

DECISION LETTER

No. Kpts-021/ PHE00000/2024-S0

**ABOUT
UPSTREAM SUBHOLDING
SUSTAINABILITY COMMITTEE**

**PT PERTAMINA HULU ENERGI UPSTREAM
SUBHOLDING MANAGING DIRECTOR**

- Considering :**
- a. That in supporting Pertamina's vision to become a World Class National Energy Company, good implementation of Sustainability Aspects is required, including Environmental, Social & Governance (ESG) aspects. Good management of Sustainability Aspects is expected to increase Pertamina's bargaining power and competitiveness in the Energy industry, fulfil the criteria used by investors in providing funding for corporations and projects, and support the determination of credit ratings by rating agencies.
 - b. That in order to support the Sustainable Development Goals (SDGs), in accordance with the Regulation of the Minister of State-Owned Enterprises (SOEs) of the Republic of Indonesia No. PER-05/MBU/04/2021 dated 08 April 2021, SOEs are required to implement Social and Environmental Responsibility (CSR) Programmes in accordance with the pillars of Social, Environmental, Economic, Legal and Governance. Furthermore, the Board of Directors of SOEs needs to form a TJSL Committee to map and prepare the SOE's TJSL Programme. (a, b, etc., containing the background of the problem).
 - c. The TJSL Programme is part of the implementation of Sustainability Aspects in Pertamina. To manage the Sustainability Aspect properly, a review and alignment of policies, programmes, performance and information disclosure, as well as systems, equipment, and human resources with good capacity are required.
 - d. That in order to support the implementation of carbon economic value and control of greenhouse gas emissions in national development, in accordance with Presidential Regulation Number 98 of 2021.
 - e. That it is necessary to coordinate and communicate between all parties in PT Pertamina Hulu Energi as Upstream Subholding with its subsidiaries and affiliates, for the implementation of Sustainability Aspects.

f. That based...

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- f. That based on the above considerations, it is necessary to establish a Sustainability Committee whose main role is to supervise and direct the implementation of Sustainability Aspects at Pertamina Hulu Energi.

- Remembering :**
1. Regulation of the Minister of State-Owned Enterprises of the Republic of Indonesia No. PER- 05/MBU/04/2021 dated 08 April 2021, concerning the Social and Environmental Responsibility Program of State-Owned Enterprises.
 2. Presidential Regulation No. 98 of 2021, on the implementation of carbon economic value and greenhouse gas emission control in national development.
 3. Decree No. Kpts-21/C00000/2021-S0 dated 12 October 2021 on the Sustainability Committee of PT Pertamina (Persero).

DECIDE

Establish : The officials and workers and or whose names are listed in the attachment to this Decree

- To :**
1. Being: a member of the Committee and Person in Charge of the Field, with job descriptions and responsibilities as stated in the attachment to this Decree.
 2. This Decree shall be effective as of the date of its enactment until it is revoked or renewed, provided that matters that have not been sufficiently regulated in this Decree shall be stipulated later.
 3. Furthermore, if in the future due to the needs of the company there is a change in the officials specified in this Decree, the replacement official for the same position as stated in this Decree will automatically replace the duties of the old official without the need to change the applicable Decree.
 4. In the event of a change in the organisation of PT Pertamina Hulu Energi and its subsidiaries related to the organisation of the Sustainability Committee, the change can be made using a Memorandum from the Chairman of the Sustainability Committee.
 5. Thus, this Decree shall be implemented with full responsibility and integrity in carrying out company duties.

This Decree...

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This Decree shall take effect as of the date of its enactment, provided that matters that have not been or have not been sufficiently regulated in this Decree shall be determined later.

