

## 2020 ANNUAL SUSTAINABILITY REPORT



**sinarmas**





Our 2020 Sustainability Report provides essential information, key results and progress made in our sustainability journey. Our efforts highlighted in this report, affirms Sinarmas Cepsa Pte Ltd's ("SCPL") commitment as an organization that is fully committed in ensuring continued improvements to its operational efficiency and sustainability practices. The report also highlights the additional efforts undertaken by our organization during the Covid-19 pandemic to ensure our operations run smoothly whilst ensuring the health and safety of our employees, their families, and the communities we operate in. Our sustainability commitments continue to be realized via our continued laser like focus towards operational efficiency (e.g. energy usage efficiency, emissions reduction), employee and community well-being and the preservation of the environment in areas which we operate.

## Notes to the Readers of the Report

In this report, there may be plans, projections, strategies and objectives of the Company. Statements about the future are subject to risks and uncertainties that could cause the Company's actual future circumstances and results to differ from those expected or indicated. There is no guarantee that the results anticipated by the Company, or indicated by statements regarding the future, will be achieved.



Scan this QR Code for  
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Sinarmas Cepsa 2020  
Sustainability Report



Attain **Global Leadership** in **Green** and **Sustainable Product**









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# CEO's Statement

“

## Dear Stakeholders

[102-14]

We take great pride in presenting to you our 2020 Sustainability Report. Amidst the various challenges and constraints posed by the on-going COVID-19 pandemic which escalated rapidly in early 2020; we continued to grow from strength to strength in our efforts to continuously improve upon our Sustainability practises and in upholding our continued compliance with the Equator Principles Risk Management framework.

Through agile forward planning, methodical co-ordination and an unrelenting commitment to ensure the safety and well-being of our people, we have managed to not only mitigate the impact of COVID-19 to our people and operations but continued to thrive and operate at high reliability and increased efficiency levels.



We continue to reap meaningful benefits in resource and energy conservation as a result of pursuing best in class Sustainability practises. At our ESM site, we managed to further increase energy efficiencies (e.g. reduce specific coal consumption per MT steam produced, increase condensates recovery) and increase resource conservation (e.g. reduction of specific nitrogen consumption, recycling of wastewater, extended catalyst run length, reuse of activated carbon as fuel in our boilers). Over at SCGD, it benefitted from its first full year special EEG ("Erneuerbare-Energien- Gesetz") Fee Waiver governed by strict standards under Germany's Renewable Energy Act; a testament to our commitment to energy efficiency for which has also been successfully renewed for 2021.

Despite the COVID-19 pandemic, our operations across all sites continued to participate, engage and provide meaningful support to its local communities in line with our dedication and commitment to Corporate Social Responsibility and Sustainability initiatives. We pro-actively participated in government and community efforts in curtailing the spread of COVID-19 and mitigating its impact to lives and livelihoods.

In 2021 we are well on track in ensuring most of our employees are fully vaccinated from COVID-19 and are confident of coming out of this Pandemic stronger than before. We continue to remain vigilant and open to new best practices and the adoption of technology in tackling this crisis.

We continue to be on track to becoming a global leading player in the fatty alcohol surfactant market which is focused on creating value for our customers and stakeholders while being a responsible and sustainable corporate citizen in all the communities where we are present.

Sincerely,

Kung Chee Wan





## About this Report



Throughout our 4 years of operations, we have been steadfast in complying and adhering to high levels of sustainable development practises. In addition, we continue to work closely with relevant regulatory authorities, non-governmental organizations, the private sector as well as local communities to ensure our sustainability efforts are properly aligned to current and future socio-economic and environmental needs, amongst others. Via this pro-active, consultative and forward looking approach, we continue to sustainably deliver value added oleochemical products to our customers across the globe.

We continue to refine, broaden and enhance our

Corporate Governance and Employment practises. Whilst already being a part of our corporate culture; in 2020 we officially adapted the Ethical Trading Initiative ("ETI") Base Code covering nine broad areas which regulates good employment practices. We continue to enforce our Whistleblower Channel, for aggrieved parties and stakeholders to report any grievances or violations without fear of retribution and for an independent assessment/investigation to be made thereof. From the beginning, we have adapted very strict policies and procedures with regards to environmental management. Our stringent practice extends to all our suppliers who must abide by all existing

environmental rules and legislations, such as when dealing with waste management. As an additional control measure, we routinely carry out supplier audits to ensure our suppliers consistently abides by the aforesaid standards. On the social front, as part of our Corporate Social Responsibility ("CSR") initiative in line with our aspiration towards Sustainable De-

velopment Goals, we have over the past 4 years consistently and rigorously implemented various meaningful sustainability and charitable programs for the benefit of the local communities and environment in which we operate. It has al-

ways been our aspiration and goal to provide meaningful and enduring benefits to all our internal and external stakeholders. We grow together with the communities in which we operate as we mutually look ahead to a better, brighter and more equitable future for all. The past 4 years of operations has been an enriching journey. Many valuable lessons and observations were taken onboard for which helped us to better understand the challenges, needs and aspirations of our local communities; thus guiding us in curating our CSR programs. Our journey to greater heights as we continue to grow our business will be a journey we embark together with our local community.





# Company Profile

“Growth and Sustainability  
Synergies”



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# Company Vision, Mission & Values

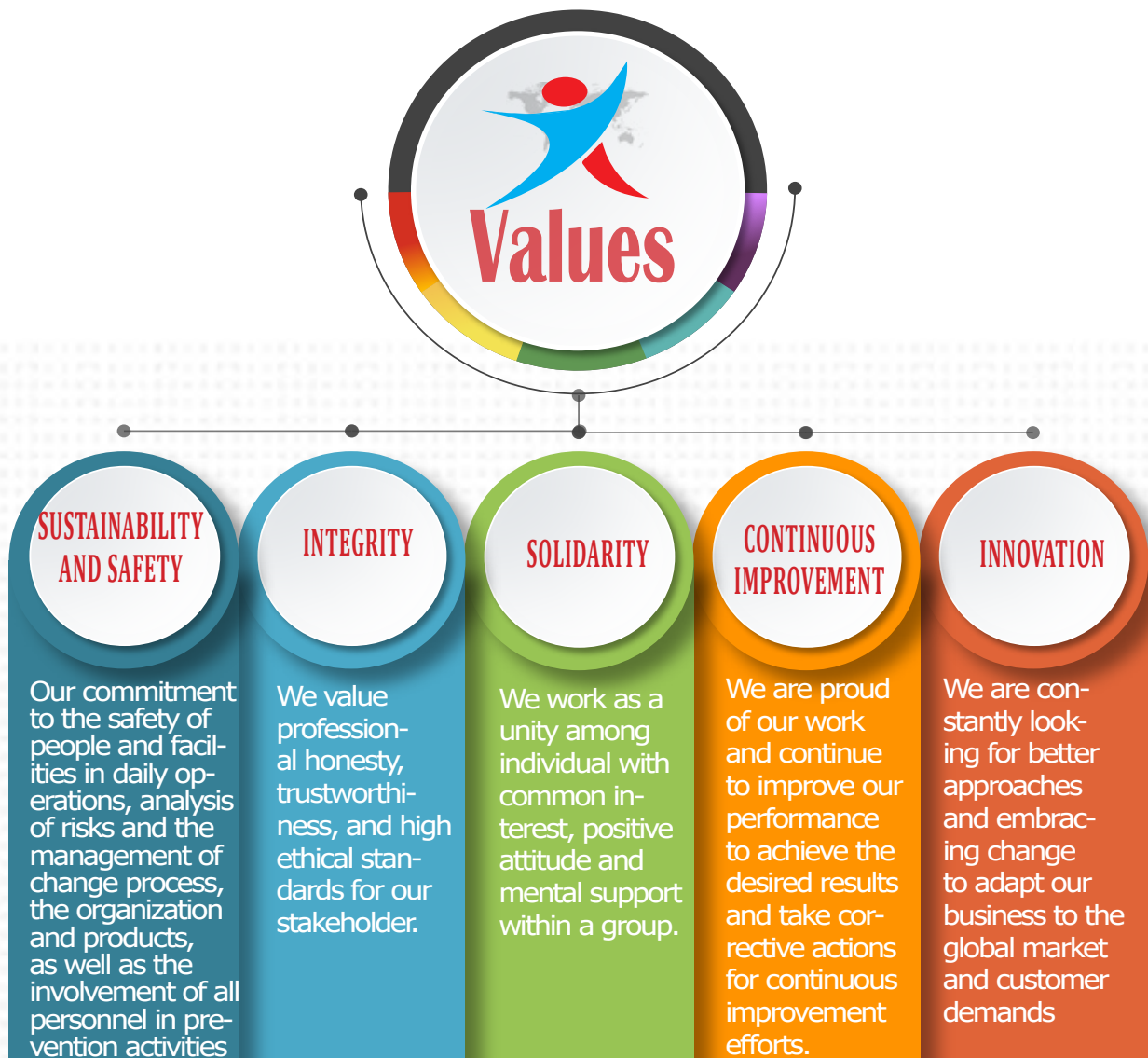
[102-16]



## Our Vision

To become a **global leading player** in the fatty alcohol surfactant market focused on creating value for our customers and stakeholders while being a **responsible and sustainable** corporate citizen in all the communities where we are present.





## Sinarmas Cepsa Pte. Ltd at a Glance



Group name [102-1]

**Sinarmas Cepsa Pte. Ltd**

Activities

**Oleochemical Manufacturing**

Head Office [102-3]

**Sinarmas Cepsa Pte. Ltd.**  
Golden Agri Plaza 108 PasirPanjang Road, #05-02  
Singapore 118535

Product [102-2]

**Fatty Alcohols, Fatty Alcohols Ethoxylates, Anionic Surfactants, Fatty Acids & Glycerine**



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## Organization Scale

[102-7]

“ We appreciate that our employees are our assets. Each employee has unique capabilities and potential. We celebrate this diversity and continuously develop our diverse talent pool to their maximum potential to enhance our competitive advantage. ”



[102-8]

In general, workers at PT ESM are divided into 2 categories, namely employees who are directly employed by the company and indirect workers which means the workers work at PT ESM but through third party intermediaries. The breakdown of the worker categories is tabulated below :

Description	2020	2019
Total Employees	389	377
Total Indirect Workers	209	286
Total Operating Areas	4	4

The total number of PT ESM employees at the end of 2020 is 389 people, consisting of 380 permanent employees and 9 contract employees. All employees are full-time workers, none are part-time, At the end of 2020, there are 209 indirect workers.

## Our Employees based on Gender [405-1]

ESM Employment Status	2020		2019	
	Male	Female	Male	Female
Permanent Employees	346	34	331	35
Contract Employees	9	0	10	1
Total	355	34	341	36
	389		377	

The total number of HQ employees at the end of 2020 is 22 people and all are permanent Employees. Detail of the employee status in HQ is tabulated below :

HQ Employment Status	2020		2019	
	Male	Female	Male	Female
Permanent Employees	13	11	14	11
Contract Employees	0	0	0	0
Total	13	11	14	11
	24		25	



The total number of SCDG employees till the end of 2020 is 35 people and all employees are permanent employees.

