



IMPACT IS IMPACTING LIFE

2021 SUSTAINABILITY REPORT



IMPACK IS IMPACTING LIFE AND THE FUTURE

Our Challenges

- Due to the ongoing COVID-19 pandemic, restrictions on the flow of goods have resulted in scarcity and prolonged logistical difficulties. This can be seen in the early-year shortage of goods, which resulted in a spike in raw material prices.
- An increasingly extreme climate change and the growing use of single-use plastic products have a significant impact on the Company's resources and performance, making achieving sustainability programs and targets more difficult.
- The demand from various stakeholders to continue to be committed in addressing climate change.

Our Responses

- The Company's risk management policies have been successful in overcoming logistical challenges and mitigating the impact of rising raw material prices.
- Developed and implemented a variety of policies aimed at reducing carbon emissions.
- Utilizes recycled materials in its production process and extends the life of materials by transforming them into products that can last up to or more than 15 years.
- Solar panels installed at Unit 1 Cikarang also demonstrate our commitment to meeting the 2021 climate change target.
- Expanding its market reach in East Java, aided by the construction of a Distribution Center (DC) and a new manufacturing facility in Surabaya.
- Expanding the capacity and innovation in the production of environmentally friendly products.

Our Existence and Future

- Make a real impact in improving human welfare through our contribution, "Impack is Impacting Life."
- Impack is also capable of enhancing economic performance, which benefits all stakeholders, including the community, and demonstrates our commitment to achieving the Sustainable Development Goals (SDGs).
- Impack will continue to collaborate with stakeholders and other parties to achieve the sustainability goals that will have an effect on the wider society in the present and the future.

VISION, MISSION, AND SUSTAINABILITY VALUES & CULTURES

Vision



Becoming a dominant building material company in Southeast Asia, Australia, and New Zealand with sustainable products.

Mission



Providing value added solutions and innovative products to our market sectors with performance growth via human resources that share our group values and sustainable attitude.



Sustainability Values & Cultures

Honor God, The Almighty:

Honor God in all our attitudes, behavior, and work.

Integrity:

A pattern of honest behavior and doing the right thing even if no one is watching it.



Professionalism:

As in quick, accurate, and responsible way of doing things with fair and accurate measurement of performance

Solution Providing:

Provide simple, honest, and practical solutions to all of our customers.

Humility:

Accepting that success comes from team members and that no one is irreplaceable.

SUSTAINABILITY PILLARS

Collaborations & Partnerships

- Uplifting the livelihood of internal communities (employees) and external communities (communities)

Employees & Communities



- Sustainable innovations to create eco-friendly products that provide high economic value
- Responsible production and consumption

Environmental Solutions



Economic Growth



- Providing added values to stakeholders and society
- Ensuring transparency and accountability in every aspect
- Sustainable technological innovations



Climate Change



- Energy efficiency policy and emission reduction target
- The use of renewable energy for new and existing Company's facilities

Our sustainability strategy is based on the Four Pillars of Sustainability:

1. Economic Growth

- Expanding business in locations with growth potential.
- Innovating home improvement products and sustainable products.
- Strategic acquisitions to expand and strengthen market share.
- Continuing to practice and ensure transparency and good governance.
- Digitizing the reporting process of production and distribution line.
- Product innovation made from post-consumer waste.

2. Employees & Communities

- **Employment**
 - a. Providing equal opportunities for all employees regardless of ethnicity, religion, race, and inter-group relations, country of origin, and gender in:
 - Promotions and awards.
 - Training employees to improve their skills and competencies to advance their career paths.
 - b. Providing safe and comfortable working space and sports facilities.
 - c. Conducting bonding programs through outbounds/ group recreations.
 - d. Providing health insurance to all employees, and providing nutritional and vitamin allowances.
 - e. Providing school fee assistance for the children of Impact employees who have outstanding performance.
 - f. Providing training to improve skills in both soft-skills and hard-skills.
- **Occupational Health and Safety**
 - a. Organizing training related to cyber security, dangerous goods identification through Material Safety Data Sheet (MSDS), and health and safety training in the workplace.

- b. Recording, reporting, and evaluating work accidents to mitigate any future accidents.

- c. Training Directors, Managers, and Supervisors on how to analyze reports of accidents and illness so they can be handled promptly and the causes can be evaluated.

