and impacts identification and assessment and proposing mitigation measures.
- Shall have overall responsibility for the management of the site emergency response arrangements.
- Cooperate with Human Resources Manager to develop and implement an EH&S Training Program.
- Prepare and submit periodic and extraordinary HSE reports to relevant stakeholders in compliance with requirements.
- Support incident, accident investigation and reporting as well as response to emergency cases.
- Participate in inspection and audit and implementing Corrective Action Plan as needed.
- Monitor HSE targets and evaluating accomplishments with the planned programs.
- Cooperate with safety committee to organize regular Management Review and determining frequency, as needed.

3. ESMS Officer

The ESMS Officer shall be responsible for:

- Develop and implement health and safety policies, procedures, and programs to ensure compliance with relevant regulations and standards.
- Conduct safety walks at least once a week to ensure performance of EHS aspects.
- Prepare and maintain issuance of PPE record, EHS induction attendance and security pass application forms.
- Ensure that all personnel possess valid official documents and track the expiry date of individual official documents.
- Prepare and make necessary updates to safety related management procedure.
- Arrange safety training courses at the site, to provide safety induction training for new staff and approve special safety training appropriate.
- Ensure safety training records are updated and maintained.
- Perform safety review and performance audits and provide recommendations for corrective actions as required.

5.2.5 INCIDENT MANAGEMENT AND INVESTIGATION

5.2.5.1 EMERGENCY RESPONSE PLAN

All persons on the plant will adhere to the requirements of The Company's Emergency Response Plan.

The Company Emergency Response Plan, Site Layout and Muster Points Plan shall be clearly displayed in all offices and operation area and is socialize to all new employees.



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All persons entering the site shall be made aware of the Site Emergency Procedures and their requirements through participation in the relevant Site Induction, Visitor Induction and specific area/task inductions.

The Emergency Response Plan shall also include how to respond the event of:

- Fire/ explosion;
- Occupational accident requiring medical evacuation;
- Hazardous chemical/oil spills;
- Security issue (riots, robberies/hold-up, bomb threat, and suspicious letters/packages);
- Natural disasters (earthquakes and floods); and
- Food Poisoning.

5.2.5.2 EMERGENCY EVACUATION

All Emergency Evacuation from the offices and work area shall be in accordance with the Site Emergency Procedure.

The relevant Evacuation Procedure shall be clearly displayed in all site offices and work areas.

5.2.5.3 FIRE PREVENTION & CONTROL

All persons entering the site shall:

- During task Inductions be made aware of the fire prevention and control procedures and equipment relevant to their work and work area on site
- Take all reasonable measures to prevent fires, including the disposal of paper, rubbish and any other combustible materials.

In the event of a fire, the response shall be in accordance with the Emergency Response Plan.

5.2.5.4 FIRST AID & MEDICAL TREATMENT

The Company will maintain the required level of first aid kits at the First Aid room, offices, and work area.

When required, Medical Examination and Medical Treatment will be provided for the plant through the nearest clinic, medical Center or hospital as designated in the Emergency Response Plan. All first aid treatment will be recorded using The Company incident report form.



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5.2.5.5 INCIDENT REPORTING

An essential feature of good HSE management is the reporting of accident / incidents so that management can be investigated, lessons learned, and performance monitored. All incidents including high potential incident should be reported immediately or as soon as reasonably possible dependent on the nature and location of the incident.

The ESMS Officer shall ensure:

- A full investigation of the incident and all necessary short term, intermediate and long-term control measures are implemented as soon as practicable.
- A written Interim Incident Report is completed and distributed by email within 24 hours of incident occurring to the HSE Team and Director.

5.2.6 INVESTIGATION

Investigation of accidents / incidents is a line responsibility. All investigations shall be led or sponsored by a Safety representative. other employee shall be employed in a support or facilitating role. The basic purpose of an incident investigation is to prevent a recurrence of the incident.

The objectives of an incident investigation are:

- Determination of root causes of incidents
- Correction of unsafe conditions
- Elimination of unsafe acts
- Improvement of work capability
- Improvement of supervision

The important considerations after an incident are to;

- Mitigate the impact to workers involved in the incident
- Mitigate the impact to The Company as a result of the incident
- Prevent reoccurrence of a similar incident Investigations are undertaken to determine the causes of an event and develop corrective actions to eliminate or minimize recurrence, not to lay blame. Investigations are intended as exercises in fact-finding, not fault-finding. Investigation into accidents / incidents shall be carried out as soon as possible after an incident as the quality of evidence will deteriorate rapidly with time. The investigation shall include the following activities:
 - Conducting interviews
 - Inspecting the location and gathering physical evidence
 - Collecting background information.
 - Fact finding
 - Reviewing records and procedures



- Conducting specialist studies
- Resolving conflicts in evidence

5.2.7 OHS MONITORING

To ensure the effectiveness of implemented mitigation measures and compliance with national and international requirements as stated in the EHS monitoring is a critical aspect of The Company's operations. The EHS department will be responsible for designing and implementing a monitoring program and immediately reporting results to the Director and Safety Committee.

The Company recognizes the importance of inspections to verify compliance with relevant requirements and identify non-conformances and areas for improvement. To ensure that company's monitoring and inspection activities are conducted in an organized and effective manner, a compliance evaluation plan will be developed and maintained, summarizing the schedule of necessary inspections, audits, and monitoring throughout the work activities.

5.2.8 OHS INSPECTIONS

Inspection shall be so planned to formally inspect all areas, operation and activities at specified interval and responsibilities covering all Health, Safety and Environmental aspects.

Following inspections should be adopted to ensure complete coverage of all areas, processes and activities found in the construction site:

- Planned general inspection.
- Routine inspection
- Other inspection

5.2.8.1 PLANNED GENERAL INSPECTION

Planned general inspection are performed at predetermined interval. These inspections shall cover the general aspects of Health, Safety and Environment of a process, activity or plant and equipment. An inspection that may be classified under this inspection program is Monthly HSE Team members' inspection.

5.2.8.2 ROUTINE INSPECTIONS

Routine inspections are often referred to the inspection of equipment performed. These inspections shall be carried out in prescribed forms to be developed by the respective Safety representative, team leader or operator. Inspections that may be classified under this inspection program are:

- Daily inspection of plants and equipment by operator/user
- Biweekly inspection of Fire extinguisher by Safety representative.



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- Quarterly inspection of electrical hand tools by competent electrical technicians.

5.2.8.3 OTHER INSPECTIONS

Other inspections may include the followings:

- Mandatory inspection of plant and equipment by an approved person in accordance with the local Governmental Legislation.
- HSES inspection by local Government Agency

5.3 OHS REPORTING

The HSE Team with assistance of ESMS Officer shall prepare a monthly Environmental Health Safety corporate performance report for the project containing the listed indicators and issue it to the Director for review/approval. The monthly report template is provided in below.

The Company's health and safety statistics will be reported in accordance with regulatory and client requirements.

In general, The Company will report the following HSE statistics:

- Industrial Injury
 - Fatality
 - Lost Time Injury (LTI)
 - Medical Treatment Incident (MTI)
 - First Aid Treatment (FAT)
 - High Potential Incident (HPI)
- Man Hours
- Property / Equipment Damage
- Environmental Spill
- Fire Damage
- OHS Training



EHS Monthly Report

No.	Item	Year		Month											
		2023	2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Industrial Injury														
	- Fatality														
	- Lost Time Injury (LTI)														
	- Medical Treatment Incident (MTI)														
	- First Aid Treatment (FAT)														
	- High Potential Incident (HPI)														
2	Man Hours														
3	Property / Equipment Damage														
4	Environmental Spill														
5	Fire Damage														
6	On-site Training														
	- Induction														
	- First aid														
	- Fire Extinguisher														
	- Emergency Drill														



5.3.1 EMERGENCY PREPAREDNESS AND RESPONSE FRAMEWORK

5.3.1.1 EMERGENCY IDENTIFICATION

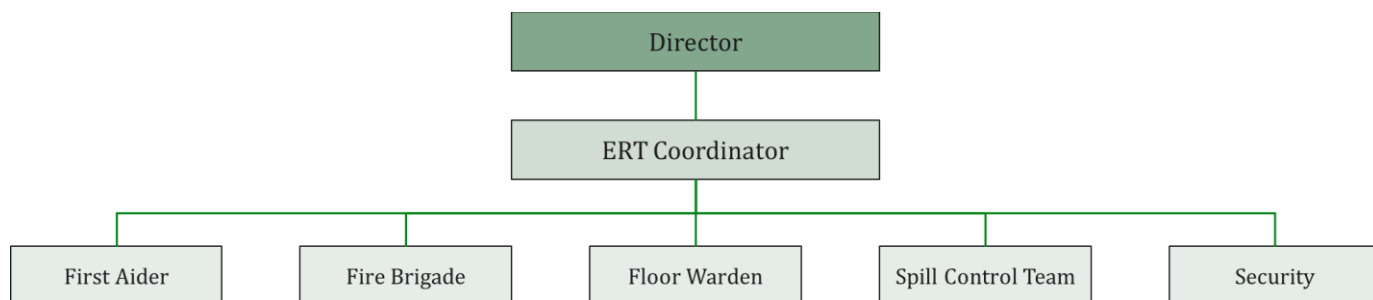
The plant develops an Emergency Response Plan. This plan is based on the assessed Risks and includes operational control measures. This can be controlling measures with regards to operations/activities, political situation, natural disasters, and pandemic/epidemic health risks.

Below are potential emergencies that may occur at plant area:

- Fire/ explosion.
- Occupational accident requiring medical evacuation.
- Hazardous chemical/oil spills.
- Security issue (riots, robberies/hold-up, bomb threat, and suspicious letters/packages).
- Natural disasters (earthquakes and floods).
- Food Poisoning.