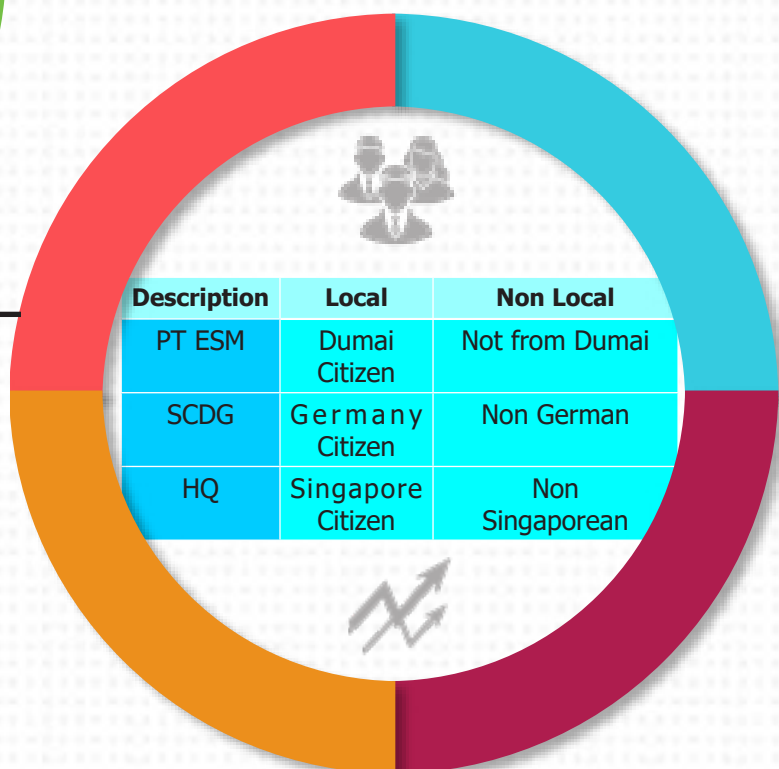
SCDG Employment Status	2020		2019	
	Male	Female	Male	Female
Permanent Employees	25	10	24	10
Contract Employees	0	0	0	0
Total	25	10	24	10
	35		34	



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## Our Employees based on Point of Hire [102-8]



ESM Employment Status	2020		2019	
	Local	Non Local	Local	Non Local
Permanent Employees	154	226	146	220
Contract Employees	7	2	10	1
Total	161	228	156	221
	389		377	

HQ Employment Status	2020		2019	
	Local	Non Local	Local	Non Local
Permanent Employees	17	7	18	7
Contract Employees	0	0	0	0
Total	17	7	18	7
	24		25	

SCDG Employment Status	2020		2019	
	Local	Non Local	Local	Non Local
Permanent Employees	34	1	34	0
Contract Employees	0	0	0	0
Total	34	1	34	0
	35		34	





## Location of operation [102-4]

SCPL has two main production sites, namely in Dumai, Riau Province, Indonesia and in Genthin, Germany. Our Head Office/ Sales & Marketing functions are mainly based out of Singapore. In 2020, there were no material changes to our areas of operation and supply chain.



**MARKETING OFFICE**



**MANUFACTURING**



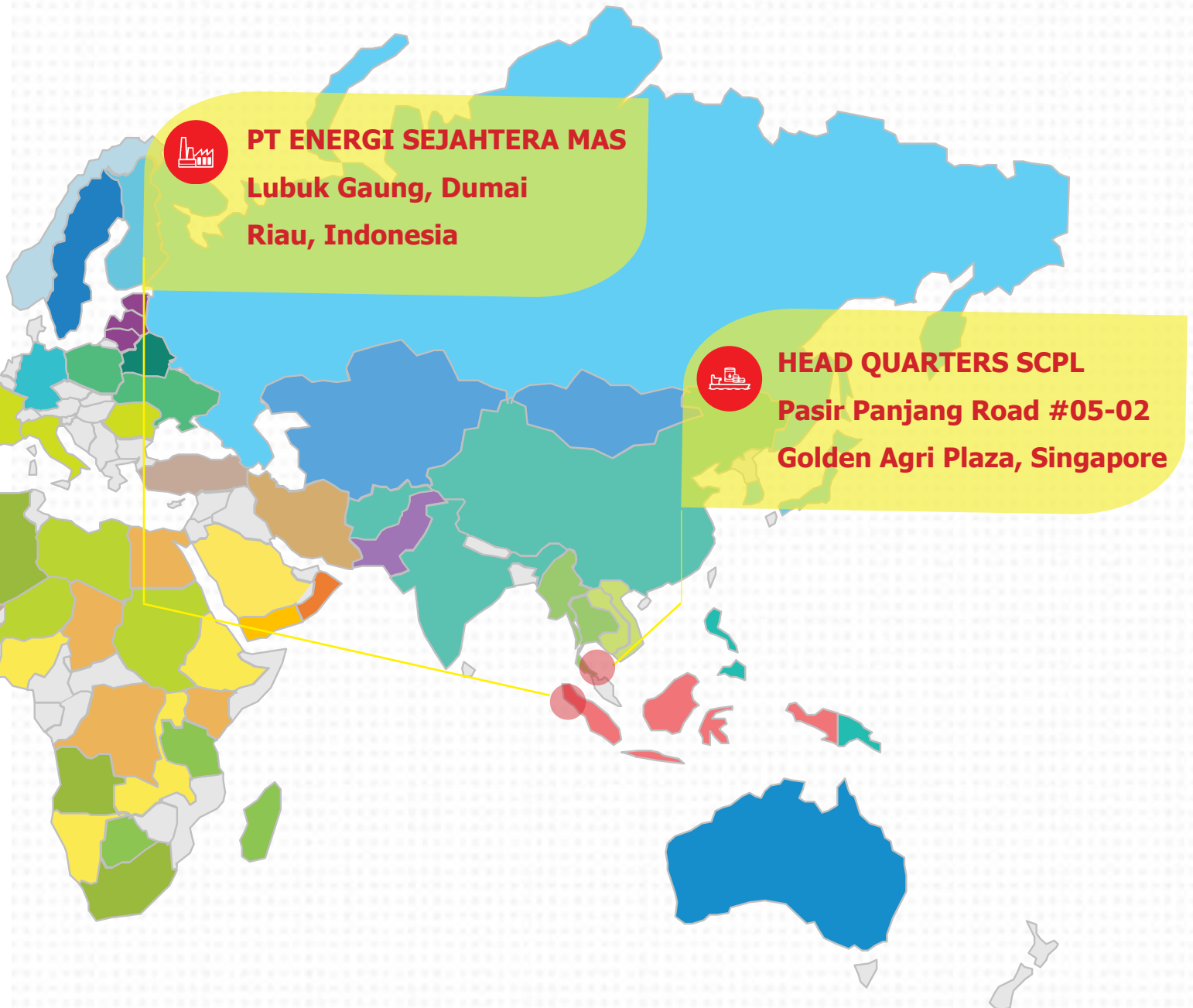
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## Market Served [102-2] [102-6]

In 2020, we sold approximately 209,551 tonnes of oleochemical products from our manufacturing plant in Dumai consisting of Fatty Alcohol (66%), Fatty Acid (22%) and Glycerine (12%) of which some of these Alcohols were sold as Surfactants after undergoing further processing at our Sulphation plant in Genthin, Germany.

Our products are sold to various countries covering the 5 major continents of the world including Asia Pacific, Europe, Africa, the Middle East and Americas.



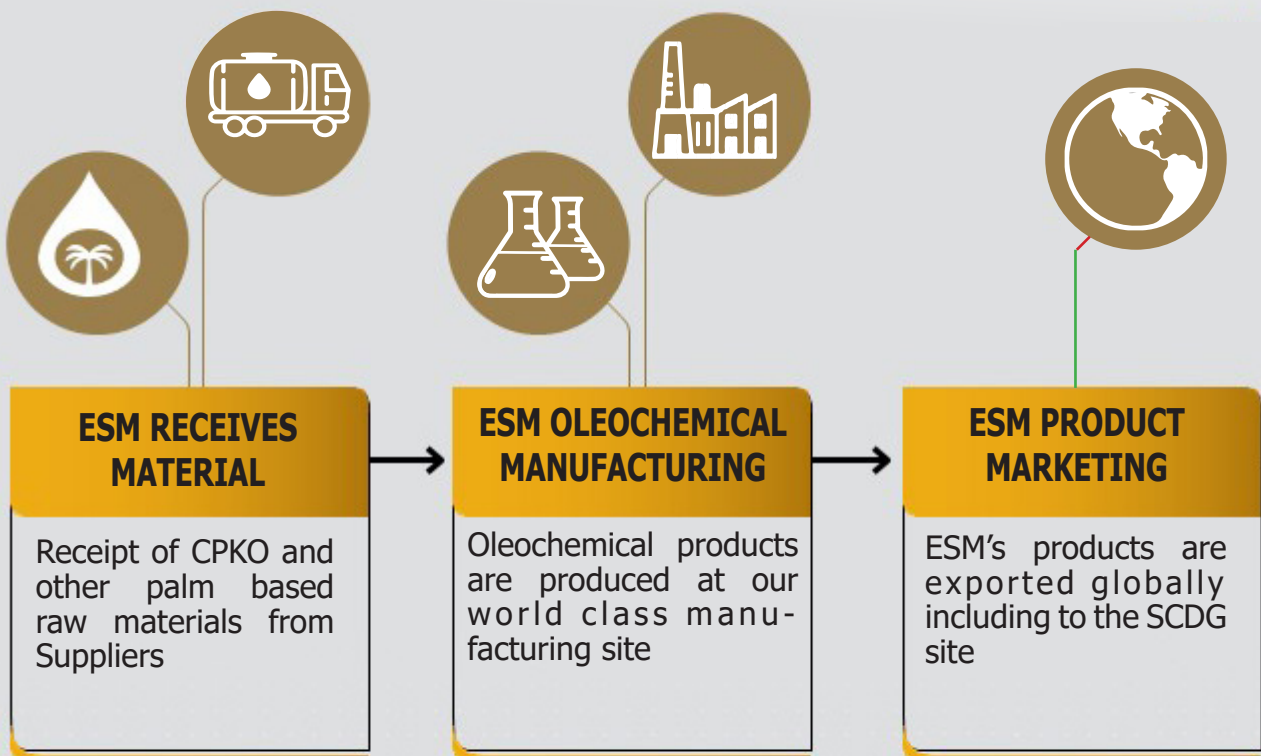


# Supply Chain Model

[102-9]



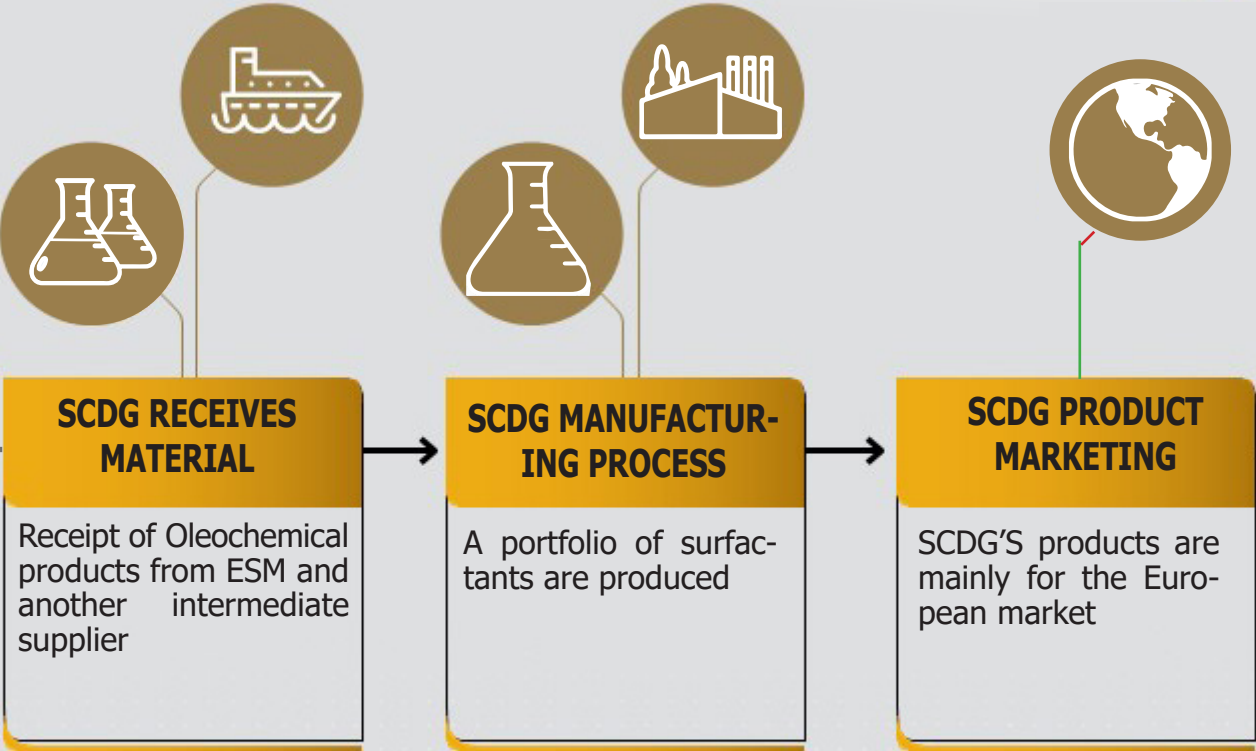
**PT ESM Site**



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SCDG GmBH Site







## External Initiative [102-11] [102-12] [416-1]

Since inception, the Company has always managed each stage of its operational activities with utmost care. Implementation of operational activities are preceded by detailed studies and management of change processes where necessary. The various external certifications and awards are a testament of our commitment and journey to becoming a global leading player in the fatty alcohols surfactant market.