- Communities

- a. Providing a positive impact on society through one of our programs, "Harvest the Power of the Sun: Harnessing the Power of Solar Technology for Sustainable Agriculture" via our Solar Dryer Dome (SDD) and Solar Table Dryer (STD) products.
- b. Procurement practices that prioritized domestic suppliers.
- c. Customer health and safety.

3. Environmental Solutions

- Innovating sustainable products using industrial waste and post-consumer waste while maintaining the premium quality of the products.
- Implementing Impact's Circularity program and instilling awareness to stakeholders to be actively involved in its implementation.
- Introducing and implementing a buy-back program for agents and distributors.
- Identifying goods by adding a resin identification number in order to be easily sorted.

4. Climate Change

- Using sustainable energy in new and existing facilities.
- Expanding the installation of SDD products in underdeveloped regions in Indonesia .
- Conducting sustainable product innovations that can reduce emissions .
- Efficient use of energy.



SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SDG 3: Good Health and Well-being



▲ Occupational Health and Safety (OHS) practice

2021 & 2030
Targets

2021
Achievement

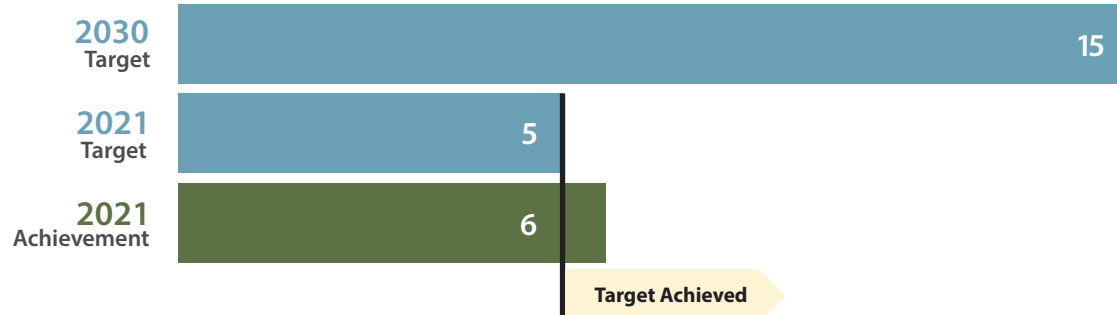
Towards
Zero
Fatalities

0
Fatalities

SDG 4: Quality Education



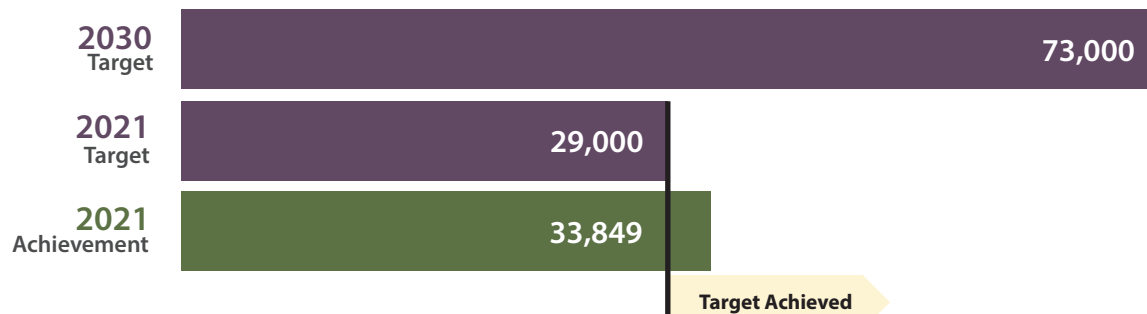
Average Training Hours Target and Achievement (Hours/Year)