5.3.1.2 EMERGENCY RESPONSE TEAM

The Emergency Response Team (ERT) will be trained in response to emergency situations pertaining to the project status. The ERT will consist of safety personnel and employees on the Plant as illustrated in Figure below The ERT will also immediately respond to all site emergencies.



5.3.1.3 EMERGENCY EQUIPMENT

The facilities shall ensure that the workplace meets all local regulatory Health, Safety and Security requirements with regards to emergency preparedness. This may mean that the plant needs to supply its own medical facility, fire equipment, rescue equipment and/or rescue teams. The ESMS Officer shall advise the Director on this issue.

First aid equipment for operators shall be made available in key locations throughout the workplace (e.g. rest areas, park up areas, change areas etc.).









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All personnel must familiarize themselves with the location of emergency equipment. As a minimum, first aid equipment, fire-fighting equipment, exits and muster points shall be readily identifiable and known by individuals in the workplace.

Any deficiencies in terms of equipment used, missing or any damage discovered, must be immediately reported to the workplace Supervisor and/ or the ESMS officer/ HSE Team.

Sample Emergency Response provisions. Actual requirements for activities to be defined by further Risk Assessment.

	<p>EN 3 Portable Fire Extinguishers Dry Powder Multi-Purpose Fire Extinguisher (CLASS A, B AND C FIRE RISKS)</p>		<p>EN 3 Portable Fire Extinguishers CO2 Gas Extinguisher (CLASS B, C AND ELECTRICAL FIRE RISKS)</p>
	<p>EN 3 Portable Fire Extinguishers Foam Extinguisher (CLASS A-B FIRE RISKS)</p>		<p>EN 1869 Fire Blankets Should be used where welding or gas cutting activity is being carried out if no welding blanket is available.</p>
	<p>BS 896-2 Manual Stretcher</p>		<p>BS 8599 Workplace first aid kits The contents must reflect the outcome of the first aid needs assessment.</p>

5.3.1.4 EMERGENCY COMMUNICATION AND REPORTING

The HSE Team, with supplementary support of relevant departments is responsible to:

- Communicate relevant information, including roles and responsibilities to employees, customers, visitors, external emergency supporting services, and other external stakeholders;
- Ensure emergency contacts of local authorities, such as local Fire Police department, medical center, and local hospitals, which will be made available onsite;
- Maintain documents and records relating to emergency response plan, implementation and reporting for verification and inspection purposes; and



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- Fulfill regulatory emergency response documents, such as a chemical incident response plan/ measure where applicable.

5.3.1.5 TRAINING AND DRILLS

The facilities will ensure that appropriate emergency planning and training is carried out for all employee. The basic plan will be included in the HSE induction training for new employees. All personnel entering the site shall be familiar with the instruction and the protocols during site emergency.

Emergency Response Plans shall be tested through the implementation of planned drills as well as unscheduled drills.

As a minimum the HSE Team shall arrange for drills to be conducted at least semiannually with alternating scenarios between drills to ensure response capability is properly evaluated.

Following the drill, a debrief meeting shall be conducted to evaluate the performance of the emergency plan execution. Any recommendations for improvement shall be recorded and communicated back to the workforce through the HSE meeting and toolbox talks.

5.4 LABOUR MANAGEMENT FRAMEWORK

5.4.1 HR POLICY AND PROCEDURES

Table 5-1 presents HRTA HR policy and procedures as of May 2024:

TABLE 5-1 HRTA HR POLICY AND PROCEDURES AS OF MAY 2024

Name of Policy/Procedures	Policy No.	Date of establishment
Non-discrimination and non-forced labor policy	306/DIR/HRTA/PTKP/VIII/2023	23 August 2023
Recruitment procedure policy	HRTA The Company regulation 2023	30 June 2023
Overtime registration and working hours management procedure	HRTA The Company regulation 2023	30 June 2023
Salary and benefits procedure	HRTA The Company regulation 2023	30 June 2023
Regulation on salary reduction in work appraisal	HRTA The Company regulation 2023	30 June 2023
Termination Procedure	HRTA The Company regulation 2023	30 June 2023
Disciplinary procedure	HRTA The Company regulation 2023	30 June 2023



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Name of Policy/Procedures	Policy No.	Date of establishment
Grievance Mechanism for Employees	01/DIR-KOM/HA-WBS/IV/23	25 April 2023

These policies and procedures are reviewed, updated, and approved by ESMS Committee and HRTA Top Management. Section 5.4.1 presents detailed requirements for implementing these labor policies and procedures. Additional labor policies and procedures might be updated in accordance with the regulatory requirements.

5.4.2 IMPLEMENTATION REQUIREMENTS

- **HR Policies Update:** HR and Social policies shall be aligned with local regulations, CGIF's ESS Policy and Framework, ADB SPS, and ILO conventions and guidelines. The policy shall address the aspect of freedom of association, child labor, and anti-harassment. The scope of the social policies and procedures shall also cover third-party workers.
- **Grievance mechanism for Employees (01/DIR-KOM/HA-WBS/IV/23):** The existing mechanism is considered to be partially in line with good practices and international standards for grievance mechanisms, but it does not specifically address the impact of the company's operations on surrounding communities, including labor management or compliance issues. There is room for improvement by expanding the scope of the whistleblowing mechanism or by HRTA establishing an internal/worker grievance mechanism. Several aspects also need to be considered in this improvement process as follows:
 - The grievance mechanism must be communicated to employees, including contractors, and all affected stakeholders.
 - Proper documentation of the grievance closing form and logs should be maintained, including at least the name of the complainant (can be anonymous), complaints, status, and resolution action taken.

5.4.3 MONITORING AND REPORTING

Regular monitoring program will be undertaken to confirm that HR policy is being implemented effectively and achieving the intended outcomes. The monitoring program includes:

- ESMS Officer, Head of HR/GA Department and other concerned personnel will undertake assessments to all HRTA's facilities to determine the degree of compliance with the HR policy, which includes wages, benefits, working hours, eligibility for overtime, grievance resolution, etc. The assessment should be conducted, at least on annual basis. Assessment findings will be prioritized and closed in a timely manner; and
- As outcomes of the assessment/ audits, a corrective action plan (CAP) will be required to be developed and implemented by HRTA address identified non-conformances. ESMS Committee will be responsible for monitoring the implementation of the CAP.



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5.5 STAKEHOLDER ENGAGEMENT AND GRIEVANCE REDRESS MANAGEMENT PLAN

5.5.1 STAKEHOLDER ENGAGEMENT PLAN

HRTA will, based on the risks and impacts identification process, identify its stakeholders, including those who would be directly or indirectly affected by its activities, and those who may have the ability to influence or alter the relationship of HRTA's facilities with its affected communities, particularly local government officials, community leaders, or civil society organizations. Based on the outcomes of the stakeholder identification process, HRTA shall then develop and implement a Stakeholder Engagement Plan (SEP) to establish and maintain a relationship with a variety of external stakeholders.

The SEP may include the following elements:

- Project or company activity description;
- Engagement principles, objectives and criteria;
- Requisites and regulations such as local regulations, international standards, etc.;
- Description of risks and impacts;
- Summary of any previous engagement activities, including any documented evidence;
- Identification, characterization, and priority of stakeholders, focusing on those directly affected and identifying any vulnerable individuals or groups;
- Engagement program including indication of how interactions should be formalized, including but not limited to:
 - Regular liaison with the HRTA's stakeholders to keep them informed of the engagement programs, progress, and planned activities;
 - Timely and appropriate disclosure of information about planned activities of HRTA to its stakeholders;
 - Timely and appropriate disclosure of information regarding any significant changes of the HRTA; and
 - Clear information about Emergency Response Plan arrangements for the local community to explain what they should do in the event of an incident occurring by HRTA's activities.
- Resources and responsibilities; and
- Monitoring and Reporting.

5.5.2 GRIEVANCE REDRESS MECHANISM

HRTA has established a whistleblowing mechanism in April 2023 that is publicly available through its company website. The mechanism is intended to provide a reporting system if there are any violations, fraud, and misconduct against legal compliance and the

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company's code of conduct. However, the whistleblowing does not specifically cover the effect of the company's operation on surrounding communities, including labor management or compliance matters. Therefore, HRTA should develop an internal and external grievance mechanism as part of the Stakeholder Engagement Plan. This grievance redress mechanism shall be reviewed and updated (if necessary) annually or biannually. Any revision or change should be disclosed to the relevant stakeholders.

Generally, a basic grievance redress mechanism includes following steps:

- (i) Assign focal points;
- (ii) Receive and register grievances;
- (iii) Screen and refer the grievances;
- (iv) Assess the grievances;
- (v) Formulate a response;
- (vi) Select a resolution approach;
- (vii) Implement the approach and settle the issues; and
- (viii) Track, document, and evaluate the process and results.

Assign focal points. HRTA needs to assign the HR/GA Department to be the focal points for the Grievance Redress Mechanism (GRM). The assignment can be revised if need. GRM can have multiple focal points to receive and register grievances. GRMs shall provide open and anonymous ways to pose complainant's questions, to express concerns or to file a complaint. It is equally important to have someone who has overall responsibility for tracking and following up on issues and complaints raised. The descriptions of the GRMs functions should clearly stipulate the official designations and the roles of the focal points so that they can really be held accountable for performing their functions. Terms of reference of individual staff in turn should include grievance redress functions.

Receive and register grievances. Grievances from affected people may be reported to local authorities in accordance with national grievance regulations. In this case, they should be referred to the designated focal points and referred to the appropriate GRM. Complaints can be presented in a variety of forms ranging from verbal communications to formal and written grievances. A GRM may also receive grievances directly from affected people or via third parties. Whatsoever the source and the form in which the grievance is received, it should be accepted by the focal points and registered in a grievance register. A grievance register may include reference number, date of the grievance, name of the complainant, address of the complainant, contact information (e.g. phone number, address) of the complainants, name and address of the subject to complaint, summary of



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the grievance. GRM shall provide a mechanism to ensure confidentiality of the person raising the complaints is protected.