SCPL's management has always placed a top priority on Safety. Our site in Dumai has an Occupational Safety and Health Advisory Committee which was set-up in 2017 and registered with the Ministry of Manpower under the registration number Kep.88 / Disnakertrans-PK / SK-P2K3 / VI / 2017. The implementation of our Occupational Health and Safety system is diligently executed, closely monitored and continually assessed for further improvements. In 2020, our site in Dumai successfully achieved the coveted ISO 45001:2018 certification, a testament to our efforts in this area.

We strive to meet and exceed our customers' expectations. As such we place great emphasis on meeting stringent standards pertaining quality, food and feed safety (where applicable). A testament to this are the various certifications our sites have received from 2017 to date. To date, our site in Dumai has obtained 8 certifications namely, ISO 9001: 2015, ISO 22000: 2018, Halal, Kosher, RSPO, GMP + B2, FSSC 22000 and BPOM. Our site in Germany has received certifications for ISO 9001:2015, Kosher, RSPO and ISO 22716: 2007 and ISO 50001:2018 for Energy Management System.



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## Appreciation and Awards

Awards achieved	Organizer
Best Local Investor (PMDN) III at the 2016 Riau Investment Award Activities	Governor of Riau Province
Awarded the Highest Domestic Investment Value at the 2016 Riau Investment Award	Governor of Riau Province
Indonesia Best Employer Brand Awards 2018	World HRD Congress Employer Branding Institute-India



## ESM Quality and Food Safety Certification [416-1]



## SCDG Certification [416-1]







# Our Commitment to Sustainability

“

During its relatively new presence in the global market place since 2017, SCPL has grown from strength to strength to thrive and secure its place as one of the most trusted, reliable and competitive player in the Oleochemical scene. This success was achieved hand in hand with our unwavering commitment to sustainable development which we hold onto dearly as a key tenet in all our activities. We continue to make improvements and foster innovations in achieving our sustainability commitments. We work hand in hand with governments, public and private institutions, trade associations, customers, suppliers and the communities in which we operate. No stones are left unturned in our quest to meet our sustainable development goals. We take pride in taking great care in conserving the environments in which we operate in including uplifting the welfare and well-being of our employees and those of our surrounding local communities.

”



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# Sustainability Approach <sup>[102-16]</sup>



## PEOPLE

### Sustainable Mindset

We consider the implications of all our actions to the environment, local communities and employees whether it be via our strategic decision making or day to day operations.

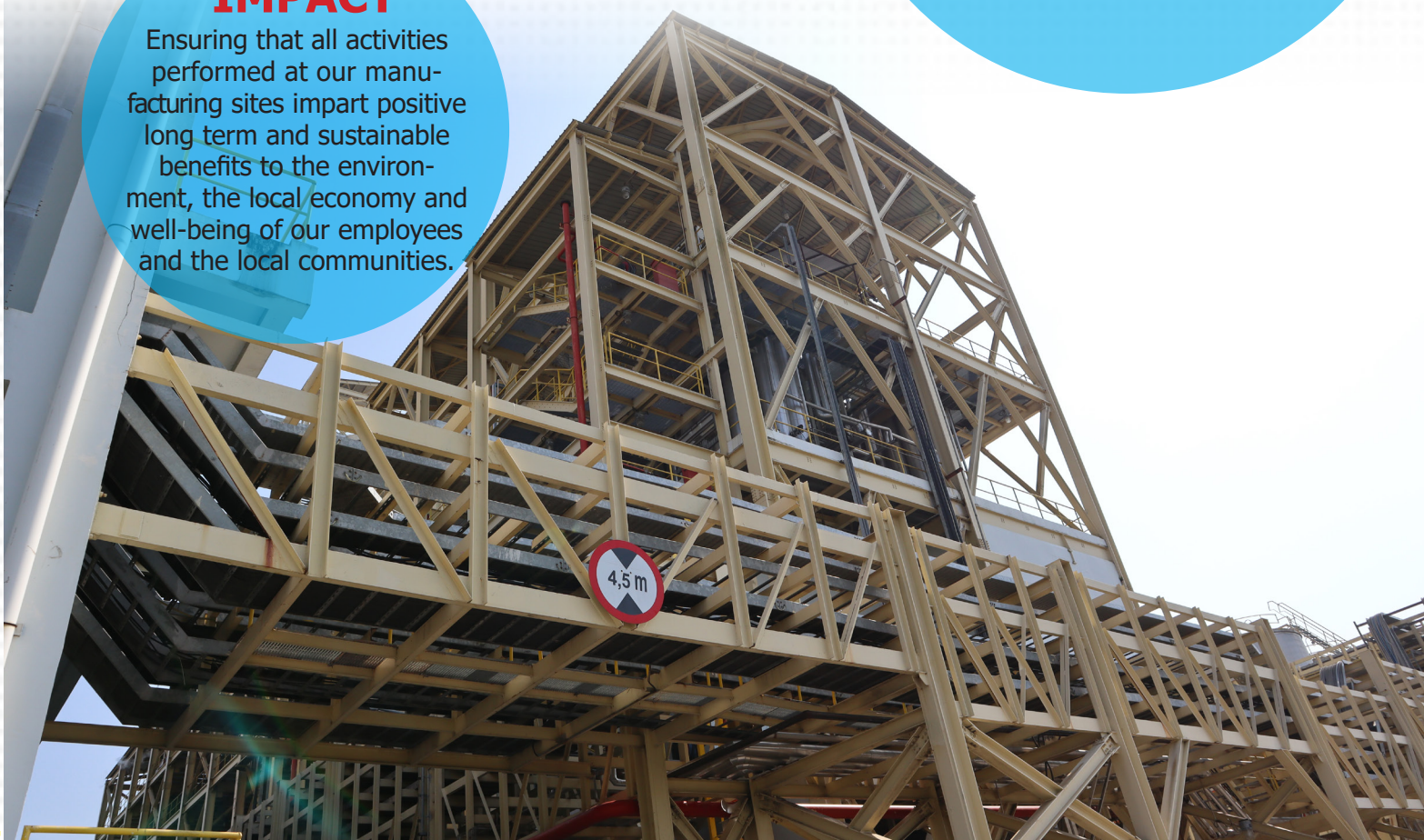
## PROCESS

### Continuous improvement

We constantly seek improvements and innovations to all aspects of our operations to ensure we continually operate in a manner that leads to greater energy efficiency, resource conservation and preventive pollution control.

## IMPACT

Ensuring that all activities performed at our manufacturing sites impart positive long term and sustainable benefits to the environment, the local economy and well-being of our employees and the local communities.





# Our Milestone



## 2019

### Resources Conservation

- Significant reduction of by-products generation from 4.5% to 2.8% after successful distillation train reconfiguration implementation
- Reduced Nitrogen (N<sub>2</sub>) consumption by > 30% via efficiency programs. Liquid N<sub>2</sub> purchase reduced by 70%
- Catalyst of hydrogenation unit extended beyond design capacity by 100% (halved the catalyst cost/mt product)
- Successful 2nd BWRO Project to improve SWRO quality hence increase CoC of cooling tower (Reduced chemical consumption & blowdown by 50%)

## 2019

### Pollution Prevention

- Reduced bottom ash disposal costs by 50% (~USD10k/yr) via segregation & recovery of pebbles from bottom ash
- Reduced carbon footprint of Thermal Oil heater by 48% vs 2018 via change of Fuel from Diesel to NG
- Eradicated risk of managing marine pollutant material ie. MeOH by switching H<sub>2</sub> feedstock to Natural Gas

## 2019

### Energy Efficiency

- Successful Conversion of fuel for Thermal Oil Heater (TOH) from Diesel to LNG
- Increase of condensate recovery by 3 folds
- Diversion of power supply for non critical users to PLN (national grid) to optimize compulsory offtake and reduce Coal consumption by > 2.8 KT /year



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## 2020

### Pollution Prevention

- Sought relevant authority's approval for the reuse of sludge, filter cakes and activated carbon as fuel for boilers following successful trials (pending approval from authority)

## 2020

### Resources Conservation

- To further reduce Nitrogen consumption through modification of tank blanketing systems (Nitrogen consumption = 25.80 Nm<sup>3</sup>/MT product, reduction : 10.17% compared to 2019)
- Reuse concentrated BWRO as additional raw water for the Water Treatment Plant at 81,976 m<sup>3</sup>/ year
- Reuse water from drain HE 117 as additional make up water for the cooling tower at 23,331.5 m<sup>3</sup>/ year.
- Recycle waste water from the WWTP effluents via the BDD process
- To improve production yield of main products by reducing yield of by- products from 3% to < 2.5%
- To further optimize catalyst life (extend useful life of catalyst by ~42% vs design)

## 2020

### Energy Efficiency

- Reduction of specific coal consumption per 56,640 MT steam produced – Total of 1,031 MT coal
- Increase of condensate recovery by 6.35 % compared to 2019
- Installation of high efficiency equipment – 3 FVD units – Total energy saving is 401,798 kWh/year
- Further optimization of energy consumption in Process plants
- To install heat recovery system for condensate return (heat exchanger with Boiler Feed water)
- Scheduled conversion of low efficiency motors (total power saving of 3 VFD = 401,798 kWh/year)





[102-40] [102-42] [102-45] [102-46] [102-47] [102-50] [102-51] [102-52] [102-54]

PT Energi Sejahtera Mas (PT ESM) in Dumai, Indonesia and at Sinarmas Cepsa Deutschland, Genthin ("SCDG") in Genthin, Germany. The materiality matrix established is as follows:





### Principle 1: Environmental and Energy Management

1. Maximize energy performance, reduce operating expenses and increase shareholder value by actively and responsibly managing energy consumption.
2. Demonstrate commitment to our community and leadership in our industry, by reducing environmental impacts associated with energy use.
3. Report and reduce greenhouse gas emissions.
4. Improve Waste Management.



### Principle 2 : Social and Community Engagement

1. Respecting the right of local communities to be informed and consulted about company's activities.
2. Responsible handling of concerns, complaints and grievances.
3. Responsible resolution of conflicts.
4. Open and constructive engagement with local, national, and international Stakeholders.
5. Positive economic, social and community development.
6. Empowering people through community development programs.
7. Respecting Human Rights.



### Principle 3 : Work Environment and Industrial Relations

1. Recognizing, Respecting and Strengthening the rights of workers
  - a. Practice ethical recruitment.
  - b. Prohibit the use of child labour and take measures to prevent the use of such labour in connection with our activities.
  - c. Prohibit the use of forced or bonded labour and take measures to prevent the use of such labour in connection with our activities.
  - d. Provide employment contracts to all workers in a language they understand.
  - e. Ensure our wage administration including distribution, schedules and language used are direct, timely and clear.
  - f. Ensure all workers are paid a wage equal to or exceeding the legal minimum wage.
  - g. Production target is used to calculate premium on top of the minimum wage.
  - h. Ensure working hours meet legal requirements.
  - i. Ensure all overtime is voluntary and compensated at a premium rate consistent with national law or Collective Labor Agreement (CLA).
  - j. Respect workers' freedom of association and the right to collective bargaining.
  - k. Ensure diversity within our workforce.
  - l. Practice zero tolerance of sexual and all other forms of harassment and abuse.



### Principle 4: Market Place and Supply Chain

1. Traceable and transparent Supply Chains.
2. Support to suppliers.
3. Due diligence approach.
4. Compliance with all relevant national laws and international certification principles and criteria



### Principle 5 : Innovation Through Technology & Development

1. We embrace technology innovation as part of our business process enhancement to meet customers' needs for on spec environmentally friendly products aligned to Quality Management System that we apply to all areas where SCPL operates. SCPL innovates to enhance its business process and deliver value to its customers.
2. Continuous Improvement and Innovation drives our team to review and find new ways to promote the efficiency and effectiveness of our business processes and products. We value new innovative ideas or initiatives from our internal stakeholders.





