

EXPANDING OUR HORIZONS

Firman Dharmawan | Medco Energi Internasional | Jakarta,
15/07/2024

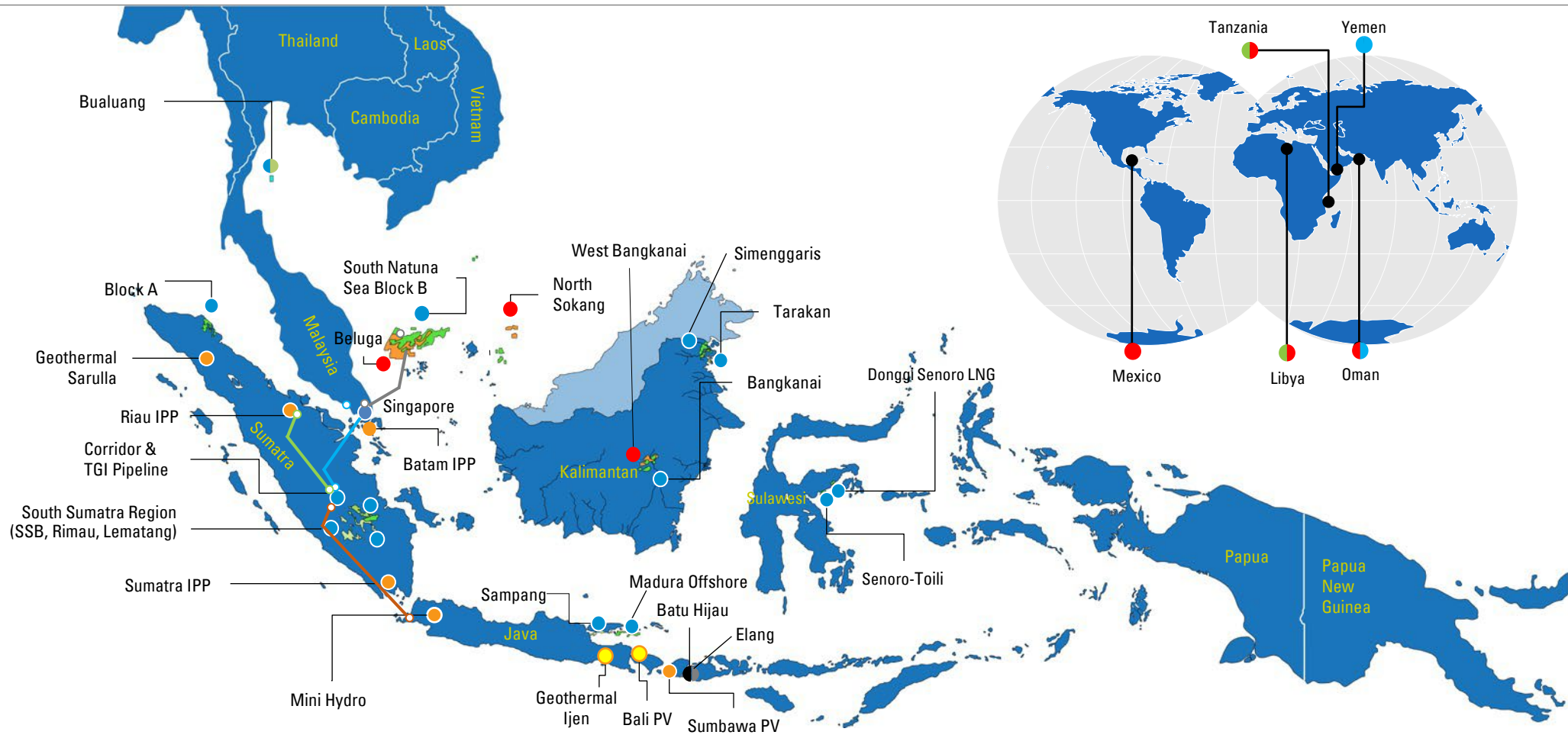


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MEDCOENERGI

MEDCOENERGI PORTFOLIO



- Production
- Development
- Exploration



- Power Installed
- Power Development



- Mining Production
- Mining Development
- Mining Exploration

CLIMATE CHANGE STRATEGY (1)

MedcoEnergi has established a net zero strategy in alignment with the government's aspirations