Screen and Refer the Grievances. Having received and registered a grievance, the next step in the grievance-handling process is for the focal points to establish the eligibility of the grievance received. The following criteria can be used to assess and verify eligibility:

- The complainant is identifiable and has provided a name and contact details;
- The complainant is affected by the project;
- The grievance has a direct relationship to the project; and
- The issues raised in the grievance fall within the scope of the issues that the GRM is mandated to address.

Assess the Grievance. If the initial assessment establishes the eligibility of the grievance to be pursued, a further assessment is required of the seriousness of the grievance - classified in terms of high, medium, or low - and its impact on both the complainant and the project. Assessing the seriousness of a grievance is not easy, as it could be subject to biases. Criteria should be established and could include the following:

- severity of the problem;
- potential impact on the well-being of an individual or group;
- potential impact on the project; and
- public profile of the issue.

Assessing the severity of a grievance will require additional data collection through field visits to the sites, discussions and interviews with complainants and other relevant persons or groups in the community, and cross-checking the information already provided.

Formulate a Response. Having completed the grievance assessment, a response can be formulated on how to proceed with the complaint. This response should be communicated to the complainant. The response should include the following elements:

- acceptance or rejection of the grievance;
- reasons for acceptance or rejection;
- next steps - where to forward the grievance;
- a time frame for grievance resolution and feedback; and
- (if accepted) further documents or evidence required for investigation, e.g., field investigations

Select a Resolution Approach. GRMs shall always present multiple approaches for grievance redress. Approaches that are difficult or culturally and socially alien to affected people should be avoided as much as possible. The grievance redress approaches should create adequate space for the active participation of the affected peoples, including vulnerable groups. Depending on the nature and the severity of the grievances, the



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Project, in consultation with the affected people and relevant department or personnel from HRTA should identify and decide on an approach for grievance resolution. Where appropriate, affected people should be given the choice of selecting an affordable approach with which they are comfortable and confident and that is beneficial to them.

Implement the Approach and Settle the Issue. Selected approach should be implemented to settle grievances. Some common approaches for grievance settlement are:

- requesting the relevant agencies responsible for the grievance to take appropriate measures to remove the cause of grievance;
- determining reasonable compensation for affected people;
- signing agreements between affected peoples and the project for solutions mutually agreed upon;
- assuring the affected people to address their grievances at the end of completing the project related activities; and
- initiating a monitoring process (after addressing the causes of the problem or paying compensation) to assess any further impacts of project-related activities on the affected people.
- Track, Document, and Evaluate the Process and Results. HRTA has the responsibility for tracking and monitoring the process of grievance redress and the implementation of the decisions made and of seeing that redress is granted to affected people in a timely and efficient manner.

They also have the responsibility for giving regular feedback to the complainants about the progress of the grievance redress process. The monitoring should include the progress of implementation of grievance resolutions and the timeliness of grievance redress, follow up grievances to be sure they are attended to, and document details of complaints received and the progress in solving them. A monitoring and evaluation system should assess the overall effectiveness and the impact of the GRMs. Such evaluations can take place either annually or biannually, and their results should contribute to improving the performance of the different GRMs and provide valuable feedback to HRTA management about its facilities implementation, actual and potential problems.

5.6 COMMUNITY HEALTH AND SAFETY MANAGEMENT FRAMEWORK

5.6.1 POLICY AND COMMITMENT

The Company will maintain and update a clear and comprehensive policy outlining the commitment to community health and safety and define roles and responsibilities for individuals involved in the implementation of the framework.



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5.6.2 COMMUNITY RISK/IMPACT ASSESSMENT

Applying the identification and assessment of risks and impacts, The Company will ensure to identify and assess community health and safety risks or hazards associated with the business activities and contractors/suppliers, which may pose the following potential risks and impacts to the communities:

- Potential exposure to hazardous wastes due to improper disposal/control of hazardous wastes;
- Possible pressure on traffic network and risks of traffic accidents due to the operation;
- Fire risks caused by emergency cases;
- Possible tensions or collisions with local communities due to poor management or misconduct of the security force;
- Potential increase of traffic accidents risk or traffic density in the local areas, caused by future construction activities or operation of new facilities;
- Health impacts associated with dust, waste, noise generated from future renovation/construction activities for new facilities, if any.

5.6.3 MITIGATION MEASURES

To manage potential risks to community health and hygiene, in addition to adherence to environmental, health and safety plans and procedures (as guided in previous sections), the Company will implement the following:

- Strive to adhere to legal requirements in relation to infrastructure and equipment safety and design, E&S management and principles and management measures as set out in relevant The Company's E&S management frameworks where environmental, health, safety and security are concerned;
- In case significant level risks or impacts are identified and assessed through the Environmental Impact Assessment (EIA), we shall develop and implement specific management plans, e.g., Noise Management Plan, Traffic Management Plan, Emergency Response Plan and ensure that the management plans are fully and adequately implemented to mitigate and control the risks and impacts;
- Communicate the E&S management programs to relevant neighboring communities for their awareness and for further collaboration;
- Develop an adequate surveillance program to screen the health of workers, especially migrant workers, to avoid the spread of communicable infectious diseases. Additionally, collaborate closely with local medical agencies to ensure that any cases of communicable infectious diseases occurring at HRTA facilities are promptly reported, and instructions/directives from local authorities are strictly followed by the Company;



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- Engage with local government and communities as outlined in the stakeholder engagement plan to maintain positive and productive relationships, including timely identification if any concerns, issues need to be addressed.
- Communicate external grievance mechanisms to the local communities for their awareness and further collaboration to management community health and safety risks.
- Regularly maintain E&S monitoring programs to evaluate E&S performance and take appropriate actions to timely resolve any emerging issues. When deemed necessary, consider involving communities in the E&S monitoring programs to transparently disclose Company's performance and obtain their perspective on the implementation of community health and safety management measures; and
- Each of HRTA/ EMA facility is responsible for developing and implementing a community health, safety, and security management procedure tailored to its specific conditions. This is particularly crucial when significant levels of risks or impacts are identified through the identification and assessment of impacts and risks.

5.7 SUPPLY CHAIN MANAGEMENT FRAMEWORK

5.7.1 INTRODUCTION

HRTA defines "contractor" and "supplier" as organizations or individuals with full operational capacity and practice capacity in their field of operation. However, this framework applicability is limited to Suppliers providing raw materials (particularly precious metals, herein after referred as "Supplier").

From the effective date of the ESMS, HRTA assets shall be required to comply with HRTA's Supplier Code of Conduct (see Appendix E), specifically on the procurement of goods such as raw materials (particularly precious metals). A Supplier Code of Conduct was developed by the HRTA aligned with HRTA's Environmental and Social Policy (see Appendix A). All suppliers shall be required to demonstrate that they have read and understood the Supplier Code of Conduct and are committed to complying with its requirements.

The Supplier Code of Conduct defines the HRTA's standards of conduct on the following aspects:

- Compliance with Laws
- Environmental Protection
- Human Rights
- Fair Labour and Respectful Workplace Standard
- Gift and Entertainment (Anti Bribery, Corruption, and Money Laundering)
- Artisanal and Small Scale Gold Mining (ASGM) Management
- Indigenous People Management



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- Waivers, Assessment, and Non Compliance of the Code of Conduct.

Our affiliate, PT Emas Murni Abadi (EMA) ESMS Coordinator (see Section 3 of the HRTA ESMS) will be responsible for determination of E&S qualification and competence of the selected suppliers at HRTA. The ESMS Coordinator, in coordination with the Marketing Coordinator/ Customer Service and other relevant departments lead by the Operational and Production Manager (OPM), will be responsible for managing E&S performance of their Supplier during the contract period.

5.7.2 POLICY, LEGAL AND INSTITUTIONAL FRAMEWORK

The applicable Safeguard Requirements is presented in ESMS Legal Register, as appended in Appendix D. Information regarding these Safeguard Requirements can also be found in HRTA's ESMS Manual.

2.1 Indonesia Legislative & Regulatory Requirements

Environmental Protection and Management

- Law No. 32 of 2009 on environmental protection and management;
- Law No. 41 of 2009 on forestry;
- Law no 6 of 2023 regarding Establishment of Government Regulations in lieu of Law no 2 of 2022 regarding Job Creation to become Law;
- Government Regulation No. 74 of 2001 on hazardous and toxic substance management;
- Government Regulation No. 22 of 2021 on organization of environmental protection and management;
- Ministry of Environment Regulation No. 02 of 2013 on guideline on the administrative sanction in environmental protection and management; and
- Ministry of Environment and Forestry Regulation No 4 of 2021 on list of business activity that required to develop Amdal, UKL UPL, or SPPL.

Labour

- Law No. 7 of 1984 on the ratification of Convention on the Elimination of All Forms of Discrimination Against Women;
- Law No. 29 of 1999 on the ratification of International Convention on the Elimination of All Forms of Racial Discrimination;
- Law No. 39 of 1999 on Human Rights. The Act identifies and protects a range of human rights, including the right to life, the right of family, self-improvement, right of justice, personal freedom e.g., free from slavery, right of security, right to welfare, and right to participate in the government. The Act includes specific protections for the rights of



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women and children. The Act also clarifies the role of the *Komisi Nasional Hak Asasi Manusia* (Komnas HAM) as an independent institution responsible for researching, monitoring, and mediating human rights issues and improving the government's protection of human rights;

- Law No. 13 of 2003 on employment. The Act outlines the rights of the worker, including freedom from discrimination (equal opportunity and treatment), access to job training, appropriate workplace, fair wages, freedom from child labour, proper occupational health and safety, and freedom to organize (such as through unions). The Act also defines the government's responsibility to provide employment opportunities through appropriate use of natural resources, human resources, and technology;
- Law No. 11 of 2005 on the ratification of International Covenant on Economic, Social, and Cultural Rights;
- Law No. 40 of 2008 on Elimination of Racial and Ethnic Discrimination. The Act outlines the government's obligation to eliminate racial and ethnic discrimination. This includes the responsibility of the Human Right Commission of Indonesia to monitor the government's implementation of the Act; and
- Law No. 6 of 2012 on the ratification of International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.
- Government Regulation No. 50 of 2012 on the Implementation of Occupational Health and Safety Management System.