# Governance Body

“ We continued to grow from strength to strength in our efforts to continuously improve upon our Sustainability practises and in upholding our continued compliance with the Equator Principles Risk Management framework. ”

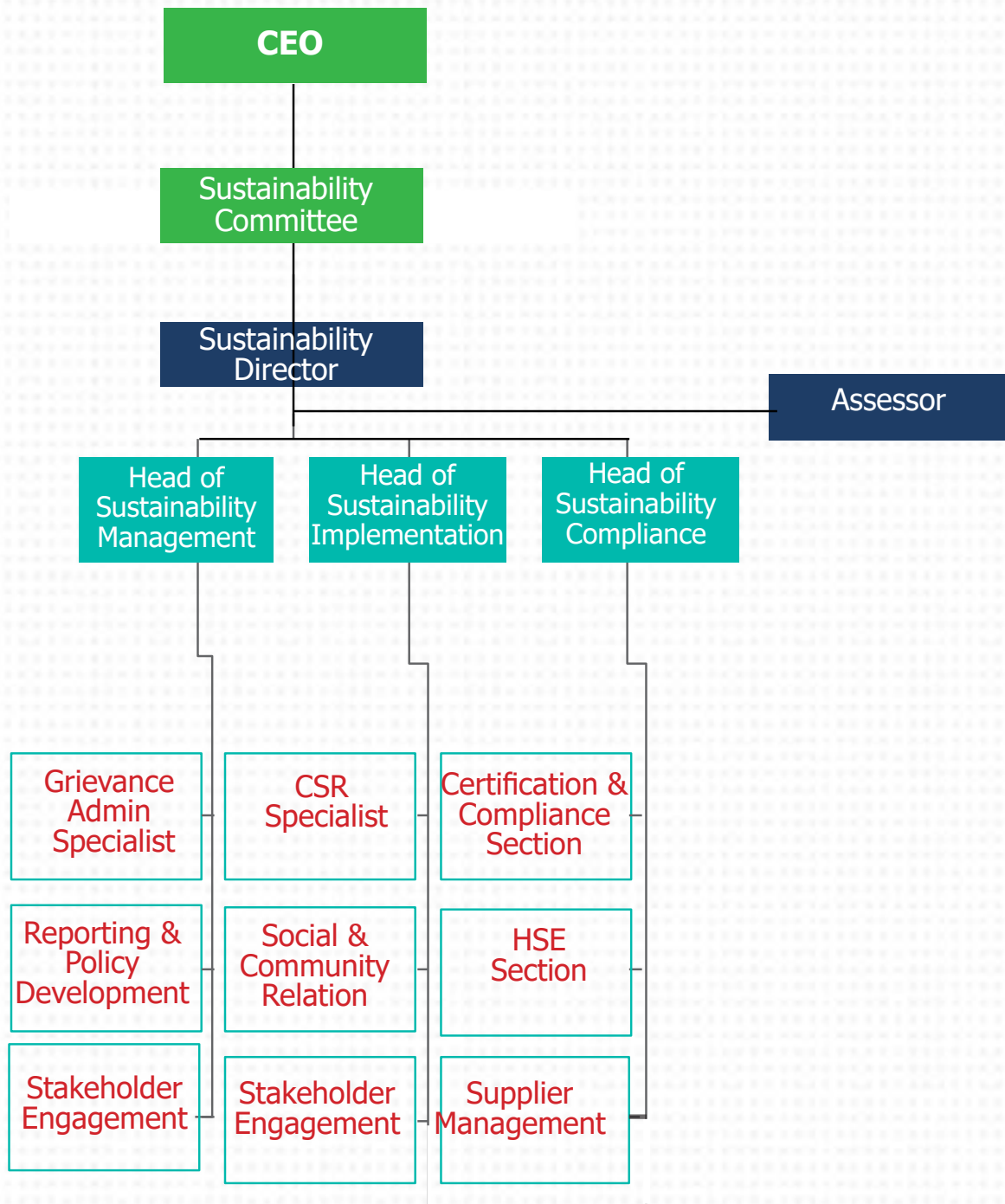


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# Governance Structure

The Sustainability committee manages all matters related to Sustainability and the fulfilment and implementation of social and environmental responsibilities. The organization chart below illustrates how Sustainability is managed at our organization. [102-18]





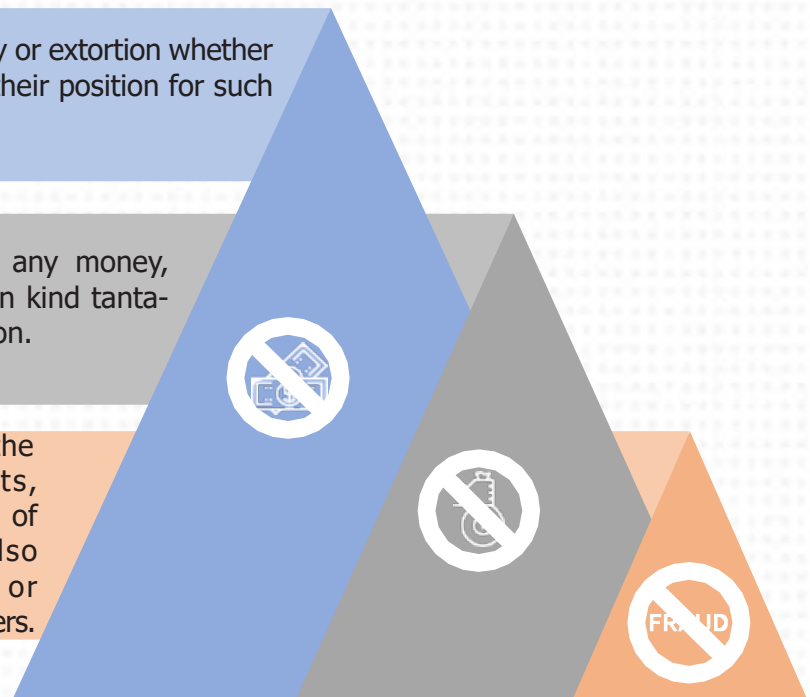
# Anti Corruption

[205-1] [205-2] [205-3]

We do not tolerate any forms of bribery or extortion whether in cash or kind. No one shall misuse their position for such acts.

No personnel shall accept or offer any money, goods, discounts, commissions and in kind tantamount to bribery and abuse of position.

No personnel shall misuse or steal the assets, intellectual property rights, confidential information or property of the Company. This prohibition also extends to the provision of false or misleading information to any stakeholders.



We are fully committed in preventing corrupt practises and this is clearly espoused in the Company's Code of Conduct. We continue to improve and strengthen our internal controls to ensure all dealings with customers, suppliers, government officials and third parties are conducted in a fair and transparent manner devoid of any forms of corruption. We have a dedicated independent Whistleblowing channel for any parties who wish to report such misconducts without fear of retribution.

We are proud that in 2020, there are no reported cases with regards to corrupt practises in our Company. We remain committed to continuously tightening our controls surrounding this area with zero tolerance for any and all forms of corruption.

All complainants may submit a report to :  
E-mail: [whistleblower@sinarmascepsa.com](mailto:whistleblower@sinarmascepsa.com)  
Addressed to: whistleblower Handling Team  
Sinar Mas Cepso Pte. Ltd.  
Golden Agri Plaza  
108 Pasir Panjang Road  
Singapore



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# Grievance Handling

[102-53]

SCPL has clear procedures in place to independently investigate and remediate any ethical or conduct violations that has detrimental implications (e.g. environmental issues, any forms of workplace discrimination, bullying). All grievances reported to our Grievance Handling Team are treated with utmost confidentiality and impartiality. We have in place a structured and formal approach to deal with any grievance report received from the point of report receipt, its review, remediation (if proven to be required) and follow up monitoring.

Grievances can be submitted to:  
 Sinar Mas Cepsa Pte. Ltd.  
 E-mail: [grievance@sinarmascepsa.com](mailto:grievance@sinarmascepsa.com)  
 Addressed to: Grievance Handling Team  
 Sinar Mas Cepsa Pte. Ltd.  
 Golden Agri Plaza  
 108 Pasir Panjang Road  
 Singapore



Receipt of Grievance  
report

Verification

Grievance Ranking to  
prioritize Action Plans

Preparation of Action  
Plan to remediate the  
Grievance

Executing the Action Plan  
(Grievance handling)

Monitoring and  
Evaluation

Closure of Grievance  
Case



# Ethics and Compliance

## 1. Employment is freely chosen [409-1]

SCPL has a formal policy with regards to Eth Code of Conduct ("COC") policy. A copy of th who has the responsibility to read and unders relevant training with regards to Ethics and Com

## 9. No harsh or inhumane treatment is allowed

Any form of physical abuse, verbal abuse, sexual harassment, intimidation and violations of our Code of Conduct in relation to treatment of employees is not tolerated. Proven violators will be dealt with strictly in accordance to our Company policies and relevant legislations governing such acts.

## 8. Regular employment is provided [401-2]

Work performed at all our sites strictly adhere to employment laws applicable to each location. We continuously stay abreast of prevailing employment laws and ensure we comply with them at all times.

## 7. No discrimination is practised [406-1]

We believe in equal opportunities for all and have zero tolerance towards any form of discrimination be it based on race, caste, religious beliefs, nationality, age, disabilities, gender, marital status, sexual orientation, union membership or political affiliation. This applies across all our human resource processes such as recruitment, access to training, promotions, termination or retirement.

## 6. Working hours are not excessive

We ensure that working hours across all our business in different geographical areas are in accordance with national laws. Overtime work is on a voluntary basis, is diligently monitored and fairly remunerated in accordance to prevailing laws.



ethics and Compliance as espoused in its official Code of Conduct (COC) is provided to each and every employee to understand its terms and abide by them. Additionally, compliance subjects are provided for our employees.

## 2. Freedom of association [102-41] [407-1]

SCPL and its business units strictly adhere to the no forced labour principle nor tolerate any forms of discriminatory employment practises. Employees are hired on merit, experience and competency. This principle extends to our 3rd Party workers as well and our HR department conducts periodical audits to ensure their compliance as such.

## 3. Working conditions are safe and hygienic

SCPL and its business units implement work place safety principles in strict compliance with the law and adapts the OHSAS 45001 standards to ensure it provides a safe and healthy work environment for its employees and contractors. Training as well as clearly defined work safety procedures including facilities for emergency cases and safety apparatus are provided to its employees and contractors to ensure their safety and wellbeing is maintained at all times.

## 4. Child labour shall not be used [408-1]

SCPL and its business units complies with the International Labour Organization ("ILO") principles and relevant rules and regulations in its process of hiring employees such as minimum age limits. Our Human Resource department additionally provides employee related information (e.g. age) periodically to the Local Labor Office as required by law.

## 5. Living wages are paid [405-2]

SCPL and its Business units fully comply with legislations pertaining to minimum wage regulations. In addition to wages, the Company provides eligible employees with benefits such as meal allowance and motorcycle and car loan subsidies. Our plant in Dumai utilizes an integrated software system to integrate its employee attendance lists, overtime tracking etc. together with its wage processing system to ensure a smooth, seamless and transparent remuneration system.





# Continuing Commitment to Social Performance



Attain **Global Leadership** in **Green** and **Sustainable Product**



# Occupational Health and Safety

## Management Approach

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

SCPL always seeks to comply with all regulations and best practises with regards to Occupational Health and Safety. There's no compromise when it comes to the health and safety of our employees and contractors.

Some of the key regulations which we adhere to are as below :

### Indonesian Regulation:

1. Indonesia Law no. 1 (1970) governing Occupational Safety and Health (e.g. work safety requirements, guidance, supervision, work accidents and P2K3)
2. Indonesia Law no 13 (2003) regarding employment (Job Training, Employment and Employment Relations)
3. Any local rules, legislations and best OSH practices across all our sites and offices

### Germany Regulation:

1. ArbSchG (Occupational Safety and Health Act) is a German Law on the implementation of occupational Health and safety measures to improve the safety and health protection of employees at work (regular controls by security officer and 4 meeting per year by an Occupational Safety and Environment Committee)
2. „ArbZG“ -Working Hours Act: regulates the minimum and maximum working time of employees
3. „JArbSchG“ -Youth Labor Protection Act

### Our Commitment:

To achieve zero work place accidents, prevention of occupational hazards and a healthy work force

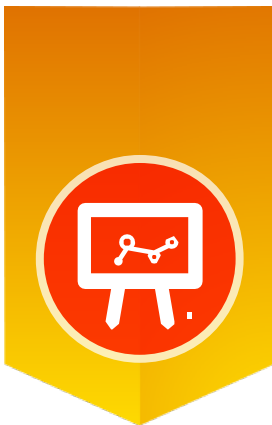






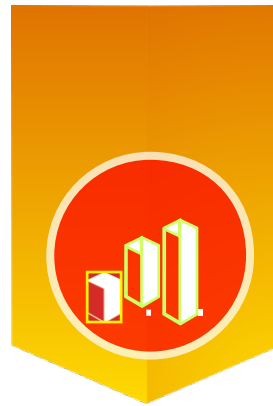
#### Realization:

- Zero workplace fatalities
- During 2020, 365 days were achieved without lost time injury (LTI) or serious accidents.