CLIMATE ASPIRATION

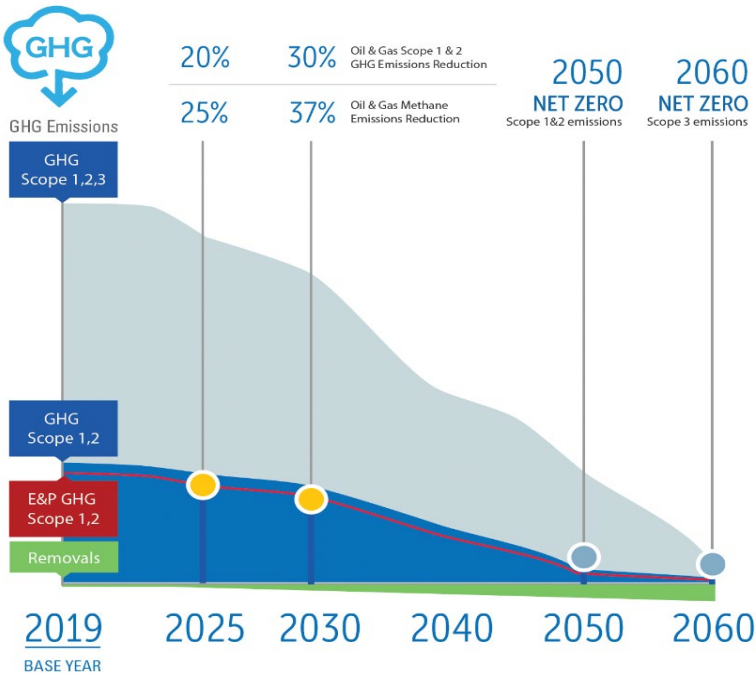
Achieve Net Zero for Scope 1 and Scope 2 GHG Emissions by 2050 and
Net Zero for Scope 3 GHG Emissions by 2060

STRATEGY	Managing Transition Risks		Managing Physical Climate Risks
	<p>Emissions Reduction</p>	<p>Transition to Low Carbon Energy</p>	<p>Emerging Physical Climate Risk Management</p>
FOCUS AREA	<ul style="list-style-type: none"> Technologies & Best Practice Carbon Removal & Offset 	<ul style="list-style-type: none"> Growing Gas as a Transition Energy Source Growing Renewables Portfolio 	<ul style="list-style-type: none"> Climate Adaptation Climate Design

ENABLERS

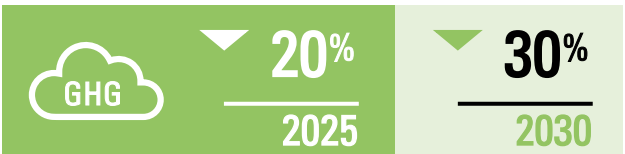
Governance	Data Management	Transparency and Compliance	Collaboration and Engagement
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Illustrative Net Zero Trajectory

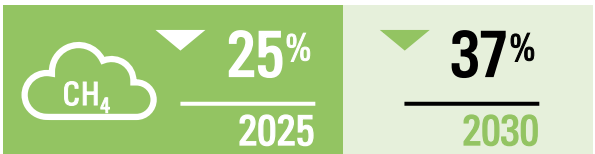


INTERIM TARGET

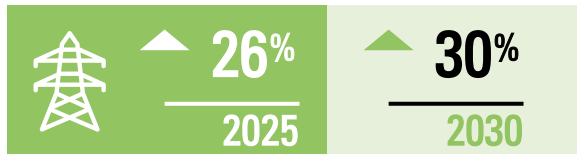
E&P Scope 1 & 2 GHG Emissions Reduction



E&P Methane Emissions Reduction



Renewable Mix Installed Capacity





CLIMATE CHANGE STRATEGY (2)

VISION

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

MISSION

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

CLIMATE ASPIRATION

Achieve Net Zero for Scope 1 and Scope 2 emissions by 2050 and Net Zero for Scope 3 emissions by 2060

STRATEGY	Managing Transition Risks				Managing Physical Climate Risks	
	Emissions Reduction		Transition to Low Carbon Energy		Emerging Physical Climate Risk Management	
	GHG					
FOCUS AREA	Technologies & Best Practice	Carbon Removal & Offset	Growing Gas as a Transition Energy Source	Growing Renewables Portfolio	Climate Adaptation	Climate Design
KEY INITIATIVES	<ul style="list-style-type: none"> Reduce flaring, venting and fugitive emissions Reduce energy use & intensity, adopt renewable energy sources Collaborate along Supply and Value Chains to improve efficiency and emissions disclosure 	<ul style="list-style-type: none"> Carbon sequestration through nature-based solutions Explore CCUS and CCS opportunities 	<ul style="list-style-type: none"> Expand natural gas production portfolio Evaluate opportunities to invest in LNG to Power 	<ul style="list-style-type: none"> Expand renewable power portfolio Assess feasibility to adopt emerging renewable technologies Support initiatives for adoption of green solutions 	<ul style="list-style-type: none"> Assess quantitative financial impact of climate-related physical risks Implement systems for regular monitoring of climate hazards and their impacts 	<ul style="list-style-type: none"> Continue physical risk and biodiversity assessments on new investments Integrate climate risk assessment into future engineering designs