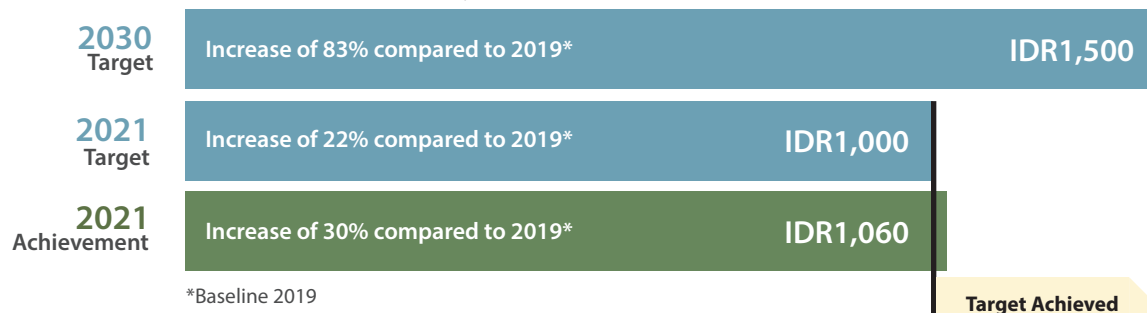
SDG 8: Decent Work and Economic Growth



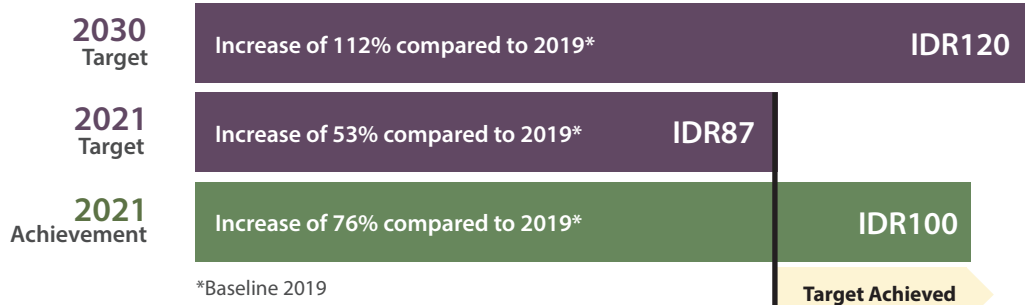
Beneficiaries Target and Achievement (People)



Net Revenue/Employee Target and Realization (in Million Rupiah)



Net Income/Employee Target and Realization (in Million Rupiah)



SDG 9: Industry, Innovation, and Infrastructure

2030 Targets:

- Sustainable product innovations and production processes
- Digitalization of product information, reporting process of production, and distribution line
- Development of strategic and sustainable manufacturing facilities and DCs to meet market developments

2021 Achievements:

- Optimization and opening of new branches and DCs in Surabaya to expand business and market share in eastern Indonesia
- Installation of solar panels at Unit 1 factory in Cikarang with a peak capacity of 200 kWp

SDG 12: Responsible Consumption and Production

Target and Realization of Total Purchase Quantity from Domestic Suppliers



*The 2021 target was not achieved because of the risk management policy that the Company engaged in 2021 to anticipate logistical difficulties

Increase in the Use of Recycled Materials Target and Achievement (Tons/Year)

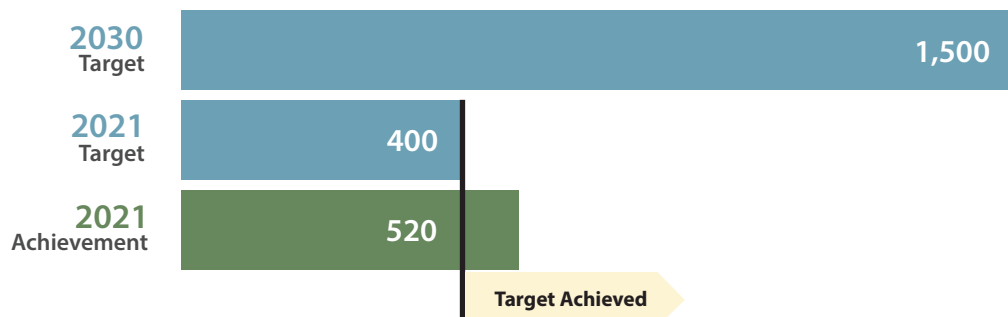




SDG 7: Affordable and Clean Energy & SDG 13: Climate Action



Emissions Reduction Target and Achievement from the Use of Solar Dryer (Tons of CO₂eq)



Emissions Reduction Target and Achievement from the Use of Solar Panels (Tons of CO₂eq)



*The 2021 target has not yet been achieved optimally due to installation delays as a result of regulatory issues

2030 Targets:

- Reduce emissions by 1,500 tons of CO₂eq from solar dryers usage
- Reduce emissions by 3,500 tons of CO₂eq through the use of solar panels
- Reaching 85% utilization of light-emitting diode (LED) lighting in factories