#### Evaluation:

SCPL diligently evaluates the adequacy and effectiveness with regards to the implementation of Occupational Health and Safety ("OHS") practises across all our sites. Evaluations are conducted every six months with the attendance of senior site management and key operational staff. Amongst others, regular reviews/ evaluation are performed for our HSE matrix, Permit to Work ("PTW"), Incident Rates/ Cases in order for us to adapt and improve our HSE practises on a timely basis with a focus on prevention rather than remediation.



#### Initiatives:

We have a strict list of Safety Fundamental Practises under our stringent HSE management System that governs key operational activities at our sites. Each and every employee or contractor who work at our site must comply with these safety practises as they are mandatory. The Safety Fundamental Practises govern key work processes such as :-

1. Permit to Work ("PTW")
2. Working at Heights ("WAH")
3. Transfer of Products ("TOP")
4. Management of Change ("MOC")
5. Lockout Tagout ("LOTO")
6. Confined Space Entry ("CSE")
7. Motor Operate Valve ("MOV")





# OHS Compliance and Implementation

[403-1] [403-7]



Since the inception of our operations, we have always ensured full compliance to all applicable legislations and best practises with regards to OHS across all our sites. As it is of paramount importance to us, OHS is firmly embedded within our organization's Risk Management framework. We continually keep abreast of OHS best practises to ensure we continually stay ahead of the curve. OHS is and will always be an integral part of our organizations' Key Performance Indicator as the safety and well-being of all our employees and on site contractors is non-negotiable.

SCPL has published internal OHS guidelines as a roadmap for the effective implementation of its OHS practises. Our sites perform annual OHS compliance audits which is carried out in accordance to stringent ISO 45001: 2018 OHS criteria. The results from both external and internal OHS audits are reviewed by management and recommendations for improvement are acted upon swiftly.

The implementation of OHS at our site typically begins with the identification of main hazards followed by the drawing up of procedures to mitigate or remove those hazards. The OHS procedures in turn guides the activities of our employees and on-site contractors. These procedures are socialized and implemented via programmes such as Job Safety Analysis ("JSA"), Safety Talks, General Safety Induction programs and Site/Area Specific Induction programs amongst others. These procedures are then audited by both internal and external bodies whereby recommendations for improvement are used to enhance these procedures.



# Workers Participation in Applying OHS

[403-2] [403-4][403-8] [403-9]



Occupational  
Health and Safety  
System Certified



Compliance with our OHS procedures is strengthened via measuring actual performances against a key set of OHS Key Performance Indicators ("KPI") such as Lost Time Incident Rate ("LTIR"), Process Safety Event ("PSE"). This ensures a higher level of accountability, focus and motivation to prioritize safety in all tasks by our employees at all times.

We conduct frequent trainings with regards to a diverse set of key OHS topics for all our employees such as First Aid, Emergency Response and Safety at Work etc. Our employees understanding of the topics are then evaluated to assess their level of understanding or if further training is required.



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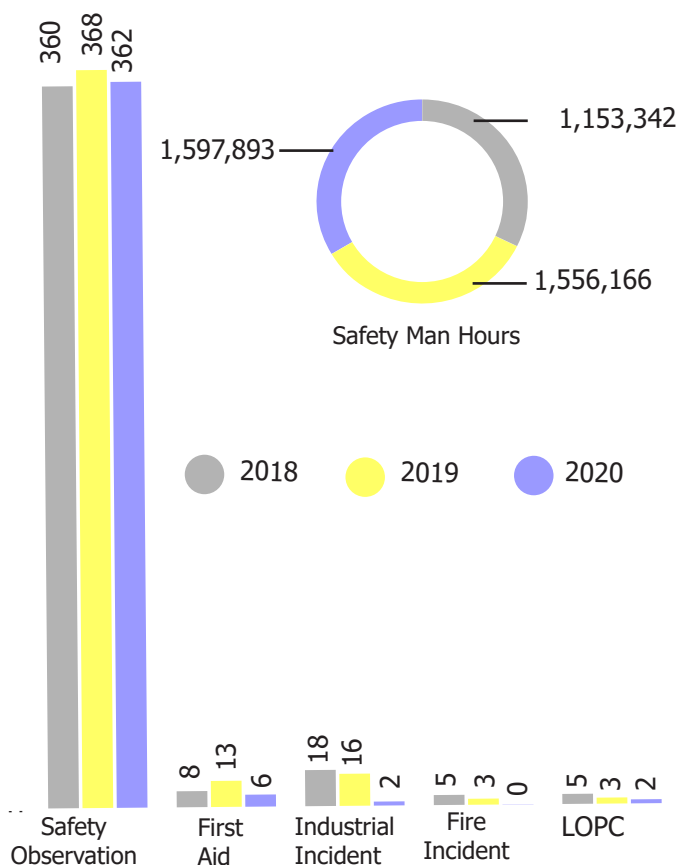
SCPL routinely conducts emergency response drills at its manufacturing sites. A total of 10 emergency response exercises were conducted in 2020 at PT ESM led by our employees who are trained and qualified as Emergency Response personnel. The emergency response exercises encompassed activities such as fire drills, evacuation drills and spillage drills. Such exercises are crucial to maintain our level of readiness to deal with real life emergency response situations. The type of drills conducted in 2020 at PT ESM are listed in the table below.

No	Date	Type of Drill	Location
1	January 31th, 2020	Spillage Drill	Chemical Storage tank Utility
2	February 27th, 2020	Fire Drill	FOH S110/112
3	August 13th, 2020	Evacuation Join Drill	CFPP
4	August 25th, 2020	Spillage Drill	Warehouse Technical
5	September 22nd, 2020	Fire Drill	PPH
6	October 13th, 2020	Spillage Drill	Laboratorium
7	October 8th, 2020	Fire & Evacuation Drill	Maintenance Workshop
8	November 11th, 2020	Evacuation drill	Warehouse Finish Good
9	November 19th, 2020	Spillage Drill	Tankfarm
10	December 30th, 2020	Evacuation Join Drill	Logistic

SCPL is fully committed to the prevention of work accidents and occupational related health problems for its employees and indirect workers. Our strong and dedicated effort in implementing our OHS procedures has shown positive results for our site

A testament to this is the huge decline in reportable Industrial Incidents from 16 cases in 2019 to only 2 cases in 2020. There were no fatal accidents or zero fatality during 2020.

### ESM OHS Performance







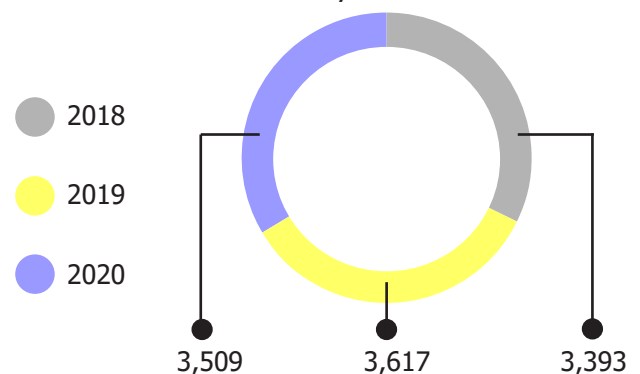
Our operations site in Genthin, Germany conducted 4 emergency response drills in 2020. The aim of the drills were to test the emergency response team and their equipment's readiness to handle real life emergencies. The drills conducted in 2020 are listed in the table below.

No	Date	Type of Drill	Location
1	May 14th, 2020	Simulation SO2 Emission	Plant
2	May 15th, 2020	Simulation SO2 Emission	Plant
3	September 29th, 2020	Fire	Plant
4	December 11th, 2020	Fire	Plant

### SCDG OHS Performance

	2018	2019	2020
LTIR	0	0	2
LTI	0	0	0
First Aid	0	1	0
Industrial Incident	0	0	0
Safety Observation	0	0	0
Fire Incident	0	0	0
LOPC	1	0	1

### Safety Man Hours



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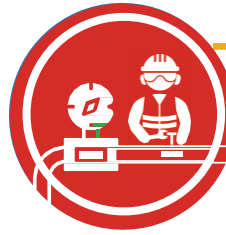
# High Risk OHS Hazard

[403-2][403-8]

At PT ESM, we provide 24 hours clinical facility services for our employees and indirect workers to enable them to receive prompt medical treatment/ consultation especially as a first response treatment under emergency conditions. This is just one of many initiatives we have implemented for our employees' health and well-being. A testament to our commitment to maintaining high OHS standards is the awarding of the ISO 45001: 2018 certification to our site. We emphasize consistency in our OHS practices and in embedding it as part of our daily work culture.

A higher level of emphasis and meticulous OHS procedures and training are given to our employees who work in high OHS risk tasks and areas which have heightened risks of serious injuries and death as a result of those injuries. The 4 types of high risk work include: (i) Working at Heights, (ii) Working in Confined Spaces, (iii) Working in Hot Exposure areas and (iv) Logistics. In 2020, there were no workers who suffered from any major work related injuries or illnesses.

## Working in Confined Space Area



Conducted periodical training and certifying operators

## Working in Noisy Area



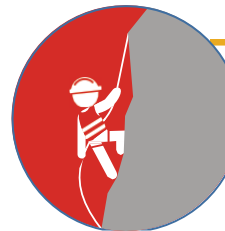
Conduct monitoring and risk assessment

## Working in Hot Exposure Areas



Conducted training for operators and performed risk assessment

## Working at Heights



Conducted periodical training and certifying operators







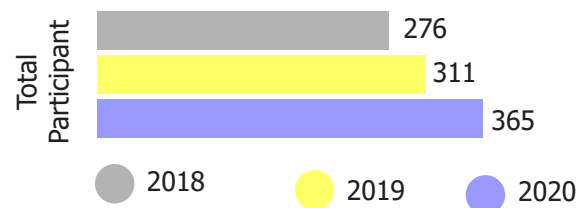
## Occupational Health

[403-3] [403-10]

In order to ensure a healthy work force and to prevent occupational diseases, our employees are subject to annual medical check-ups at both of our operating sites. We have collaboration with third party medical facilities which are certified by the authorities in to provide medical check-ups. The results of the medical check-ups are then shared with the relevant employee, analyzed and appropriate measures are then taken to remediate deficiencies identified. Recommendations provided by the medical doctors are swiftly followed up to ensure the health and well-being of our employees are safe-guarded.

The annual medical check-up of our indirect workers are under the responsibility of their employing organization. The results of the medical-check ups are shared with us for monitoring and preventive/ remediative actions.

### Health Program Participation



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## Employee Management



### **Health Insurance** [401-2] [403-6]

Our employees at our site in Dumai, Indonesia have health insurance coverage via the SIMAS SEHAT scheme originated by PT Asuransi Sinar Mas. It's a cashless scheme for employees who seeks treatment which is governed by the terms of the policy. We strictly abide by the BPJS Health and BPJS Employment legislations which are both governed by statutory legislations (e.g. Indonesia Ruling No. 40, 2004 with regards to the National Social Security system).

### **Maternity leave entitlements** [401-3]

ESM Site policy:

Maternity and Paternity Leave Entitlements in compliance to Indonesian legislations.

Female : 1.5 months leave before and 1.5 months after giving birth

Male: 3 days of paternity leave

We abide by the MuSchEltZV ordinance with regards to maternal and paternal leave. Under this ordinance, parents have the opportunity to opt for Parental Leave of up to 3 years subject to complying with certain stipulations of the ordinance.

From the day a female employee is pregnant; rulings such as no night shifts and working in the laboratory only under very safe conditions (e.g. harmless air, no dealing with hazardous chemicals) begin to apply.

### **SCDG Social Benefit**

Below are some of the schemes provided to our employees at SCDG:

- 1) Contribution towards childcare (for young children below a certain threshold)
- 2) Healthy Bonus payments for each month the employee is fit for work
- 3) Promoting Blood Donation by providing fully paid time-off for blood donation
- 4) Contribution towards a private long term care insurance on top of the compulsory long term care insurance mandated
- 5) Provision of free meals for working during the COVID-19 pandemic

### **Promotion/regular performance** [404-3]

We recognize and seek to reward employees who've demonstrated loyalty and provided a high degree of work performance/ commitment. Our priority is to continue to motivate both excellence and continuous improvement as well as ensuring our employees reach or exceed their full potential. This is done by a combination of awards, promotions and providing necessary training to our employees after having performed relevant employee performance assessments against a set of objectives and KPIs Throughout 2020 PT ESM provided as many as 45 promotional opportunities to employees.