ENABLERS

Governance

- Board commitment and oversight
- Integration into business plans and performance management
- Staff engagement and capacity building

Data Management

- Improve Emission Data Management System
- Improve Scope 3 collection and calculation in alignment with protocols and standards

Transparency and Compliance

- Continue third party verification of emission disclosures
- Strengthen TCFD disclosures and improve CDP and ESG scoring

Collaboration and Engagement

- Engage with regulators and investors to monitor emerging regulations and trends
- Collaborate with stakeholders to drive the low carbon economy

* *Notes: CCUS = Carbon Capture Utilization & Storage; CCS = Carbon Capture & Storage;
TCFD = Task Force on Climate Related Financial Disclosure; CDP = Carbon Disclosure Project

Revised August 2022

JUST TRANSITION (1)

Paris Agreement Acknowledges Just Transition: *"Taking into account the imperatives of a **just transition** of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities,"* (Preamble of Paris Agreement 2015).

Energy Transition – a key Climate Action: strategies and steps taken to reduce emissions and adapt to the effects of climate change - renewable energy development, energy efficiency improvements, sustainable land management, and climate-resilient infrastructure.



Shift from fossil fuels to cleaner energy sources



Healthy economy and a clean environment can and should co-exist



Putting People at the Center of Climate Action



Social Dialogue and Stakeholder Engagement

To explore climate-related risks and opportunities and anticipate the impacts of energy transition on workers and communities



Retain, Retraining and re-and/or Upskilling

Takes appropriate action to re- and/or up-skill workers displaced by the transition to a low carbon economy in a way which ensures gender balance and inclusion of vulnerable groups.



Planning for a Just Transition

Demonstrates low carbon transition planning which will mitigate the social impacts of the just transition on workers, affected stakeholders and its business relationships



Social Protection and Social Impact Management

Conducting social and human rights impacts assessments across the value chain for the implementation of low-carbon projects



Green and Decent Job Creation

Supporting the development of low-carbon activities which will generate local green jobs.



Advocacy for Policies and Regulation

Collaborating with national and local authorities or professional association in the implementation of just transition plans and legislation.

JUST TRANSITION

JUST TRANSITION (2)

Climate Actions + Social Inclusion = the Just Transition*

Greening the economy in a way that is as **fair and inclusive** as possible to everyone concerned, creating decent work opportunities and **leaving no one behind**.

Just transition means **simultaneously and coherently addressing** the three dimensions of sustainable development — **environmental, social and economic** — with a **focus on the role of decent work** in generating sustainable and inclusive economic growth and development.

A just transition is both an **outcome**, which refers to an **inclusive green future** that **maximizes economic and social opportunities** for workers and communities throughout the energy transition, and a **process** through which there is **engagement and partnership with those who are most impacted by the transition**, namely workers and communities.



The International Labor Organization (ILO)



United Nations Global Compact (UNGC)



BSR Business for Social Responsibility (BSR)

Impacted Parties



Workforce



Communities



Other Stakeholders incl. Supply Chain

JUST TRANSITION PLAN

1

MedcoEnergi Transition Context

Reducing carbon footprint through emissions reduction in oil & gas operations and growing gas and renewable energy businesses to achieve interim targets and Net Zero for Scope 1 and Scope 2 emissions by 2050 and Net Zero for Scope 3 emissions by 2060

Impacting
**Workforce and
Community**

Just Transition Plan:

- ❑ **Mitigate** the potential impacts of decarbonization efforts
- ❑ **Promote** opportunities of low carbon economy

2

What's in it for MedcoEnergi

- **Addresses increasing expectations from stakeholders** to support a transition that is just, equitable, and inclusive
 - ❑ Investors
 - ❑ Standards
 - ❑ Bench-markers
- **Enhance long-term resilience of workforce** and allows for better determination of investments in education and re- and up-skilling of workers, or of local communities more broadly, to **mitigate the risk of skills shortage and ensure business continuity and competitiveness**
- **Maintain social license to operate** and strengthen **long-term relationships with stakeholders** (e.g., government and customers)
- **Better operational planning and risk management**



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Just transition Scope for MedcoEnergi

Social Impacts (workforce and community) from climate actions



Social Dialogue &
Stakeholder Engagement



Education & Skills
Developments



Social Protection &
Social Impact Management



Advocacy for policies &
regulation

MedcoEnergi
Sustainability Policy



MedcoEnergi
Sustainability Report



MedcoEnergi
Climate Change Strategy



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Thank You



MEDCOENERGI 

We support the Sustainable Development Goals

TCFD TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

As of 2023, PT Medco Energi Internasional Tbk received an MSCI ESG Rating of A.

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**SUSTAINABLE
DEVELOPMENT
GOALS**



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



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

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