2021 Achievements:

- Expansion of solar dryers' coverage areas to 30 provinces in Indonesia
- 520 tons of CO₂eq in reduced emissions through solar dryers usage
- Total emission reduction of 748 ton CO₂eq, increased by 14% compared to 2020
- Utilization of light-emitting diode (LED) lights in factory facilities accounts for 53% of the current total lighting usage



▲ Solar Dryer Dome at Tuban, East Java



SDD Beneficiary ▲

OUR SUSTAINABILITY OVERVIEW

Economic Performance

Description	Unit	2021	2020	2019
Production Quantity*	Tons	44,361	34,216	30,058
Revenue	Billion Rupiah	2,227.4	1,797.5	1,495.8
Net Income	Billion Rupiah	210.0	125.1	103.7
Eco-friendly Products*	Tons	5,286	3,877	3,829
Local Parties Engagement*	Tons	33,943	23,321	23,698

*Data covers Impack and PT Unipack Plasindo (UPC)

Environmental Performance

Description	Unit	2021	2020	2019
Energy Consumption*	GJ	121,235	96,239	98,671
Emission Reduction	Tons of CO ₂ eq	748	656	212
Percentage of Waste to Total Production*	%	0.96	0.96	0.97
Recycled Waste*	Tons	5,286	3,877	3,829
Biodiversity Conservation	Rp	-	91,694,270	-

*Data covers Impack and PT Unipack Plasindo (UPC)

Social Performance

Description	Unit	2021	2020	2019
Employee Turnover Rate	%	11.9***	3.8***	1.5
Total Training Hours*	Hours	4,852	2,103	249
Employee Satisfaction Level***	%	76	76.5	-
Consumer Satisfaction Survey	%	85**	81**	86
Corporate Social and Environmental Responsibility (CSER) Costs	Billion Rupiah	9.70	12.07	5.57
Number of Beneficiaries	People	33,849	30,042	13,312

* Data covers Impack and PT Unipack Plasindo (UPC)

** The 2020 and 2021 consumer satisfaction survey is more comprehensive and covers all domestic subsidiaries' products

*** Data includes domestic subsidiaries

OUR SUSTAINABILITY PERFORMANCE

Sustainability Governance

Sustainability Competency Development

No.	Training Modules
Attended by Employees	
1.	Socialization and Training of Occupational Health and Safety (OHS) Culture
2.	5S/5R (Sort, Set in Order, Shine, Standardize, Sustain) Implementation Process
3.	Health Protocol and COVID-19 Vaccination Socialization
4.	Building Strong Character towards Successful Leadership
5.	Training and Socialization of ISO 9001:2015 and ISO 14001:2015
6.	Hazardous Waste Management
7.	Efficient Use of Electricity and Water
8.	ESG Awareness Training
9.	Waste Management and Circular Economy
Attended by the Board of Directors	
1.	UN Global Compact Leaders Summit
2.	International Conference on Biospheric Harmony Advanced Research (ICOBAR) 2021
3.	Strengthening ESG Commitments and Performance



Economic Performance

Direct Economic Value Generated and Distributed (in Billion Rupiah)

Description		2021	2020	2019
Direct Economic Value Generated				
I	Revenue	2,227.4	1,797.5	1,495.8
II	Supplementary			
	Interest Income	3.6	6.3	10.8
	Profit on The Sale of Fixed Assets	0.5	(3.9)	1.4
	Others - Net	(1,567.5)	(1,230.8)	(1,009.1)
Total Direct Economic Value Generated		664.0	569.1	498.9
Direct Economic Value Distributed				
I	Employee Costs	287.8	259.9	209.3
II	Payments to Capital/Funding Providers (Dividends and Loan Interest)	88.5	119.7	148.6
III	Payments to the Government	71.4	61.6	42.2
IV	Investment in the Communities	9.7	12.1	5.6
Total Direct Economic Values Distributed		457.4	453.3	405.8
Total Direct Economic Value Retained		206.6	115.8	93.1

Target and Realization Financial Performance (in Billion Rupiah)

Achievements	2021		2020		2019	
	Target	Realization	Target	Realization	Target	Realization
Revenue	1,900.0	2,227.4	1,600.0	1,797.5	1,604.3	1,495.8
Gross Profit	678.0	807.8	570.0	651.2	533.1	494.7
Net Income	165.0	210.0	100.0	125.1	150.5	103.7