## Training Program

[404-1] [404-2]

We are committed to the professional development and skills/ knowledge enhancement of all our employees. Training provided to the employees are geared towards job competency requirements as well as career development. The Trainer and Course selection process is carried out to ensure it is relevant and adequate to meet the participants training requirements. The effectiveness of each training delivered is firstly assessed by feedback to the trainer and subsequent monitoring of employee work performance post training in areas related to the training delivered.

### Total Training (Hour)

	2018	2019	2020
ESM	10,409	11,909	11,293
HQ	26	107	48
SCDG	716	1,013	651

### Average per Employee

	2018	2019	2020
ESM	30.26	30.7	29.03
HQ	2	4.28	2
SCDG	26.52	29.79	18.6

The employee's supervisor play an instrumental role ultimately in gauging whether the skills and knowledge obtained from the training is effectively applied by the employee in their work.

In 2020, there was a reduction in training hours per employee as various trainings meant to be conducted on site or face to face could not take place due to the COVID-19 pandemic. To this effect, we have steered towards virtual on-line training sessions to ensure our employee's are still able to attend relevant training sessions to enhance their work knowledge, skills and competencies



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## Employee Recruitment [401-1]

In line with our growth, recruiting a diverse and talented workforce is essential for us to meet our objectives. We have in place a robust recruitment process that is fair, transparent and is able to ensure we are able to employ the right personnel for the right position. Our recruitment process is conducted openly, fairly and with no discrimination. As and when new positions arise, they are published via our official website <https://sinarmascepsa.com/careers> or other sites as mandated by relevant legislations.

Prospective employees are free to apply for advertised positions and those who meet the job criteria will be shortlisted for the interview process. Employee selection is then performed objectively against a set of defined requirements for the role. In 2020, we recruited 27 new employees for our site in Dumai, 2 new employees in Genthin and 2 new employees at our HQ in Singapore.

## Employee Turnover [401-1]

Employee turnover is a common event in a very competitive industry such as ours. We advocate the principle of Freedom to Choose (as spelled out in our ETI base code). All our employees are also given the right to air their grievances or opinions via an independent internal forum and valid grievances are investigated and acted upon.

Despite the highly competitive nature of our industry, we have managed to keep employee turnover at relatively healthy levels. At PT ESM, only 12 employees chose to resign (vs 22 resignations in 2019). There was only one resignation at SCDG, Genthin and 5 at our HQ. The main factors cited for termination are having entered into retirement age and family commitments.

## ESM Membership of Association [102-13]

The list of our membership in various key industry associations are as listed below.

Association	Role	Scope
Asean Oleochemical Manufacturers Group (AOMG)	Member	International
Indonesian Oleochemical Manufacturers Association (APOLIN)	Member	National
Paguyuban Sinarmas	Member	National







# Community Empowerment

[413-1] [413-2]

SCPL is committed to enhancing the lives of the local communities in areas where it operates. This is done via actively engaging with the local community to understand their needs and aspirations and then to carry out effective activities targeted towards these needs. In 2020, our focus was veered towards supporting the local community in meeting the challenges posed by COVID-19 pandemic. In addition to that, various programs to assist the under-privileged members of the community were carried out such as donation drives and educational co-operation/ support between ESM and various high schools and universities in Dumai.





A key annual community program involves the handing over of a sacrificial animal for the Eid al-Adha Islamic religious celebration. In 2020, a cow was donated to the Al-Iman Mosque in Lubuk Gaung, Dumai. The meat from the animal was then distributed to the local community targeted towards the less fortunate members of the community.



Due to the COVID-19 pandemic in 2020, the blood supply available at the Indonesian Red Cross ("PMI") was driven to scarcity. Via careful co-ordination and planning amidst the pandemic, PT ESM managed to successfully carry out a blood donation drive on its own (previously, in 2019 it was via a consortium of Sinarmas affiliated companies) in August 2020 which was participated by 52 of its employees.

PT ESM donated two basketball hoops in conjunction with the local Dumai government's initiatives to revitalize the development of the Bukit Gelanggang Park as a green open space area for fitness and sporting activities. The handover was conducted on 5 November 2020 and we hope that this act will help spur public interest in exercising and in leading a healthy lifestyle.



Throughout the initial critical periods of April to June 2020 of the COVID-19 Pandemic, PT ESM conducted weekly disinfectant spraying exercises to various places of worship and houses in its vicinity such as the Al Anshor Mosque and Al Anshor Amin Mosque in Lubuk Gaung, various mosques in Mampu Jaya and in Tanjung Penyembal as well as churches and temples in Lubuk Gaung. These efforts were met with positive response by the local community and indeed, helped mitigate the spread of COVID-19 within these area. These efforts also helped curb the spread of COVID-19 from reaching dangerous levels in the surrounding villages in Lubuk Gaung.



Since its inception, PT ESM has always placed great emphasis in fostering, nurturing and strengthening a good and healthy relationship with its local community and has not wavered in conducting suitable events to this effect. On 6 November 2020, PT ESM held a Joint Prayer session with orphans and the under-privileged from its surrounding community and additionally, a total of 100 food packages were distributed at the event. The event was well received and we endeavour to have more similar activities.





In response to the COVID-19 pandemic, PT ESM provided medical masks and various other important Personal Protective Equipment ("PPE") for the medical front-liners in Sungai Sembilan and the Purnama Community Health Center in Dumai. All in, ESM donated a total of 2,500 medical masks and 20 Hazmat coveralls, Face Shields and Medical Gloves. The donation helped to alleviate the shortage of such materials as well as pre-empt the challenges to bring in such materials for the front-liners prior to the Eid-al-Fitr period.







# Continuing Commitment Environmental Sustainability



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## Environmental Management

## Management Approach

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

Compliance with environmental management laws and regulations is an important aspect of the sustainable operations carried out by SCPL

## Policy related Indonesia Government Regulation

1. Constitution Law No. 32, 2009
2. Government Regulation No. 22, 2021

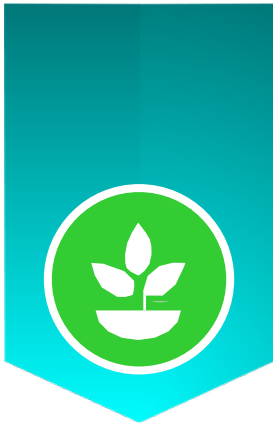
## Policy related to to German Government Regulations

1. GefStoffV – Hazardous Substance Ordination
2. BImSchG – Federal Emission Control Act
3. KrWG/ AbfG – Recycling and Waste Management Act
4. WHG – Water Resources Act
5. ChemG – Chemicals Act (Act related to Protection Against Hazardous Substances)

Commitment: Full compliance with relevant laws as stated above and zero impact and complaints from the local communities and relevant stakeholders where we operate







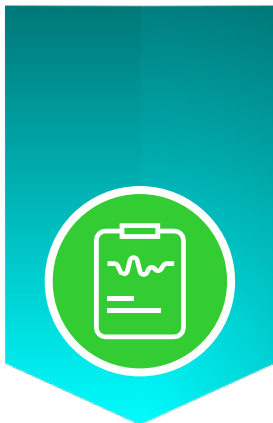
### Realization:

- Certified and Implemented Environment Management System (EMS) ISO 14001:2015
- Implemented the Equator Principles



### Initiative

- We are committed to conducting the Energy Audit in 2021



### Evaluation:

PT ESM periodically submits its Environmental Monitoring Plan and Environmental Management Plan reports to the authorities, as a mechanism for evaluating its environmental management programs/activities. Internally, the environmental management supervision is the responsibility of the Environment Department.



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## Environmental Compliance and Implementation

[304-1] [307-1]



PT ESM is located in Lubuk Gaung, Sungai Sembilan District, Dumai. It is located within an Industrial Zone in accordance with the Dumai Regulation No. 11, 2002 with regards to the Spatial Plan for Dumai.

PT ESM is committed to continue to maintain the quality and quantity of its treated wastewater before it is discharged to the sea. A key facility to meet this commitment is its onsite Waste Water Treatment Plant ("WWTP") used to treat wastewater originating from its plant operations and other site activities. The wastewater treatment is principally carried out by physical and chemical processes such as neutralization, coagulation, flocculation, sedimentation and filtration.

PT ESM has since 2016 been granted a permit for the disposal of treated liquid waste into the sea under Permit No. SK.442/Menlhk/Setjen/PKL.1/5/2016 as decreed by the Ministry of Environment and Forestry. PT ESM continues to ensure that its liquid waste released into the sea meets the quality standards per its permit and routinely monitors the quality and quantity of its liquid waste according to compliance check points. Its compliance is evidenced by the absence of fines or citations from the relevant authorities in relation to treated liquid waste into water bodies.

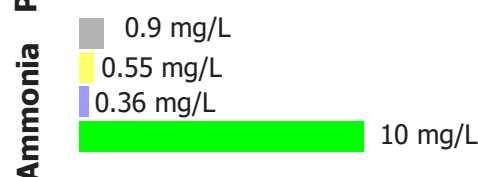
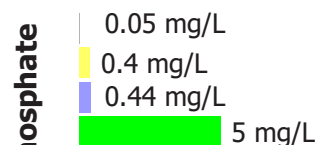
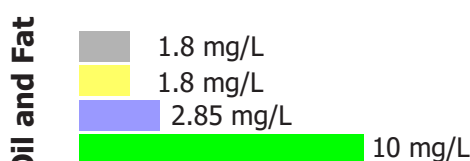
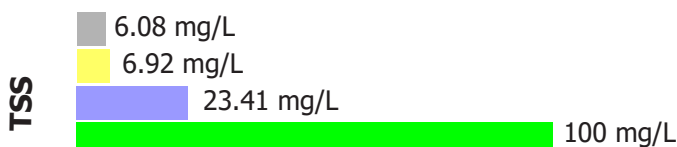
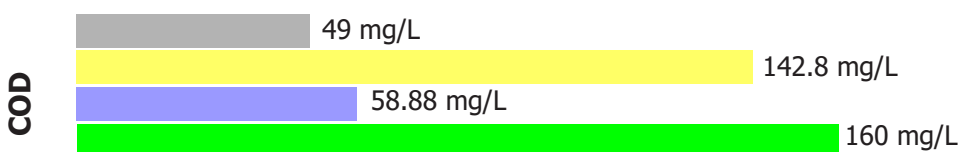
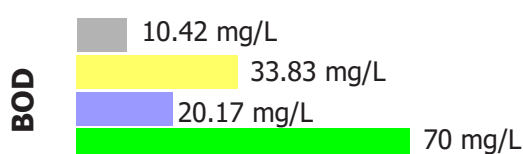


# Waste Water Monitoring

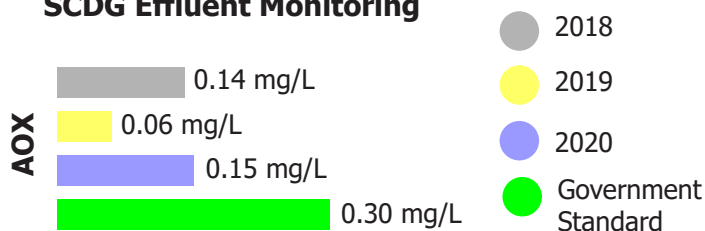
[306-1]

PT ESM periodically monitors its wastewater discharge quality at various sampling points in accordance to sampling methods per SNI 6989.59:2008 standards and the samples are analyzed using an accredited laboratory. The results has thus far indicated full compliance with required standards. Additionally, flow meters are installed at several critical monitoring points to monitor the discharge quantity of liquid waste into the sea to ensure they meet required provisions. The results of these efforts are reported periodically to the relevant authorities.

## PT ESM Monitoring result



## SCDG Effluent Monitoring



SCDG does not perform its wastewater treatment internally but rather via a centralized wastewater treatment plant operated by its local municipal authority. Prior to sending the wastewater for treatment, mandatory parameters with regards to AOX and Heavy Metals are checked to ensure they comply with local regulations. SCDG's wastewater does not contain Nitrogen Phosphate or Ammonia additives. Heavy Metals only enter into the wastewater via corrosion.

Overall, the quality of liquid waste released into the has improved compared to previous years. At PT ESM, there was a significant 58.5% decrease in COD discharge. Whilst there was a slight increase in TSS, phosphate and oil & fat discharge parameters, they exceedingly still met the required quality standards.

Based on results of measurements related to plankton at several monitoring points, the diversity index value for 2020 ranged between 3.55 - 4.61 as compared to the initial environmental baseline of 0.99 – 2.14. Our diversity index has been improving from year to year and is a testament to PT ESM's successful environmental management.