2.2 HRTA's E&S Policy

2.3 CGIF ESS Policy

2.4 ADB's Prohibited Investment and Activities List (PIAL)

2.5 Core International Labour Organisation Conventions

5.7.3 SUPPLY CHAIN DESIGN AND PROCESS

One key aspect of the ESMS is overseeing suppliers, who are engaged by HRTA to provide the operational services. HRTA is responsible for ensuring that these suppliers effectively manage environmental and social (E&S) risks. The Supply Chain Management System (SCMS) should consist of the following components:

Step 1: Mapping Supply Chain

The direct suppliers (tier 1 suppliers or vendors). These are the direct suppliers where HRTA has control over minimum expectations to be met regarding HRTA's sustainability/ ESG requirements. HRTA may consider influencing its indirect suppliers (tier 2) on sustainability/ ESG matters through the requirements it sets for the direct suppliers.



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- **Scope of Work Review:** EMA's ESMS Committee lead by the Marketing Coordinator defines the Scope of Work (SoW) before issuing it to potential suppliers, specifying work details, duration, schedule, and location.

Step 2: Risk Assessment

HRTA should seek to understand the key activities of its suppliers. This may include but not be limited to evaluating activities of the suppliers and their business partners; assessing risks on environment, people (employees, contract labour, and other business partners) and community; prioritizing risks based on legal, reputational, and financial impacts of such risks. Based on the risk assessment, identify key material topics (i.e., topics of significant importance) for managing impacts – both positive and negative impacts

- **Supplier E&S Criteria:** EMA's ESMS Committee together with relevant personnels/departments will develop E&S selection criteria based on the SoW. Suppliers must demonstrate their competence (experience, qualifications and skills) through references and qualifications;

Step 3: Develop Risk Prevention and Mitigation Measures

Based on the key risks and material topics identified in Step 2, plan for risk mitigation measures. This exercise should be conducted jointly by various HRTA functions/departments such as Marketing Coordinator/ Customer Service, Procurement, Materials Management, Logistics/Supply Chain, EHS, HR and other relevant functions.

- **Supplier Pre-Qualification:** Suppliers are assessed for their past safety performance and via a Pre-Qualification Procedure, and then selected through a method that may vary on case by case basis (e.g., bidding process or direct appointment). Accordingly, the Pre-qualification Form will include:
 - Commitment of Supplier leadership in managing E&S risks and impacts;
 - Compliance with Indonesian Labour Law and internationally recognized Core Labour Standards (CLS);
 - Provision of an ESMS or other management systems, including E&S policies, procedures to identify and assess E&S risks and impacts, E&S management programs associate with contractor's risks and impacts;
 - Provision of E&S organizational structures/ manpower; and
 - Past E&S performance of a contractor: compliance status, number of incidents/ accidents, any pending regulatory proceedings, number of employee grievances, etc.



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Step 4: Implement Risk Management Measures

Communicate HRTA's supply chain related requirements to the relevant parties – both internal and external and implement risk mitigation measures. These requirements of the plan should be embedded and integrated into departmental procedures as well as imparting relevant training to various internal department members on the requirements and procedural changes.

Step 5: Evaluation

Evaluation of Suppliers:

- **Contracting:** Contracts will be established between HRTA and qualified suppliers. The contracts shall be compliant with local laws & regulations, CGIF's ESS, HRTA's E&S Policy and HRTA's Supplier Code of Conduct. The contract shall specify the E&S requirements, E&S monitoring, and the provision of competent E&S personnel. Notably, the contract shall include clauses and allow for contract breach if not compliant;

Specific targets/KPIs related to HRTA's E&S/HSE/HR policies and sustainability requirements should also be developed so that the suppliers can be measured against these.

Step 6: Review and Reporting

For certain categories of suppliers, HRTA shall implement an ongoing audit process which may include site visits or be limited to desktop review.

HRTA's types of supplier audit, process/ procedure, performance indicators, and non-conformance and corrective action carried out for supplier/ vendor related audits should also be included.

Training/ competency programs for supplier audit team, relevant certification, frequency of training and training scope.

Include both internal and external reporting information. External reporting HRTA to retain supplier audit documents and include the findings/ audit results in its periodic reporting to CGIF.

- **Supplier Management and Monitoring:** The contract owner, with assistance of ESMS Officer will be responsible for overseeing supplier E&S performance and ensure that the Supplier has appropriate programs to manage its E&S risks and impacts. Suppliers are required to maintain records of E&S performance in accordance with the



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ESMS and relevant E&S management plans and submit a monthly E&S report which will be compiled into an overall monthly E&S monthly monitoring report for the HRTA's Top Management. During the work execution, the ESMS Committee (led by ESMS Officer) will conduct periodic evaluation audits to review contractor's performance, as well as to assess its compliance with the ESMS. Any non-compliances that may lead to actions as specified in the contract, such as warnings, work stoppages, or payment withholding are detected during the contract period, the contractor/supplier may be subject to appropriate actions by HRTA. It should be noted that all complaints from third party employees pertaining to requirements, selection criteria, evaluation basis and tools, and contractual agreement are addressed by HRTA.

Step 7: Non-compliance

If there is an identified case of non-compliance by the supplier, HRTA reserves the right to investigate regarding the matter, and determine the appropriate next steps with the supplier based on the severity of the non-compliance case.

HRTA reserves the right to discontinue any relationship with the supplier for cases such as non-adherence to international principles, failure to correct violations, or displaying patterns of non-compliance with these standards.

5.8 BIODIVERSITY MANAGEMENT FRAMEWORK (BMF)

5.8.1 POLICY AND COMMITMENT

HRTA will maintain and update a clear and comprehensive policy outlining the commitment to biodiversity management and define roles and responsibilities for individuals involved in the implementation of the framework.

HRTA should adopt the following major policies and integrate them into its existing policies on environmental protection and sustainability:

- Recognizing the global importance of biodiversity resources and being aware of both the company's dependence on and impact upon these resources, HRTA should seek to manage its landholdings to achieve better outcomes for the conservation and sustainable use of biodiversity.
- Committing to good stewardship of its land and work with partners, customers, relevant constituencies, and other stakeholders to support their activities aimed at the same goals.
- HRTA decisions and plans should reflect due consideration of biodiversity risks and opportunities associated with its business, recognizing that, in doing so, this would



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create long-term added value both for the company's business and as a global citizen.

5.8.2 RESPONSIBILITY FOR IMPLEMENTATION

The E&S Committee provides the forum for top-level management to be involved in policy direction and ensuring the BMF meets the commitments outlined in the Environmental Policy.

The HSE Team is responsible for managing BMF compliance and collaborating closely with the Social Specialist and other relevant departments.

5.8.3 LEGAL AND REGULATORY COMPLIANCE

During the development and implementation of BMF, HRTA will ensure compliance with local, regional, and national biodiversity conservation laws and regulations and stay informed about changes in legislation that may impact biodiversity management. Compliance with legal and regulatory including:

- Law No. 5 of 1990 concerning Conservation of Biological Resources and their Ecosystems;
- Law No. 32 of 2009 concerning Protection and Management of the Environment;
- Government Regulation Number 60 of 2009 concerning Amendments to Government Regulation Number 45 of 2004 concerning Forest Protection;
- Government Regulation No. 28 of 2011 and its amendment regulation of Government Regulation No. 108 of 2015 concerning Nature Reserve and Nature Conservation Area Management;
- Government Regulation No. 23 of 2021 regarding Forestry Management;
- Regulation of the Minister of Environment and Forestry Number P.85/Menhut-II/2014 regarding Procedures for Cooperation in the Organization of Natural Reserve Areas and Natural Preservation Areas;
- Regulation of the Minister of Environment and Forestry Number P.106/MENLHK/SETJEN/ KUM.1/12/2018 regarding changes to Minister of Environment and Forestry Regulation Number P.20/MENLHK/SETJEN/KUM.1/6/2018 regarding Protected Plants and Animals; and
- Regulation of the Minister of Environment and Forestry Number P.94/MENLHK/SETJEN/ KUM.1/12/2016 regarding Lists of Invasive Species in Indonesia.

5.8.4 METHODOLOGY

The methods used to develop the BMF, include desktop review and revision of impacts, in the event of any developments in new areas that utilize CGIF's bond proceeds.



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5.8.4.1 REVIEW OF BIODIVERSITY SETTINGS

The desktop review involved gathering relevant information derived from the relevant publications, online databases (e.g., Integrated Biodiversity Assessment Tool [IBAT]) and satellite imagery (e.g., Landsat 08 image/Google Earth Imagery). The desktop review enables the identification of (i) Important Conservation Areas, (ii) environmental features available within the Project area and proximity, (iii) Area of Influence (AoI) and (iv) conservation significant species and invasive species with potential to be present within the Project area. The sources of information used for the desktop screening included but not limited to:

- NGO (Non-governmental Organisation) webpages and databases including those belonging to the World Wildlife Fund (WWF);
- IBAT (Integrated Biodiversity Assessment Tool);
- BirdLife International regarding threatened bird species and Important Bird and Biodiversity Area (IBA);
- Key Biodiversity Area (KBA);
- World Database of Protected Areas (WDPA);
- Ministry of Environment and Forestry Regulation No. P.106 of 2018 regarding lists of protected species in Indonesia;
- Ministry of Environment and Forestry Regulation No. 94 of 2016 regarding lists of invasive/alien species in Indonesia;
- eBird regarding the potential presence of bird species;
- Global Biodiversity Information Facility (GBIF);
- Global Invasive Species Database (GSID);
- International Union for the Conservation of Nature (IUCN) Red List of Threatened Species (the 'IUCN Red List') and their profiles;
- IUCN Red List of Ecosystems (although assessments of threatened ecosystems are still limited in Indonesia); and
- Consultations with external stakeholders/experts.