Established in Jakarta

On 30 September 2024

Chief Executive Officer,

SIGNED

Chalid Said Salim

A. DUTIES AND RESPONSIBILITIES OF THE SUSTAINABILITY COMMITTEE

General Duties, Responsibilities and Authorities:

1. Oversee, establish and provide direction on ambitions, strategies, roadmaps, policies, initiatives and performance measures related to Sustainability;
2. Monitor the achievement of targets and deliverables for the implementation of Sustainability Aspects in accordance with the timeline. specified;
3. Monitor the achievement of the company's performance in Sustainability based on third party assessments, including but not limited to the ESG Risk Rating;
4. Direct and monitor external communications related to Sustainability Aspects;
5. Provide direction related to the implementation of the Company's external funding based on Sustainability, including but not limited to Sustainability Linked Financing, Green Financing, Transition Financing, and others;
6. Coordinating with the Board of Commissioners, Board of Directors, Regions and Subsidiaries in the implementation of Sustainability Aspects.
7. Carrying out the functions of the SOE TJSL Committee as stipulated in the Regulation of the Minister of State-Owned Enterprises of the Republic of Indonesia No. PER-05/BU/04/2021 dated 08 April 2021, namely:
 - i. Coordinate between units/directorates to formulate objectives and implementation guidelines
SOE TJSL Programme:
 - ii. Mapping and preparation of SOEs' CSR programmes; and
 - iii. Assist the Board of Directors in monitoring and evaluating the implementation of the SOE's CSR Programme.

Specific Duties, Responsibilities and Authorities:

1. The Chairman of the Committee and Members of the Sustainability Committee are authorised to decide and provide direction on the ambitions, strategies, roadmaps, policies, initiatives and performance measures related to the implementation of Sustainability Aspects.
2. The Secretary of the Sustainability Committee carries out the directives of the Committee Chairman and Committee Members regarding the management of Sustainability Aspects and performs tasks including planning, monitoring, evaluating the implementation of Sustainability Aspects, as well as external reporting, external assessments and Pertamina's involvement in national and international Sustainability initiatives.
3. The Sector in Charge provides proposals and input according to their respective fields of expertise, and implements the Sustainability programme in their respective functions and business units.

Specific Duties, Responsibilities and Authorities:

1. The Chairman of the Committee and Members of the Sustainability Committee are authorised to decide and provide direction on the ambitions, strategies, roadmaps, policies, initiatives and performance measures related to the implementation of Sustainability Aspects.
2. The Secretary of the Sustainability Committee carries out the directives of the Committee Chairman and Committee Members regarding the management of Sustainability Aspects and performs tasks including planning, monitoring, evaluating the implementation of Sustainability Aspects, as well as external reporting, external assessments and Pertamina's involvement in national and international Sustainability initiatives.
3. The Sector in Charge provides suggestions and input according to their respective fields of expertise, and implements the Sustainability programme in their respective functions and business units.

B. SUSTAINABILITY COMMITTEE COMPOSITION

Position Description

Committee Chair : President Director

Committee Member :

1. Director of Strategic Planning & Business Development
2. Director of Development & Production
3. Director of Exploration
4. Director of HR & Business Support
5. Director of Finance
6. Director of Risk Management

Person in Charge of the Field:

No.	Official	Sustainability Aspects
1	Director of Strategic Planning & Business Development	Long-term roadmap and strategy, Green merger & acquisitions
2	Director of Development & Production	Decarbonization & Green Project, Climate change, Well integrity and management system, Offshore well management,
3	Director of HR & Business Support	Diversity, human rights, inclusivity, employee recruitment, retention & development, Cyber security, green procurement, social supplier standards
4	Director of Finance	Sustainable financing, Sustainability budget tagging

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No.	Official	Sustainability Aspects
5	Director of Exploration	Minimizing environmental footprints in exploration activities
6	Director of Risk Management	Climate risk management, Corporate risk management
7	Corporate Secretary	Community involvement & development, corporate governance, corporate ethics, stakeholder relations, communication strategy, land formalities
8	VP HSSE	Climate change, environment, biodiversity, water scarcity, effluent, waste management, emergency response, land closure & rehabilitation, health & safety, prevention of major accident, security
9	VP Upstream Innovation	Reorienting green innovation & research, Integrated CCUS/CCS roadmap & strategy, Climate change
10	Chief Audit Executive	Assurance business & corporate ethics, Follow up whistleblowing system
11	Direktur Regional 1-5, PT PDSI, PT Elnusa Tbk, PT Badak NGL, Direktur Utama Anak Perusahaan, Cucu Perusahaan dan Afiliasi	Initiatives, pilot execution, implementation of ambition

**SUSTAINABILITY POLICY
SUBHOLDING UPSTREAM**

PT PERTAMINA HULU ENERGI

In line with the values and ethical principles of Pertamina Hulu Energi (PHE) to sustain our Business, PHE places its Sustainability Policy as a core responsibility as an energy player. PHE sustainability policy aims to drive compliance towards stipulated regulation and long-term value for its stakeholders through building a sustainable practice throughout business.