# Solid Waste Monitoring

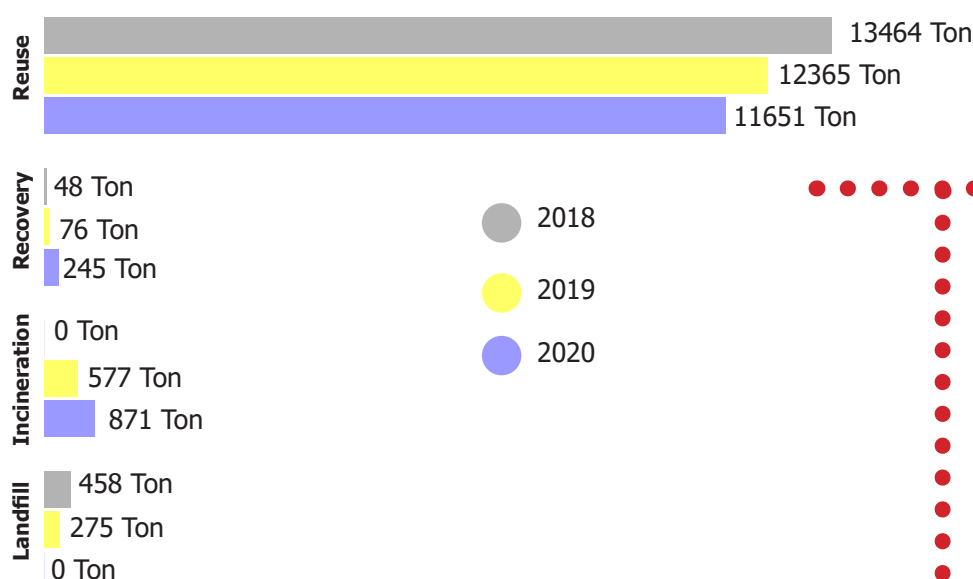
[306-2] [306-4]

Since 2018, PT ESM had obtained permission from the Dumai Investment and Integrated Service authority to manage hazardous and toxic waste (B3) in relation to temporary storage activities. The permit was renewed in 2019 to include the addition of a new building with a larger capacity for the temporary storage of B3 waste. To date, PT ESM has 2 buildings for the temporary storage of B3 waste and 2 Silos for fly ash and bottom ash.

PT ESM co-operates with 3rd parties for the transportation and management of B3 waste. PT ESM always ensures that the 3rd parties it deals with have valid permits for B3 waste management activities from the Ministry of Environment and Forestry as well as relevant permits to transport hazardous materials (B3) issued by the Director General of Land Transportation.

Additionally, PT ESM performs regular audits on its 3rd parties responsible for managing B3 waste to ensure they comply with applicable laws and regulations. PT ESM's B3 waste management activities are regularly reported to the Ministry of Environment and Forestry, the Riau Province Environmental Service Organization and the Dumai Environmental Service Organization. PT ESM also utilizes an online reporting facility provided by the Ministry of Environment and Forestry, namely the Environmental Electronic Reporting Information System ("SIMPEL") under the SIRAJA Reporting of Hazardous Waste Management. Since mid-2020, the SIRAJA application has been integrated with Festronik ("Electronic Manifest") to ensure any waste management activities by 3rd parties are properly monitored.

**ESM Hazardous Waste by Disposal Method**

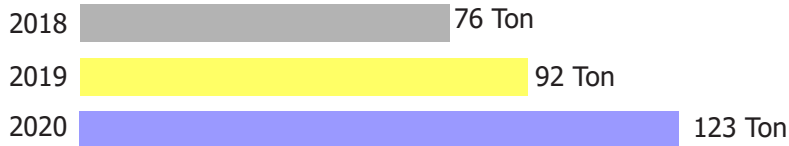


In 2020, 91% of the total B3 waste generated were reused as raw material for the cement industry. This activity was carried out by PT Semen Padang who has a permit from the Ministry of Environment and Forestry. In addition, 7% of the B3 waste were handed over to PT Wasotec International for incineration and 2% of the B3 waste to PT Pasadena Metric, Indonesia for recovery.

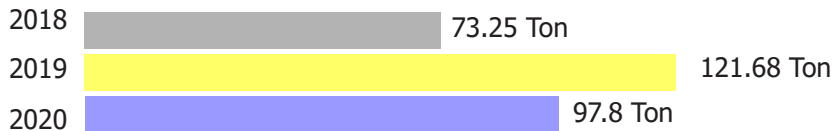
From 2018 to 2020, PT ESM has been successful in minimizing its total yearly generation of B3 waste. In 2020, PT ESM reduced its yearly B3 waste by ~4% (~500MT) as compared to 2019.



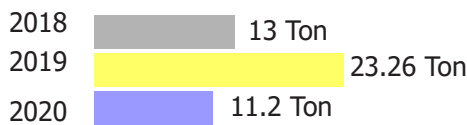
### ESM Non Hazardous Waste



### SCDG Hazardous Waste



### SCDG Non Hazardous Waste



**Environmental  
Management  
System Certified**



## Energy Management

### Energy Use by ESM [302-1]

	2018	2019	2020	Unit
Natural Gas	151,616	774,761	883,464	GJ
Electricity	249,434	311,159	326,857	GJ
Coal	2,162,786	2,157,915	2,221,869	GJ
Diesel	428,055	213,183	1,255	GJ

1. Natural Gas consumption (up by 14%\*)  
Natural gas consumption increased by 14% due to higher hydrogen production and a full switch in usage of Natural Gas in the Thermal Oil Heater unit. NG is known to offer better energy efficiency compared to diesel.
2. Electricity (up by 5%\*)  
Increase in consumption was driven by higher production volumes
3. Coal (up by 3%\*)  
Increase in consumption was driven by higher production volumes
4. Diesel (decrease by 99.4%\*)  
Due to full switch of Thermal Oil Heater fuel source from Diesel to Natural Gas & high uptime of the Steam Turbine Generator

NB: \* = compared to 2019



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#### Energy Intensity by ESM [302-3] [302-4] [302-5]

	2018	2019	2020	Unit
Total Production	161,485	191,902	209,552	Ton
Total Energy Used	2,991,891	3,457,018	3,433,445	GJ
Energy Intensity	18.53	18.02	16.38	GJ/Ton

The total energy consumption for each tonne of production or energy intensity at PT ESM in 2020 was 16.38 GJ/ Ton. This was a decrease compared to 2019 at 18.02 GJ/ Ton and 2018 at 18.53 GJ/ Ton.

The energy efficiencies gained in 2020 is a testament to our successful resource conservation activities under our Operational Sustainability Program.

#### Energy Use by SCDG [302-1]

	2018	2019	2020	Unit
Natural Gas	75.966	94.215	106.630	Giga Joule
Electricity	27.953	33.911	39.586	Giga Joule

- The total energy consumption was steadily increasing in line with higher production volumes
- With pro-active initiatives to reduce the energy consumption per MT of production, the energy intensity has improved in 2020 compared to 2019 and 2018 (per the table below)

#### Energy Intensity by SCDG [302-3] [302-4] [302-5]

	2018	2019	2020	Unit
Total Production	14,307	20,512	29,598	Ton
Total Energy Used	103,919	128,126	146,216	GJ
Energy Intensity	7.3	6.23	4.94	GJ/Ton

The total energy consumption for each tonne of production or energy intensity at SCDG in 2020 was 4.94 GJ/ Ton. This is significantly lower as compared to 2019 and 2018 with a reduction of 20% and 33% respectively.



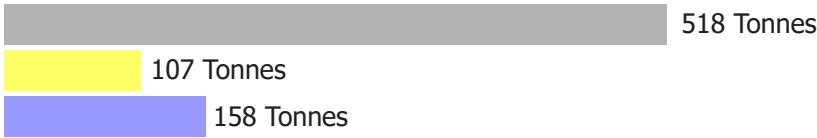
**EQUATOR  
PRINCIPLES  
CERTIFIED**



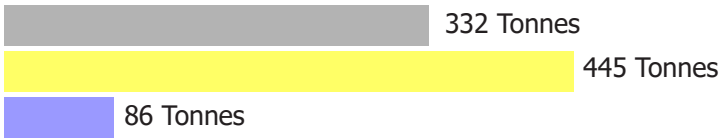
# Emission Control [305-5] [305-7]

## Emission Control by ESM

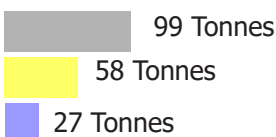
SOx



NOx



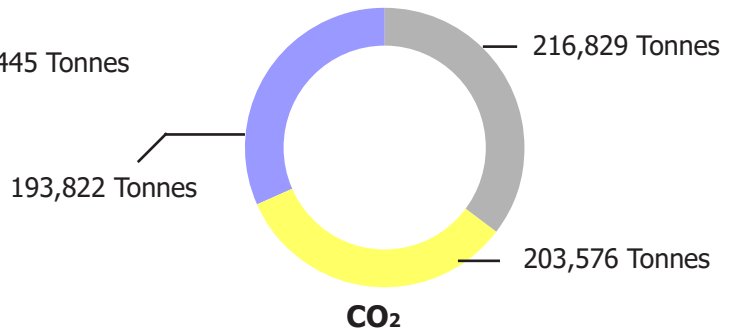
Particles



2018

2019

2020



CO<sub>2</sub>

In 2020, the overall total emissions reduced significantly as compared to 2019 and 2018.

SOx emission (up by 47.6%\*)

This was due to unplanned shutdown, a mini Turn Around and a Turn Around.

NOx emission (down by 80.7%\*)

Due to a full conversion from diesel (Thermal Oil Heater) to Natural Gas, the NOx emission was reduced substantially.

Particles Content (down by 53.4%\*)

Due to a full conversion from diesel (Thermal Oil Heater) to Natural Gas, the NOx emission was reduced substantially.

CO<sub>2</sub> Content (down by 4.8%\*)

Due to a full conversion from diesel (Thermal Oil Heater) to Natural Gas, the CO<sub>2</sub> emission was reduced substantially.

NB: \* = compared to 2019



## Emission Control by SCDG

	2018	2019	2020
SOx	9	9	0.254
VOC	0.5	0.5	0.36

Data of 2020 based on latest effluent measurement 2018 and 2019 calculated with the maximum permitted values



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# Water Management

[303-1] [303-4] [303-5]

## Water Management of PT ESM

	2018	2019	2020
Water withdrawal (m <sup>3</sup> )	24,754,724	25,141,791	27,944,308
Water Discharge (m <sup>3</sup> )	23,712,989	23,868,251	26,873,663
Water Consumption (m <sup>3</sup> )	1,041,735	1,273,539	986,015

In 2020, in parallel with higher production, the total water withdrawal increased but due to a more efficient usage of water, the total consumption decreased:

### Water Withdrawal (up by 11.1%\*)

Water withdrawal for Condenser increased due to a load increase at the Steam Turbine Generator ("STG"), hence more cooling water was required for maintaining vacuum pressure. In addition, there was a higher consumption of water for the Water Treatment Plant to support a higher plant load.

### Water Discharge (up by 12.6%\*)

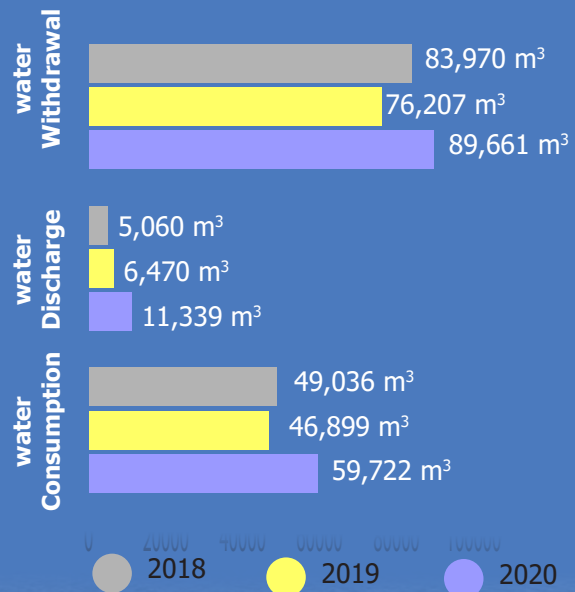
Due to a full conversion from diesel (Thermal Oil Heater) to Natural Gas, the NOx emission was reduced substantially.

### Water Consumption (down by 22.6%\*)

Net water consumption decreased due to higher efficiency in usage of water.