5.8.5 REVIEW OF IMPACTS

Based on the findings of the review of biodiversity settings, potential impacts to biodiversity that are relevant to the Project will be identified in accordance with ADB's Environmental Safeguard Policy Statement (2009), focusing on Appendix 1 Safeguard Requirement 1: Environment which also aligns with IFC Performance Standard 6 Guidance Note (2019), and IFC Performance Standards (2012). To assess the significance of impacts due to the project before and after mitigation, a matrix will be used to evaluate the severity of impacts to biodiversity. The matrices take into consideration the sensitivity of receptors



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and the magnitude of effects caused by the Project. Matrices of biodiversity impacts are presented in Table 5-2 (for habitat assessment) and Table 5-3 (for species assessment).

TABLE 5-2 IMPACT ASSESSMENT MATRIX FOR HABITAT

		Magnitude of Effect			
		Negligible	Small	Medium	Large
Habitat Sensitivity/Value		Effect is within the normal range of variation	Affects a small area of habitat, but without the loss of viability/function of the habitat	Affects a sufficient proportion of the habitat to the extent that the viability/function of part of the habitat or the entire habitat is reduced but does not threaten the long-term viability of the habitat or species dependent on it.	Affects the entire habitat or a significant proportion of the habitat to the extent that the viability/function of the entire habitat is reduced and the long-term viability of the habitat and the species dependent on it are threatened.
Low	Habitats with no or local designation/ recognition; habitats of significance for species of Least Concern (LC); habitats which are common and widespread within the region.	Negligible	Negligible	Minor	Moderate
Medium	Habitats within nationally designated or recognised areas; habitats of significant importance to globally Vulnerable (VU), Near Threatened (NT) or Data Deficient (DD) species; habitats of significant importance for nationally restricted range species; habitats supporting nationally significant concentrations of migratory species and/or congregatory species; nationally threatened or unique ecosystems.	Negligible	Minor	Moderate	Major
High	Habitats within internationally designated or recognised areas;	Negligible	Moderate	Major	Critical



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	Magnitude of Effect			
	Negligible	Small	Medium	Large
Habitat Sensitivity/Value	Effect is within the normal range of variation	Affects a small area of habitat, but without the loss of viability/function of the habitat	Affects a sufficient proportion of the habitat to the extent that the viability/function of part of the entire habitat is reduced but does not threaten the long-term viability of the habitat or species dependent on it.	Affects the entire habitat or a significant proportion of the habitat to the extent that the viability/function of the entire habitat is reduced and the long-term viability of the habitat and the species dependent on it are threatened.
habitats of importance to globally Critically Endangered (CR) or Endangered species (EN); habitats of importance to endemic and/or globally restricted-range species; habitats supporting globally significant concentrations of migratory species and/ or congregatory species; highly threatened and/ or unique ecosystems, areas associated with key evolutionary species.				



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TABLE 5-3 IMPACT ASSESSMENT MATRIX FOR SPECIES

		Magnitude of Effect			
		Negligible	Small	Medium	Large
Species Sensitivity/Value		Effect is within the normal range of variation.	Affects a small proportion of a population, but does not substantially affect other species dependent on it, or the populations of the species itself	Affects a sufficient proportion of a species population that it may bring about a substantial change in abundance and/or reduction in distribution over one or more generations, but does not threaten the long-term viability of the population or any dependent population.	Affects an entire population or species at sufficient scale to cause a substantial decline in abundance and/or change in distribution beyond with natural reproduction or immigration from unaffected areas, that it may not return the population/species, or any dependent population or species, to its former level within several generations, or when there is no possibility of recovery.
Low	Species which are included on the IUCN Red List of Threatened Species as Least Concern (LC).	Negligible	Negligible	Minor	Moderate
Medium	Species included on the IUCN Red List of Threatened Species as Vulnerable (VU), Near Threatened (NT) or Data Deficient (DD). Species protected under national legislation. Nationally restricted range species. Nationally important number of migratory or congregatory species.	Negligible	Minor	Moderate	Major
High	Species included on the IUCN Red List of Threatened Species as Critically Endangered (CR) or Endangered (EN). Species having a	Negligible	Moderate	Major	Critical



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	Magnitude of Effect			
	Negligible	Small	Medium	Large
Species Sensitivity/Value	Effect is within the normal range of variation.	Affects a small proportion of a population, but does not substantially affect other species dependent on it, or the populations of the species itself	Affects a sufficient proportion of a species population that it may bring about a substantial change in abundance and/or reduction in distribution over one or more generations, but does not threaten the long-term viability of the population or any dependent population.	Affects an entire population or species at sufficient scale to cause a substantial decline in abundance and/or change in distribution beyond with natural reproduction or immigration from unaffected areas, that it may not return the population/species, or any dependent population or species, to its former level within several generations, or when there is no possibility of recovery.
globally Restricted Range (i.e. plants endemic to a site or found globally at fewer than 10 sites, fauna having a distribution range (or globally breeding range for bird species) of less than 50,000 km ² . Internationally important numbers of migratory or congregatory species. Key evolutionary species.				

On top of the existing controls, additional mitigation measures and monitoring program will be proposed where necessary to address the potential impacts.

5.8.6 STAKEHOLDER COLLABORATION

During the development and implementation of the BMF, HRTA will:



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- Collaborate with governmental agencies, NGOs, local communities, and other stakeholders to implement joint biodiversity conservation initiatives; and
- Share knowledge and best practices with relevant stakeholders.

5.8.7 COMMUNICATION AND REPORTING

- During the development and implementation of the BMF, HRTA/EMA will:
- Periodically review and update the biodiversity management framework based on new scientific knowledge and changing conditions; and
- Embrace adaptive management principles for ongoing improvement.

5.9 INFORMATION DISCLOSURE

5.9.1 INTERNAL COMMUNICATION

The purpose of the internal communication process is to:

- internally disseminate information on the ESMS to the different organizational levels and departments, including updates to the ESMS when necessary; and
- Make sure its communication process(es) allow all HRTA and EMA's employees to participate in ongoing development.

The following information is readily available to all employees upon disclosure:

- The E&S Policies;
- The E&S objectives and targets; and
- ESMS related documentation as appropriate.

E&S requirements for contractors/subcontractors follows:

- HRTA's E&S policies, objectives and targets;
- E&S organization structure;
- E&S action plans and procedures relevant to their contracted scope of work;
- Competence and training requirements, including induction, general ESMS;
- Monitoring requirements related to environmental, social, health and safety; and
- Regular environmental and social related meetings.

Information is transmitted through notice boards, posters and videos, newsletters or published on the intranet (if available).

5.9.2 EXTERNAL COMMUNICATIONS

Complaints, questions, and concerns from the community are typically included in external communication, as are regulatory correspondence including permit applications and



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necessary submissions to regulatory agencies. PT HRTA has external communication system through its website and social medias as follow:

Website: <https://hartadinataabadi.co.id/>

Hotline : (022) 5402326 - (022) 5403002

Email :info@hartadinataabadi.co.id

Any change for communication contact should be disclosed immediately.

The following information is readily available to all stakeholders upon disclosure:

- HSES Policy;
- Code of Conduct;
- CSR and Sustainability programs;
- Whistleblowing procedure;
- Financial Information;
- Annual Report;
- Environmental Impact Assessment.

The procedure for external communication include mechanisms to:

- Receive, register and validate external communication and requests for information from the public;
- Screen and assess the importance of the issue raised and determine how to address it;
- Provide, track, document and publish response; and
- Adjust the management program when appropriate.
- Communication with its stakeholders is provided in local languages and easily understandable formats. All relevant communication records is maintained by HRTA.



6. Monitoring and Reporting

6.1 MONITORING PROGRAM

The objective of monitoring activity is to:

- Ensure that HRTA E&S performance is measured appropriately;
- Ensure that the management plans/procedure in HRTA are being followed and implemented properly;
- Ensure that the ESMS is addressing the most relevant risk and promoting lasting improvements.

The monitoring activities shall include the following information:

- Action/subject to be monitored;
- Monitoring location;
- Monitoring parameters;
- Monitoring frequency;
- Monitoring applicable standard;
- Responsibilities; and
- Monitoring records

Monitoring results will be documented, analysed against the facility's objectives and targets, and included in periodic E&S monitoring and management reports.

6.2 INSPECTION

6.2.1 INTERNAL AUDIT INSPECTION

The internal audit and inspection program's objective is to evaluate a facility's E&S management compliance, making sure that it complies with applicable safeguard standards, legal requirements, and the ESMS. The goal of this initiative is to pinpoint areas that HRTA and its facilities' E&S performance needs to be improved. The internal audit and inspection program that follows will be put into effect as follows:

- Daily/Weekly/Monthly EHS inspection by HSE Specialist and Head of the other facilities during the construction (if any), operation, and maintenance phases;
- Biannual evaluation of compliance with applicable E&S legal requirements and safeguard requirements led by HRTA's Top Management with participation of ESMS Committee; and
- Annual E&S internal audit led by the ESMS Committee, relevant HSSE coordinators with attendance of the Top Management and HR & Admin Departments.



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6.2.2 EXTERNAL AUDIT INSPECTION

A selected audit team (trained internal and qualified third-party Environmental and Social Consultants) will conduct a regular environmental, social and community health audit and random spot-check throughout the HRTA's operation. The schedule of the Audit will depend on the needs of the Lender(s). HRTA's lender(s) may also conduct periodic site visits and/or audits to assess HRTA's E&S compliance.

The selection of auditors and conduct of audits will ensure objectivity and impartiality of the audit process. The auditors will also prepare and issue Corrective Action Plans which will be actioned by the HRTA within the recommended specified timeframes.