Shared Value of Impact Pratama

- Impack carried out several community empowerment activities as part of our shared value, one of which was upcycling Low Density Polyethylene (LDPE) scrap and Polyethylene Terephthalate (PET) post-consumer waste to building materials in order to assist the government in overcoming the problems caused by community waste and improving the livelihoods of scrap collectors.
- Impack provided SDD-related training and development to farmers and communities that use SDD in order to improve their competence and to finally become agripreneurs.
- Creating shared value (CSV) in Indonesia's post-harvest management by new dried produce innovation through our "Harvest the Power of the Sun: Harnessing the Power of Solar Technology for Sustainable Agriculture" program empowering household heroes and giving positive social impacts to more than 33,000 people.



Supply Chain

Several of our products already have Domestic Component Level (TKDN) certificates, including Aluminum Composite Panel (ACP) products with a TKDN of **26-52%**, Polycarbonate products with a TKDN of **49-68%**, and Alderon products with a TKDN of **62-66%**. Impack also used **78%** of domestic suppliers in 2021.

Product Responsibility – 3R and Impack's Circularity



IMPACK'S CIRCULARITY

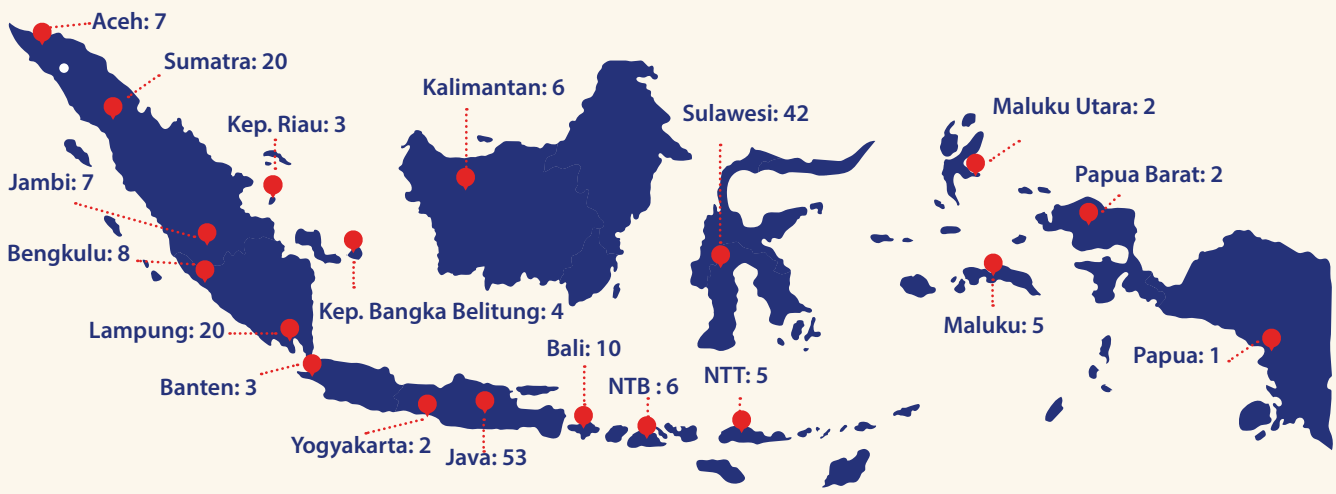
- Sustainable product innovation using recycled materials, ensuring that each production process has a minimal negative impact on the environment, and converting post-consumer and industrial waste products into building material products that have a lifetime of up to or more than 15 years.
- Policies aimed at reducing reliance on natural resources focus on the development of lighter and more environmentally friendly products.
- For the circular economy, this is accomplished through the marketing of high-quality, environmentally friendly products made from recycled materials.
- Upcycling single-use plastic bottles (PET) and plastic bags (LDPE) into durable building products, such as Ecolite and Decobond, will reduce the environmental impact of post-consumer waste.