This sustainability policy includes initiatives that are undertaken by the PHE aimed at integrating its strategy and activities better into the context of Environmental Social Governance (ESG), notably by contributing to human, environmental, economic, and social development. The strategy thereof can then foster continuity, transparency, and employee development within business organizations. The Sustainability Policy is an integral component for operational excellence to contribute to Sustainable Development Goals (SDGs).

PHE aspires to become a globally leading and well-reputed Energy Company, and recognized as:

1. Environmentally Friendly Company

A company that provides and promotes access to energy and support green energy to support the national climate transition agenda, responsible for addressing climate change issues and exemplary in conducting environmental management systems related to its activities.

2. Societal Responsible Company

A company that is committed to implementing the highest standards for Health and Safety practices, continuously respects and engages the surrounding community to stimulate sustainable social and economic development, promotes and upholds continuous employee development, diversity, and Human Rights principles.

3. Having Good Corporate Governance (Good Governance Company).

A company that ensures compliance to all stipulated legal requirements in its areas of operation and upholds the highest standards of good Corporate Governance practices and enforces anti-corruption and anti-fraudulent practices for all stakeholders within the company's operations.

To achieve these points, PHE commits to:

1. Ensure national security of supply and promote access to energy throughout the nation.
2. Reduce greenhouse gas emissions, non-greenhouse gas emissions, releases, waste, effluent and address the wider climate change issues through managing physical risk related to the potential for natural disasters and transition risk related to regulatory, reputational, and/or market risk of climate change by integrating it in its strategy and operations.
3. Protect and conserve the environment, water, other natural resources, and energy through an environmental management system related to its activities that will be monitored continuously.
4. Report environmental, social, and governance issues and performance periodically as an effort to maintain transparency and accountability.
5. Manage and mitigate the impacts of projects and activities to reduce the potential occurrence of water scarcity.
6. Manage and mitigate the impact of our project & activity on biodiversity with a commitment of having 'Net Positive Impact' as a goal by avoiding operation in environmental highest biodiversity value, and incorporating biodiversity requirement in project planning & operation.
7. Rehabilitate and reclaim land upon site closure to restore the ecosystem, minimize negative impacts and maximize benefits, and set aside sufficient funds to cover closure and rehabilitation.
8. Implement the highest standards of Health, Safety and Environment practices to safeguard the health, safety, and security of its employee, contractor worker, communities, and consumer, as well as preparing for and respond to emergencies and prevention to major accidents throughout its workplace.
9. Become the social development locomotive to stimulate social and economic development in communities.
10. Consult with stakeholders on environmental issues and with the local/surrounding community on community development & community involvement issue to improve their welfare.
11. Respect the rights of indigenous people/community where the company operates, including promoting their socio-economic development, sponsor full realization of their social, economic, and cultural rights, protect culturally sensitive areas, and avoid involuntary resettlement of indigenous people/community.
12. Work with its partners and suppliers towards green and sustainable procurement of goods and services with an objective to ensure minimum impact on the environment.
13. Promote the delivery of sustainable products and services to its customers.
14. Promote continuous employee development program, equitable treatment, diversity within its workplace and promoting respectful workplace policy.
15. Reinforce the use of local workers and contractors to the extent compatible with operational constraints, particularly through training programs and support to Small-Micro Enterprises (SMEs) and key economic actors.

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16. Ensure compliance to all stipulated legal requirements and upholds good Corporate Governance throughout its activities.
17. Enforce measures related to Anti-corruption and fraudulent practices within the Company.

PHE Management as Subholding Upstream of Pertamina group and its affiliates companies are responsible for implementing this Sustainability Policy and applying it to employees, partners, customers, and all stakeholders.

Established in Jakarta
On 30 September 2024

Chief Executive Officer,

SIGNED

Chalid Said Salim