An audit program detailing the aspects to be audited, and the area (relevant department) will be established. Audits will also assess compliance with the agreed objectives and targets as well as the effectiveness of the management programme and their implementation.

6.3 REPORTING

6.3.1 INTERNAL REPORTING

All facilities in HRTA and EMA operation will maintain regular and effective E&S performance reporting to the Top Management of HRTA and EMA throughout the construction (if any), operation, and maintenance phases. The internal E&S performance reports will include, but not limited to:

- Key Performance Indicators (KPIs);
- E&S inspection and audit report;
- Number of non-conformances and closure rates; and
- Incident/ accident statistics;
- E&S monitoring results;
- E&S activities;
- Workforce number;
- Disciplinary action by type and number;
- Issues raised by workers and actions taken; and
- Number of grievances lodged and resolutions.

A consolidated report will be prepared by ESMS Committee and presented to the HRTA and EMA's Top Management by monthly basis.



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6.4 EXTERNAL REPORT

6.4.1.1 REGULATORY REPORT

According to the rules, HRTA and EMA will make sure that regular Environmental and Social Reports (ES&S) are developed and sent to the local authorities. These reports would cover the following content but not limited to:

- Semi-annual Environmental Monitoring Report;
- Quarter occupational accident statistic report;
- Annual occupational hygiene and safety management report; and
- Accident Report and Investigation (in case of significant incident occurred).

6.4.1.2 REPORTING TO CGIF

HRTA will prepare periodic monitoring report and submit to CGIF. The report will contain information as follow:

- In the event of significant incident, accident or E&S non-compliance or non-conformity (this excludes minor issues and incidents that are resolved and rectified quickly and not present a material E&S risk)
- Significant E&S impacts to be reported to CGIF include: (i) Unauthorized release of any Hazardous Substance on Company's property rather than in accordance with the ESS Requirements; (ii) Unanticipated incident/accident or circumstance causing substantial environment, human, or property harms/damage; (iii) incident/accident in connection with Company's activities resulting in death or significant injury; (iv) and/or Material explosion or fire on Company's properties.
- A semi-annual environmental and social safeguard performance report and monitoring report.



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7. MANAGEMENT REVIEW

The objective of HRTA's management review is to regularly include senior management in assessing the appropriateness, sufficiency, and efficacy of the ESMS in order to promote ongoing improvement. Management review shall be attended by the Top Management of the Company. Relevant departments, and E&S Representatives. The Management Review shall be conducted on a frequent schedule, at a minimum once a year or more often when there is an urgent issues.

Key topics for Management Interview shall cover the following but not limited to:

- Completing previous non-conformance and corrective actions;
- Results from E&S inspections and audits;
- Overall health, safety, environmental, and social performance;
- Progress towards E&S objectives and targets;
- Compliance with applicable standards;
- Assessing ESMS suitability, adequacy, and effectiveness;
- Document and record completeness;
- Prioritizing E&S activities for the coming months;
- Resource availability for ESMS operation; and
- Actions for addressing non-conformances and observations.

During the review, the following documents and evidence will be considered:

- ESMS documents and records;
- Results of internal and external audits in terms of EHS;
- EHS Monitoring and measurement results;
- Non-conformance and corrective action reports;
- Internal communications regarding EHS performance;
- Internal and external ESMS-related communications (suggestions and improvements); and
- Previous management review meeting minutes.

The output of the Management Review shall be documented in a Management Review Minutes of Meeting. The Minutes of meeting will include the information of responsibilities, timeframes, and action plans developed for new directions and policies resulting from the management review.



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APPENDIX A E&S POLICY

Hartadinata Environmental and Social Policy

E&S Policy

DATE
30 May 2024

REFERENCE
0720935



Page 1



DOCUMENT DETAILS

DOCUMENT TITLE	Hartadinata Environmental and Social Policy
DOCUMENT SUBTITLE	E&S Policy
PROJECT NUMBER	0720935
Date	30 May 2024
Version	1.0
Author	ERM
Client name	CGIF

DOCUMENT HISTORY

VERSION	REVISION	AUTHOR	REVIEWED BY	ERM APPROVAL TO ISSUE		COMMENTS
				NAME	DATE	
Draft	0	ERM	ERM, HRTA	Yawar Herekar	05.16.2024	
Final	1	ERM	CGIF, HRTA	Yawar Herekar	30.05.2024	



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Hartadinata Environmental and Social Policy

E&S Policy

0720935

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HARTADINATA ABADI

CONTENTS

E&S POLICY

1



E&S POLICY

At PT Hartadinata Abadi Tbk. (HRTA), including our affiliate, PT Emas Murni Abadi (EMA), we are steadfast in our dedication to embedding sustainability into the heart of our operations, thereby paving the way for a more sustainable and resilient future.

To this end, we uphold the following environmental and social management principles:

1. Compliance and Legal Adherence:

We pledge to adhere rigorously to all pertinent environmental and social protection legislation and commitments, encompassing:

- Indonesian environmental and social laws and regulations,
- Environmental and Social Safeguard Policy of Credit Guarantee & Investment Facility in [CGIF - Credit Guarantee & Investment Facility \(cgif-abmi.org\)](http://cgif-abmi.org),
- Asian Development Bank's Prohibited Investment Activities List (PIAL),
- Core Labour Standards of the International Labour Organization (ILO) ratified by Indonesia ([Ratifications of ILO conventions: Ratifications for Indonesia](#)),
- International environmental and social standards and conventions ratified by Indonesia.

2. Resource Efficiency:

We are committed to judiciously utilizing resources—be it energy, water, or raw materials—through strategic conservation practices and initiatives across all facets of HRTA and EMA operations.

We promote environmental enhancement measures and social benefits at all our existing facilities and newly acquired facilities.

3. Effective Management Systems:

We allocate ample resources towards the development, implementation, and maintenance of robust environmental and social management systems (ESMS) to ensure operational excellence.

4. Health and Safety Focus:

Ensuring a safe and healthy work environment is paramount. We actively mitigate hazards to prevent occupational accidents, diseases, property damage, and environmental harm.

5. Responsible Waste Management:

Our waste management practices prioritize responsible disposal and recycling efforts to prevent pollution and minimize environmental impact.

6. Sustainable Business Partnerships:

We foster environmentally conscious and sustainable collaborations with distributors, retailers, and partners nationwide, integrating environmental considerations into all operational activities.

We encourage contractors and suppliers to adopt similar principle



7. Stakeholder Engagement:

We cascade and uphold the ESMS across all levels of our organization and ensure its implementation by our diverse stakeholders, including distributors, retailers, contractors, subcontractors, and suppliers.

8. Community Welfare:

We strive to minimize disruptions to community livelihoods while safeguarding their health, safety, and overall well-being. Our commitment to responsible corporate conduct includes effective stakeholder engagement and mitigation measures.

9. Indigenous People

We will perform an assessment to determine whether our current or future activity have potential impacts on Indigenous People. We will establish Indigenous People Plan for activities with potential impact on Indigenous People. The degree of impacts is determined by evaluating (i) the magnitude of the impact on Indigenous Peoples' customary rights of use and access to land and natural resources; socioeconomic status; cultural and communal integrity; health, education, livelihood systems, and social security status; or indigenous knowledge; and (ii) the vulnerability of the affected Indigenous Peoples.

Indigenous People refers to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region. In considering these characteristics, national legislation, customary law, and any international conventions to which the country is a party will be taken into account.

10. Worker Rights and Welfare:

We champion the fundamental rights of workers, promoting fair treatment, non-discrimination, and safe working conditions while upholding freedom of association and collective bargaining. Our policy prohibits engagement of underage or child labour, safe for specific instances pertaining to vocational or technical education purposes, subject to guidelines delineated by competent entities, such as educational institutions.

11. Awareness and Participation:

We actively engage employees and stakeholders in environmental protection and sustainable development initiatives to foster a culture of awareness and participation.

12. Performance Evaluation and Transparency:

We rigorously evaluate and monitor our environmental performance, transparently reporting results to relevant stakeholders, and commit to continuous improvement.



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13. Local Economic Empowerment:

We actively contribute to the sustenance and growth of local economies through community engagement and strategic local recruitment practices.

This HARTADINATA E&S Policy extends to all employees of HRTA and EMA, as well as stakeholders impacted by our activities, including customers, partners, contractors, suppliers, third-party representatives, and local communities. This E&S Policy should be communicated to all stakeholders by making it available to the public and interested parties.

Approved by the Board of Directors of PT. Hartadinata Abadi Tbk., in conjunction with the Management Team, this policy undergoes regular review as part of our commitment to effective ESMS management.

Date: 15 May 2024



Sandra Sunanto
President Director



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APPENDIX B LIST OF PROHIBITED INVESTMENT ACTIVITIES



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PROHIBITED INVESTMENT ACTIVITIES LIST

The following do not qualify for CGIF's guarantee:

Prohibited activities	Activity identified in use of proceeds?
1. Production or activities involving harmful or exploitative forms of forced labor ² or child labor ³	
2. Production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phase-outs or bans, such as (a) pharmaceuticals, ⁴ pesticides, and herbicides, ⁵ (b) ozone-depleting substances, ⁶ (c) polychlorinated biphenyls ⁷ and other hazardous chemicals, ⁸ (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild	

² Forced labor means all work or services not voluntarily performed, that is, extracted from individuals under threat of force or penalty.