NB: \* = compared to 2019

## Water Management of SCDG



An overall increase of water consumption and water discharge in line with higher production volumes. Due to efficiency, specific water consumption per MT production was reduced.







# Continuing Commitment to Economic Performance



Attain **Global Leadership** in **Green** and **Sustainable Product**



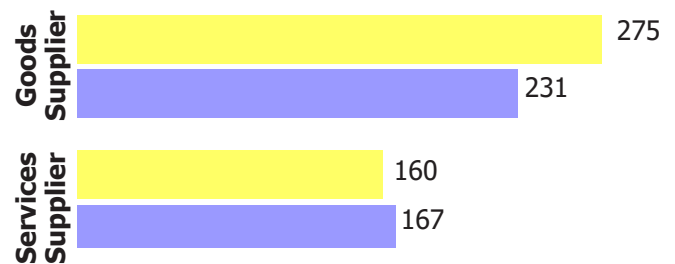
## Procurement Practice

[204-1]

We recognize that a sustainability driven procurement process is an important activity to ensure the provision of key goods and services to our business units. We have implemented a multi-stage approval system in our procurement process starting from the user level right up to senior management. The system implemented is designed for to facilitate a robust monitoring process with transparency at its core. We apply stringent criteria in our vendor selection process ranging from Legal, Quality, Environmental and Social aspects amongst others.



ESM's total Suppliers



● 2019

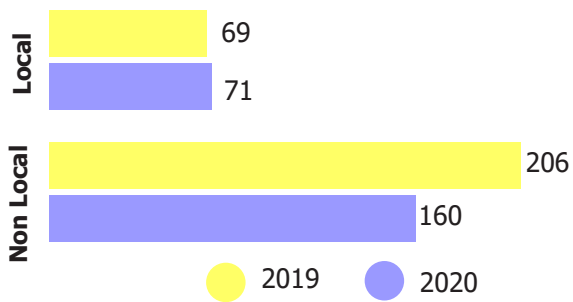
● 2020

SCDG's total Suppliers

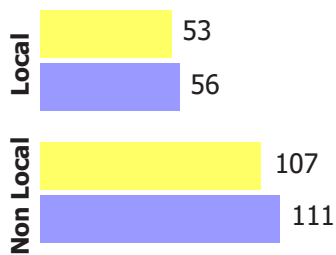




### Breakdown of ESM's Goods Supplier



### Breakdown of ESM's Services Supplier

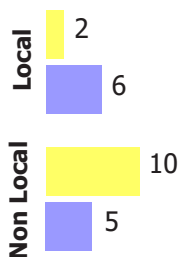


**Local** : Riau and North Sumatra province

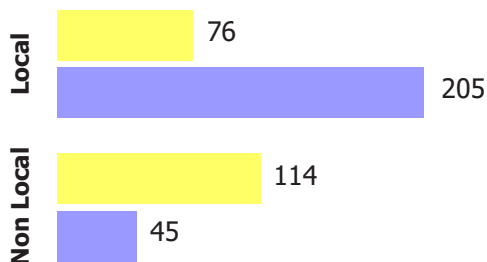
**Non Local** : Outside Riau and North Sumatra province

Our definition of local and non-local is based on the geographic area closest to our site. In 2020, ESM qualified more alternative service suppliers in line with its strategy to boost the level of competition amongst its service suppliers to ensure a better quality of service and improved cost competitiveness.

### Breakdown of SCDG's Goods Supplier



### Breakdown of SCDG's Services Supplier



**Local** : Germany

**Non Local** : Outside Germany



Attain **Global Leadership** in **Green and Sustainable Product**



## Continuing Commitment in Facing the Pandemic Situation





# Pandemic Management

## Management Approach

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

We are committed to pro-actively participating in governmental sanctioned as well as local community efforts in curtailing the spread of COVID-19 and mitigating its impact to lives and livelihoods.

### Policy:

1. Minister of Health of the Republic Indonesia No. HK. 01.07/MENKES/328/2020
2. Minister of Health of the Republic Indonesia No. HK. 01.07/MENKES/413/2020

### Commitment:

To fully adhere to government directives and initiatives in controlling the spread of Covid-19 as well as establishing stringent internal control measures to curb and manage Covid-19's impact to our employees and stakeholders.



Attain **Global Leadership** in **Green** and **Sustainable Product**

In 2020, SCPL faced the onslaught of the COVID-19 global pandemic which threatened the health of its employees, indirect workers and stakeholders at large. Upon the official declaration of COVID-19 as a Global Pandemic by the World Health Organization ("WHO"), we proactively prepared clear guidelines under our Management of Exceptional Disease Preparedness ("Pandemic Preparedness Plans") to effectively manage this crisis. The plan addresses three key areas:

1. Maintain the health and safety of our employees, our employees' families and our surrounding communities;
2. To enforce pre-emptive steps to control and slow down the spread of infection; &
3. To ensure the sustainability of our Operations

We carried out several key activities for the prevention and handling of COVID-19, namely for mitigating the risk of infection spread, screening/ testing, treatment and recovery for identified cases. Amongst many stringent measures carried out as applicable to our various sites were :

1. Body temperature checks at strategic locations
2. Distance restriction marking in our Canteen, Smoking areas, Drivers Waiting Room, Lobby and Operating Buses
3. Installation of desk dividers in the office and in the Operating Buses
4. Distribution of face masks to our Employees and Indirect Workers
5. Distribution of Vitamin pills to our Employees and Indirect Workers
6. Disinfecting work areas and providing hand sanitizers for use at strategic areas
7. Providing dedicated isolation houses
8. Out-of-town travel restrictions
9. Work From Home and Work in Office arrangements
10. Enforced full work from home for pregnant employees
11. Educational health talks by our medical team
12. Installation of banners and posters with pertinent COVID-19 information/ education



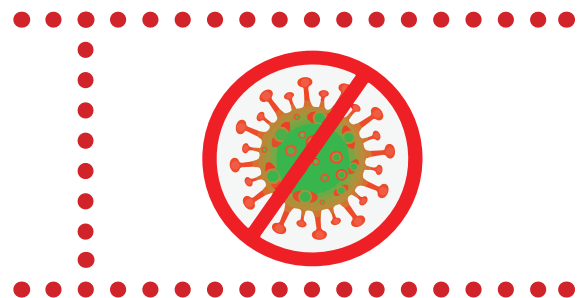




We have and will continue to take stringent protocols surrounding the prevention and handling of COVID-19 at all our sites. The steps taken are in adherence to global pandemic handling standards and relevant local legislations (e.g. COVID-19 Prevention and Control Guidelines by the Minister of Health of the Republic of Indonesia No. HK. 01.07/MENKES/328/2020 and No. HK. 01.07/MENKES/413/2020 & other legislations as applicable across our global operations). Over in Indonesia, there is an additional guideline issued by the National Agency for Management Disaster ("BNPb") which recommends the implementation of rapid tests for screening and epidemiological prevention.

Appropriate treatment and recovery measures are carried out if any of our employees or indirect workers are afflicted with COVID-19. A tracing system is then used to track their close contacts for further testing and isolation if required. We enforce our COVID-19 health protocols strictly with appropriate disciplinary actions when breached. These efforts are aimed at ensuring the health and well-being of our employees, indirect workers and their families. We leave no stones unturned as our employees are our key assets who in turn ensure the operational sustainability of our Company.

In handling COVID-19, we have dedicated teams comprising employees and management whereby issues surrounding COVID-19 are discussed and appropriate measures to address those issues are taken swiftly. At ESM, we have activated an Employee Assistance Program hotline number for our employees and their families to use. We also co-ordinate with relevant local authorities to help prepare health facilities to isolate and treat employees who have symptoms of COVID-19.



The various steps taken have positioned us at the forefront of managing/ controlling the COVID-19 pandemic in areas where we operate. As at 31 December 2020, 3 of our employees tested positive for COVID-19 and there were no fatalities. Our rigorous pro-active measures across all our sites has ensured our business continuity and ability to meet our stakeholder's expectations whilst ensuring the health and well-being of all our employees.







# Summary of GRI Disclosures





GRI Standard References	Description		Page numbers
GENERAL DISCLOSURES			
GRI 102 General Disclosures 2016	102-1	Name of The Organization	9
	102-2	Activities, brands, products, & services	9, 14
	102-3	Location of Headquarter	9
	102-4	Location of operations	13
	102-5	Ownership and Legal Form	9
	102-6	Markets Served	14
	102-7	Scale of the organization	10
	102-8	Information on employees and other workers	11, 12
	102-13	Membership of associations	42
	102-14	Statement from senior decision-maker	5
	102-16	Values, principles, standards, and norms of behavior	8, 20, 24
	102-18	Governance structure	26
	102-40	List of stakeholder groups	23
	102-42	Identifying and selecting stakeholders	23
GRI Standard	Description		Page numbers
GRI 102: General Disclosures 2016	102-9	Supply chain	15
	102-12	External initiatives	17
	102-41	Collective bargaining agreements	30
	102-45	Entities included in the consolidated financial statements	23
	102-46	Defining report content and topic Boundaries	23
	102-47	List of material topics	23
	102-50	Reporting period	23
	102-51	Date of most recent report	23
	102-52	Reporting cycle	23
	102-53	Contact point for questions regarding the report	28



GRI Standard	Description		Page numbers
	102-54	Claims of reporting in accordance with the GRI Standards	23
	102-55	GRI content index	65
Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topics	32, 48, 61
	103-2	The management approach and its components	32, 48, 61
	103-3	Evaluation of the management approach	32, 48, 61
GRI 205: Anti Corruption 2016	205-1	Operations assessed for risks related to corruption	27
	205-2	Communication and training about anti-corruption policies and procedures	27
	205-3	Confirmed incidents of corruption and actions taken	27
Environmental Management Compliance			
GRI 302: Energy 2016	302-1	Energy consumed within organization	53, 54
	302-3	Energy Intensity	54
	302-4	Energy consumption reduction	54
	305-5	Reductions in energy requirements of products and services	54
GRI 303: Water 2016	303-3	Water Withdrawal	56
	303-4	Water Discharge	56
	303-5	Water Consumption	56
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	50
GRI 305: Emission 2016	305-5	Reduction of GHG emissions	55
	305-7	Nitrogen oxides (NOx), sulfur oxides (Sox) and other significant gas emissions	55
GRI 306: Effluent and Waste 2016	306-1	Water discharge by quality and destination	51
	306-2	Waste by type and disposal method	52
	306-4	Transport of hazardous waste	52
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	50



Employee Management			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	42
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	29, 40
	401-3	Parental leave	40
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	41
	404-2	Programs for upgrading employee skills and transition assistance programs	41
	404-3	Percentage of employees receiving regular performance and career development reviews	41
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	11
GRI Standard	Description		Page Numbers
GRI 403: Occupational Health & Safety 2016	403-1	Occupational health and safety management system	34
	403-2	Hazard identification and OHS Management	35, 38
	403-3	Occupational health services	39
	403-4	Worker participation, consultation, and communication on occupational health and safety	35
	403-6	Promotion of worker health	40
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	34
	403-8	Workers covered by an occupational health and safety management system	35, 38
	403-9	Work-related injuries	35
	403-10	Work-related ill health	39
GRI 406: Non Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	29
GRI 407: Freedom Association 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	30



GRI Standard	Description		Page Numbers
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	30
GRI 416: Customer Health & Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	17, 18
Sustainable Community Empowerment			
GRI 413: Local Community	413-1	Operations with local community engagement, impact assessments, and development programs	43-46

## Glossary of Acronyms

### List of acronyms

1. GRI – Global Reporting Initiative
2. NGO – Non-governmental organization
3. LNG – Liquefied Natural Gas
4. BWRO - Brackish Water Reverse Osmosis
5. SWRO - Sea Water Reverse Osmosis
6. PLN - Perusahaan Listrik Negara (State Electricity Company)
7. MeOH - Methanol
8. NG – Natural Gas
9. LOPC – Lost of Primary containment
10. CFPP - Coal Fire Power Plant
11. GJ - Giga joules
12. NOX – Oxides of Nitrogen
13. SOX – Oxides of Sulfur
14. WWTP – Wastewater treatment plant
15. WTP – Water treatment plant
16. TSS - Total Suspended Solids
17. COD – Chemical Oxygen Demand
18. BOD – Biological Oxygen demand
19. AOX - Adsorbable Organically bound halogens
20. PT ESM - PT Energi Sejahtera Mas
21. SCDG - Sinarmas Cepsa Deutschland Genthin