Social Performance

Employees	Communities
<ul style="list-style-type: none"> • 25% proportion of women on the Board of Directors • Average training hours: 6 hours/employee • Employee satisfaction rate: 76% • 0 (zero) fatalities 	<ul style="list-style-type: none"> • Until the end of 2021, the Company has installed 206 SDDs and 208 STDs with 33,849 beneficiaries, exceeding the 2021 target by 17%. • CSER activities contribution: Rp9.7 billion • 0 (zero) public complaints

Solar Dryer Dome

Environmentally friendly product solution for agriculture. Since 2017, 206 units of SDD have been installed across Indonesia.





Environmental Performance



▲ Installed Solar Panel at Impack

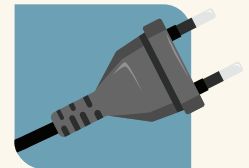
- **748 tons of CO₂eq** total emission reduction achieved
- **0 (zero)** complaints regarding environmental issues
- Upcycled a total of **5,286 tons** of post-consumer and industrial waste into building materials that last up to 15 years or more.

Our Response Towards Climate Change

- Reduce the use of raw materials for certain products through a thorough research and development process, such as XTuff for the lightweight product in Polycarbonate (PC) and LaserTuff in unplasticized polyvinyl chloride (uPVC).
- The use of recycled single-use drinking bottles and plastic bags to create building materials such as roofs and façades that can last up to or more than 15 years.
- Adhere to the ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System standards to mitigate the risk of climate change.
- Develop a long-term strategy and take several important steps to anticipate climate change, such as adopting a renewable energy policy and increasing use of recycled materials.
- Impack sees the demand for high-quality, environmentally friendly products as an opportunity to innovate and grow its market share in the home improvement industry.

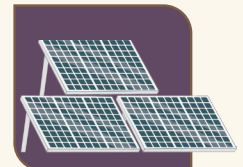
Electricity Consumption in the Company (GJ)

Description	2021	%	2020	%	2019	%
Electricity	121,235	99.79	96,239	99.97	98,671	100



Energy Consumption from the Use of Solar Panels (GJ)

Description	2021	%	2020	%	2019	%
Solar Panel	254	0.21	33	0.03	-	-



Fuel Consumption (Litres)

Type of Fuel	2021	2020	2019
Diesel	130,945	102,488*	27,487
Petrol	54,137	70,684*	-



*Impack started recording the fuel consumption of employee operational vehicles in 2020

Energy Consumption Intensity (GJ/Tons)

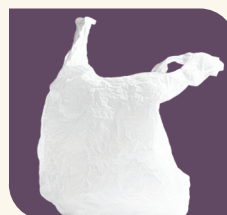
Description	2021	2020	2019
Energy Consumption Intensity	2.73	2.81	3.28



199 tons

- PET bottles waste recycled, an increase of **101%** compared to 2020, or equivalent to **10.1 million** plastic bottles for Ecolite products
- Contributed **Rp5.5 billion** to Impack's revenue

Material



722 tons

- LDPE scrap being recycled or equivalent to **131.3 million** plastic bags for ACP products
- Contributed **Rp36.1 billion** to Impack's revenue

Volume of Materials Recycled and Used

Description	Unit	2021	2020	2019
Total Materials Used	Tons	43,785	30,086	32,121
Amount of Recycled Materials		5,286	3,877	3,829
Percentage of Recycled Materials	%	11.92	11.33	12.74

▼ Post-Consumer Waste for Ecolite



▼ Recycling of Industrial Waste



▼ Solar Panel at Unit 1 Cikarang



Waste Generated

Description	Unit	2021	2020	2019
Recycled Industrial Waste	Tons	4,424	3,088	3,457
Waste Managed by Third Parties		425	327	291
Percentage of Waste to Production Quantity	%	0.96	0.96	0.97

Water Consumption (m³)

2021	2020	2019
20,372	18,404	25,563



Total Emissions from Scope 1*

Emission Source	Unit	2021	2020	2019
Scope 1				
a. Diesel	Tons of CO ₂ eq	500	465	-
b. Petrol				
c. LPG				

Note: *Measurement is based on fuel consumption within the Company, data covers Impack and PT Unipack Plasindo (UPC)

Emission Amount and Intensity

Emission Source	Unit	2021	2020	2019
Scope 2				
Electricity	Tons of CO ₂ eq	29,029	23,044	23,626
Emission Intensity	Tons of CO ₂ eq/Tons	0.65	0.67	0.79

Note: Data covers Impack and PT Unipack Plasindo (UPC)



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