³ Child labor means the employment of children whose age is below the host country's statutory minimum age of employment or employment of children in contravention of International Labor Organization Convention No. 138 "Minimum Age Convention" https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138

⁴ A list of pharmaceutical products subject to phaseouts or bans is available at <http://apps.who.int/medicinedocs/en/m/abstract/Js17126e/>

⁵ A list of pesticides and herbicides subject to phaseouts or bans is available at <http://www.pic.int/TheConvention/Chemicals/AnnexIIChemicals/tabid/1132/language/en-US/Default.aspx>

⁶ A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phaseout dates <http://ozone.unep.org/montreal-protocol-substances-deplete-ozone-layer/32506>

⁷ A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

⁸ A list of hazardous chemicals is available at <http://www.pic.int/TheConvention/Chemicals/AnnexIIChemicals/tabid/1132/language/en-US/Default.aspx>



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Fauna and Flora,⁹ and (e) trans-boundary trade in waste or waste products¹⁰

3. Production of or trade in weapons and munitions, including paramilitary materials

4. Production of or trade in alcoholic beverages, excluding beer and wine¹¹

5. Production of or trade in tobacco¹²

⁹ A list is available at <https://cites.org/sites/default/files/eng/app/2017/E-Appendices-2017-10-04.pdf>.

¹⁰ As defined by the Basel Convention; see <http://www.basel.int/Portals/4/Basel%20Convention/docs/text/BaselConventionText-e.pdf>

¹¹ This does not apply to project sponsors who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a project sponsor's primary operations.

¹² This does not apply to project sponsors who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a project sponsor's primary operations.



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APPENDIX C SCREENING AND CATEGORIZATION CHECKLIST



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ENVIRONMENTAL IMPACT SCREENING AND CATEGORIZATION CHECKLIST

ENVIRONMENTAL IMPACT CATEGORIZATION

A. Project Information

Project Name	
Location	
Stage	<input type="checkbox"/> Pre-construction <input type="checkbox"/> Construction <input type="checkbox"/> Operation

B. Environment categorization

New Re-categorization – previous category

<input type="checkbox"/> Category A	A proposed project is likely to have significant adverse environmental impacts that are irreversible, diverse, or unprecedented. These impacts may affect an area larger than the sites or facilities subject to physical works.
<input type="checkbox"/> Category B	The proposed project's potential adverse environmental impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects.
<input type="checkbox"/> Category C	A proposed project is likely to have minimal or no adverse environmental impacts.

C. Summary of findings

D. Recommendation

E. Approval

Propose by:	Approved by:
ESMS Officer Date:	General Director Date:



ENVIRONMENTAL IMPACT CATEGORIZATION

ENVIRONMENTAL IMPACT SCREENING CHECKLIST

A. Project Siting	Comments
<p>Is the Project area adjacent to or within any of the following areas:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Underground utilities <input type="checkbox"/> Cultural heritage site <input type="checkbox"/> Protected Area <input type="checkbox"/> Wetland <input type="checkbox"/> Mangrove <input type="checkbox"/> Estuarine <input type="checkbox"/> Buffer zone of protected area <input type="checkbox"/> Special area for protecting biodiversity <input type="checkbox"/> Bay 	
B. Potential Environmental Impacts	Comments
<p>Will the Project cause:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Encroachment on historical/cultural areas? <input type="checkbox"/> Encroachment on precious ecology (e.g. sensitive or protected areas)? <input type="checkbox"/> Impacts to insects, birds and bats such as being singed/ ignited in midair, caused by solar beams? <input type="checkbox"/> Impacts on the sustainability of associated sanitation and solid waste disposal systems? <input type="checkbox"/> Dislocation or involuntary resettlement of people? <input type="checkbox"/> Disproportionate impacts on the poor, women and children, Indigenous Peoples, or other vulnerable groups? 	
<ul style="list-style-type: none"> <input type="checkbox"/> Accident risks associated with increased vehicular traffic, leading to loss of life? <input type="checkbox"/> Increased noise and air pollution resulting from increased traffic volume? 	
<ul style="list-style-type: none"> <input type="checkbox"/> Occupational and community health and safety risks? <input type="checkbox"/> Occupational health risks to workers due to exposing to electromagnetic fields? <input type="checkbox"/> Occupational health risks to workers due to exposing to hot weather outside as resulted from lack of shades and high solar flux? <input type="checkbox"/> Risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during project construction and operation? 	
<ul style="list-style-type: none"> <input type="checkbox"/> Generation of dust in sensitive areas during construction? 	



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ENVIRONMENTAL IMPACT CATEGORIZATION

Requirements for disposal of fill, excavation, and/or spoil materials?
 Noise and vibration due to blasting and other civil works?

Long-term impacts on groundwater flows as result of needing to drain the project site prior to construction?
 Long-term impacts on local hydrology as a result of building hard surfaces in or near the building?

Large population influx during project construction and operation that causes increased burden on social infrastructure and services (such as water supply and sanitation systems)?
 Social conflicts if workers from other regions or countries are hired?

Risks to community safety caused by fire, electric shock, or failure of the building’s safety features during operation?
 Risks to community health and safety caused by management and disposal of waste.
 Community safety risks due to both accidental and natural hazards, especially where the structural elements or components of the project are accessible to members of the affected community or where their failure could result in injury to the community throughout project construction, operation and decommissioning?



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INDIGENOUS PEOPLES IMPACT CATEGORIZATION

INDIGENOUS IMPACT CATEGORIZATION

A. Project Information

Project Name	
Location	
Stage	<input type="checkbox"/> Pre-construction <input type="checkbox"/> Construction <input type="checkbox"/> Operation

B. INDIGENOUS PEOPLES Categorization

New Re-categorization – previous category

<input type="checkbox"/> Category A	Likely to have significant impacts on Indigenous Peoples. The significance of impacts on Indigenous Peoples has been determined by assessing: <ol style="list-style-type: none"> 1. the magnitude of impact in terms of <ol style="list-style-type: none"> a) customary rights of use and access to land and natural resources b) socioeconomic status c) cultural and communal integrity d) health, education, livelihood, and social security status e) the recognition of indigenous knowledge 2. the level of vulnerability of the affected Indigenous Peoples community.
<input type="checkbox"/> Category B	Likely to have limited impacts on Indigenous Peoples.
<input type="checkbox"/> Category C	Not expected to have impacts on Indigenous Peoples.

C. Summary of findings

D. Recommendation

E. Approval

Propose by:	Approved by:
ESMS Manager Date:	General Director Date:



INDIGENOUS IMPACT CATEGORIZATION

INDIGENOUS IMPACT SCREENING CHECKLIST

A. Indigenous Peoples Identification	Comments
1. Are there socio-cultural groups present in or use the Company's business activities area who may be considered as "tribes" (hill tribes, schedules tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the project area?	
2. Are there national or local laws or policies as well as anthropological research/studies that consider these groups present in or using the Company's business activities area as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities?	
3. Do such groups self-identify as being part of a distinct social and cultural group?	
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?	
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?	
6. Do such groups speak a distinct language or dialect?	
7. Has such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?	
8. Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?	
B. Identification of Potential Impacts	Comments
9. Will the Company's business activities directly or indirectly benefit or target Indigenous Peoples?	
10. Will the Company's business activities directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices?	



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INDIGENOUS IMPACT CATEGORIZATION

(e.g., child-rearing, health, education, arts, and governance)

11. Will the Company's business activities affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)

12. Will the Company's business activities be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?

C. Identification of Special Requirements **Comments**

Will the Company's business activities include:
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?

14. Physical displacement from traditional or customary lands?

15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting, or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?

16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied, or claimed by Indigenous Peoples?

17. Acquisition of lands that are traditionally owned or customarily used, occupied, or claimed by Indigenous Peoples?



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INVOLUNTARY RESETTLEMENT IMPACT ASSESSMENT CHECKLIST

A. Project Information

Project Name	
Location	
Stage	<input type="checkbox"/> Pre-construction <input type="checkbox"/> Construction <input type="checkbox"/> Operation

B. Environment Categorization

New Re-categorization – previous category

<input type="checkbox"/> Category A	Likely to have significant involuntary resettlement impacts. The involuntary resettlement impacts are considered significant if 200 or more persons will experience major impacts, which are defined as: <ol style="list-style-type: none"> 1. being physically displaced from housing, or 2. losing 10% or more of their productive or income-generating assets.
<input type="checkbox"/> Category B	Likely to have involuntary resettlement impacts that are not deemed significant.
<input type="checkbox"/> Category C	Not likely to have involuntary resettlement impacts.

C. Summary of findings

D. Recommendation

E. Approval

Propose by:	Approved by:
ESMS Officer Date:	General Director Date:



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INVOLUNTARY RESETTLEMENT SCREENING CHECKLIST

A. Involuntary Acquisition of Land	Comments
1. Will there be land acquisition?	
2. Is the site for land acquisition known?	
3. Is the ownership status and current usage of land to be acquired known?	
4. Will easement be utilized within an existing Right of Way (ROW)?	
5. Will there be loss of shelter and residential land due to land acquisition?	
6. Will there be loss of agricultural and other productive assets due to land acquisition?	
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?	
8. Will there be loss of businesses or enterprises due to land acquisition?	
9. Will there be loss of income sources and means of livelihoods due to land acquisition?	
B. Involuntary restrictions on land use or on access to legally designated parks and protected areas	Comments
10. Will people lose access to natural resources, communal facilities and services?	
11. If land use is changed, will it have an adverse impact on social and economic activities?	
12. Will access to land and resources owned communally or by the state be restricted?	
C. Information on Displaced Persons	Comments
13. Any estimate of the likely number of persons that will be displaced by the Project/RBA? If yes, approximately how many?	_____ people
14. Are any of them poor, female-heads of households, or vulnerable to poverty risks?	
15. Are any displaced persons from indigenous or ethnic minority groups?	



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APPENDIX D TEMPLATE FOR LEGAL AND OTHER REQUIREMENTS REGISTER AND COMPLIANCE EVALUATION



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No.	Legal Document	Issue Date	Effective Date	Citation	Requirements	Required Documents	Compliance Status (Compliance / Non-compliance)	Evidence of Compliance
[Example]	Law on Environment Protection	17 Nov 2020	01 Jan 2022	Article 39	Investment projects of Group I, Group II and Group III (as defined in this law) that discharging wastewater, dust, or emit air emissions into the environment which must be treated; or discharging hazardous wastes which must be managed in accordance with waste management regulations must obtain environmental license before being officially commissioned.	Environmental License	Compliance	Environmental License No. [???], issued by [???], dated [dd/mm/yyyy], valid until [dd/mm/yyyy]
[Example]	Labor Code	20 Nov 2019	1 Jan 2021	Article 12	Before recruiting an employee, the employer shall enter into an employment	Labor contract (paper or	Compliance	[#] signed labor contracts for total [#] employees





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No.	Legal Document	Issue Date	Effective Date	Citation	Requirements	Required Documents	Compliance Status (Compliance / Non-compliance)	Evidence of Compliance
					contract with such employee.	electroni c)		All contracts with newly engaged employees are dated before or on the date they commence work
e.g .	Labor Code	20 Nov 2019	1 Jan 2021	Article 118	Every employer with 10 or more employees shall issue their own internal labor regulations. Before issuing or revising the internal labor regulations, the employer shall consult the employee representative organization (if any).	Internal Labor Regulations Records of consultation with employee representative organization (if	Compliance	Internal Labor Regulations dated [dd/mm/yyyy] Minutes of consultation dated [dd/mm/yyyy]; OR official consultation letter by representative organization





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No.	Legal Document	Issue Date	Effective Date	Citation	Requirements	Required Documents	Compliance Status (Compliance / Non-compliance)	Evidence of Compliance
					Employees must be notified of the internal labor regulations, and the major contents must be displayed at the workplace.			dated [dd/mm/yyyy] Record/evidence of display of ILR key contents at the workplace



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APPENDIX E SUPPLIER CODE OF CONDUCT



HARTADINATA ABADI

Supplier Code of Conduct

PT Hartadinata Abadi Tbk

DATE

31 May 2024

 Jl. Kopo Sayati No. 165, Bandung 40228 INDONESIA

 +6222-5402326

 info@hartadinataabadi.co.id

 www.hartadinataabadi.co.id



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DOCUMENT DETAILS

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DOCUMENT TITLE	Supplier Code of Conduct
DOCUMENT SUBTITLE	PT Hartadinata Abadi Tbk
Date	31 May 2024
Version	02
Company name	PT Hartadinata Abadi Tbk

PT. Hartadinata Abadi Tbk.,



Sandra Sunanto
President Director



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1. INTRODUCTION

1.1 BACKGROUND

The Board of Directors (the "Board") of PT. Hartadinata Abadi, Tbk. ('HRTA'/ the 'Company') has adopted this Supplier Code of Conduct ("the Code"), which applies to all of HRTA's suppliers, including suppliers of our affiliate, PT. Emas Murni Abadi ("EMA"), serving as the basis for evaluating supplier performance. This code includes measures for engaging with third parties and principles of Anti-Bribery and Corruption.

The goal of the Code is to provide HRTA's suppliers with clear guidelines on acceptable conduct and actions when interacting with third parties, facilitating the resolution of difficult decisions.

This Code applies to the Supplier and all its employees, directors, and officers, including agents and persons performing functions for the supplier. Violation of this Code may result in putting the supplier or HRTA at risk and may lead to suspension and/or termination of the work agreement. Suppliers are responsible for familiarizing themselves with the principles of this Code and observing not only the wordings but also the spirit of this Code. Implementation details are stipulated in HRTA's Company Policy/Regulation.

1.2 CORPORATE VISION

HRTA's vision is to be at the forefront in terms of quality, design, and services, prioritizing perfection for goodness.

1.3 CORPORATE MISSION

HRTA has two main missions:

- Being a leading gold jewelry company in Indonesia which offers quality jewelry products with optimal service for its customers' satisfaction.
- Contribution to society through their professionalism and concern for the environment.

1.4 CORPORATE CORE VALUE

HRTA has four main values and cultures:

- Professionalism
- Innovation
- Concern for the Environment
- Togetherness



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2. CODE OF CONDUCT

2.1 COMPLIANCE WITH LAWS

1. HRTA's suppliers must comply with applicable laws and prevailing regulations and international conventions and standards consistently.
2. Suppliers should avoid actions leading to violations of the law and decency.
3. Fraud or activities related to fraud or dishonesty in any form are prohibited.
4. Suppliers should promote settlement through deliberation and consensus and respect ongoing legal processes and decisions.
5. Suppliers must avoid involvement in criminal activities in financial and operational fields.

2.2 ENVIRONMENTAL PROTECTION

1. Suppliers shall commit to address the environmental impacts of its activity by applying mitigation hierarchy (avoid, minimize, restore/mitigate, offset).
2. Suppliers shall promote environmentally safe practices or best industry practices in operations such as mining, product development, manufacturing, transport, and disposal of materials.
3. Efficient resource use and application of environmentally friendly technologies are encouraged.
4. Suppliers must minimize waste generation and reduce air and *Greenhouse Gas* (GHG) emissions, wastewater, and soil-contaminating waste.
5. Suppliers should minimize negative impacts on biodiversity, climate change, and water scarcity.
6. Supplier shall commit to address the environmental impacts of its activity on biodiversity with the aim of achieving no net loss.
7. Sustainable land use is promoted, and unlawful taking of land, forests, waters, and other resources is prohibited.
8. Suppliers are encouraged to develop to develop plans for the decarbonization of their operations, more specifically reducing the carbon footprint of their products and associated handling and transportation that are in line with the goals of the Paris Agreement.

2.3 HUMAN RIGHTS

1. Suppliers must ensure employees comprehend their rights as regulated by Indonesian laws.
2. Suppliers must respect all the internationally recognized human rights of its personnel, third parties, host communities and other stakeholders in accordance with the United Nations (UN) Universal Declaration of Human Rights, the UN



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Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Fundamental Conventions and the UN Declaration on the Rights of Indigenous People United Nations Universal Declaration of Human Rights.

3. Human rights principles should be promoted in dealing with conflicts involving the public, employees, and other stakeholders.
4. Cooperation with government, NGOs, and other relevant stakeholders is encouraged to avoid rights violations.
5. Suppliers should manage adverse impacts of operations on the welfare of surrounding communities.
6. Good relationships with employees, communities, government, NGOs, and other stakeholders should be maintained.
7. Violation of third-party ownership rights within the surrounding community must be avoided.
8. Cultural and indigenous communities' rights must be respected.
9. Use of force to resolve labor or community issues should be limited.
10. Child labor is prohibited, as per Labor Law No. 13 of 2003.
11. Forced labor, including modern slavery and human trafficking, is strictly prohibited.
12. Suppliers must avoid direct or indirect financing of third-parties or organisations that have a track record of being involved in terrorist activities.

2.4 FAIR LABOR AND RESPECTFUL WORKPLACE STANDARD

1. Compliance with applicable labor regulations, including freedom of association, is mandatory.
2. Decisions regarding employee recruitment, training, promotion, dismissal, and compensation should be fair and based on merit.
3. A work environment free from harassment must be maintained.
4. Employee data privacy must be respected as per applicable regulations.

2.5 GIFT AND ENTERTAINMENT

1. Supplier selection must be based on price, quality, and services offered.
2. Acceptance of free or discounted goods/services influencing business decisions is prohibited without prior written approval.
3. Acceptance/provision of food/beverages during business activities is permitted.
4. Tokens of appreciation or gifts may be provided, subject to prior written approval.



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2.5.1 ANTI BRIBERY, CORRUPTION, AND MONEY LAUNDERING

1. Suppliers are obliged to not engage in practices which may lead to penal liability due to fraud or embezzlement, bribery¹, acceptance of bribes, or other corruption crimes on the part of persons employed by the supplier or other third parties.
2. Bribery, whether offered or accepted, directly or indirectly, is strictly prohibited.
3. All HRTA suppliers must adhere to anti bribery provision set forth in the Letter of Commitment for Bribery Prevention.
4. All HRTA suppliers must prohibit all types of corruption.
5. HRTA's supplier must take the necessary steps to identify and rectify any cases or risks of money laundering arising because of its business operations and the business operations of its third parties and establish suitable preventive measures for this purpose.
6. In the event of violation of the above, HRTA has the right to immediately withdraw from or terminate all legal transactions existing with the supplier and the right to cancel all negotiations.

2.6 ARTISANAL AND SMALL-SCALE GOLD MINING (ASGM) MANAGEMENT

1. Suppliers engaging with ASGM partners must have formal agreements with the ASGM partners, including permit verification.
2. ASGM partners must minimize environmental impact and avoid the use of mercury.
3. Human rights principles in labor and conflict management must be promoted.
4. Yearly screening of ASGM partners' permit status and operations is required.

2.7 INDIGENOUS PEOPLE MANAGEMENT

1. Respect for indigenous peoples' rights, social, and cultural heritage is required.
2. Adverse impacts on the health, safety, and living conditions of indigenous peoples must be minimized.
3. Unlawful or forced relocation of indigenous peoples is prohibited.
4. Free, Prior, and Informed Consent (FPIC) principles must be applied if significant damage occurs.

2.8 WAIVERS, ASSESSMENTS, AND NON-COMPLIANCE OF THIS CODE OF CONDUCT

1. Any waiver or any change to this Code will be made only by HRTA and will be promptly disclosed as required by law or appropriate regulation.

¹ HRTA defines "bribery" as the provision of tangible goods, services, or monetary offerings aimed at securing preferential treatment.

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2. HRTA reserves the right to conduct audits or assessments to ensure the suppliers compliance and will take appropriate steps regarding the relationship with the supplier if there is a reason for concern.
 3. If there is an identified case of non-compliance by the supplier, HRTA reserves the right to investigate regarding the matter, and determine the appropriate next steps with the supplier based on the severity of the non-compliance case.
 4. HRTA reserves the right to discontinue any relationship with the supplier for cases such as non-adherence to international principles, failure to correct violations, or displaying patterns of non-compliance with these standards.



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