



PT Impack Pratama Industri Tbk

Executive Summary

2024  
Sustainability Report

IMPACK is  
IMPACTING  
LIFE



## Our Challenges

- The global economic slowdown impacted domestic consumption and consumer purchasing power, particularly in the Asia-Pacific region, including our operations in Australia and New Zealand.
- Significant increase in logistics costs due to geopolitical uncertainties and supply chain disruptions.
- Delay in raw material deliveries that required us to maintain higher than usual stock levels to ensure smooth operations.
- Excess production capacity from China exerted significant competitive pressure, especially in price-sensitive market segments.

## Our Responses

- Collaborating with stakeholders, diversifying market and product offerings, optimizing the supply chain and distribution network, and driving product innovation.
- Acquisition of Mulford Holdings, a leading distributor of plastic sheets for signage and building material products in Australia and New Zealand.
- Increasing its production capacity with the operation of a new plant in Batang, Central Java, which commenced in February 2024.
- Launching a state-of-the-art distribution center (DC) located at Delta Silicon 8, Lippo Cikarang, West Java.

## Our Existence

For 43 years, Impack Pratama has consistently contributed to the development of the nation through its various modern innovative building products designed to meet the needs of the Indonesian people. Its activities are guided by three main pillars of sustainability: "Building Right", which embraces responsible practices, "Building Good", which prioritizes ethical and social considerations, and "Building Well", which creates long-term value. The commitment is further manifested by the establishment of PT Sirkular Karya Indonesia (SKI) which carries out green initiatives and focuses on upcycling low-value plastic waste into low-carbon-emission building products with added value. In addition, Impack understands the inevitability of generating emissions from its production processes that involve converting raw materials into building products and thus is committed to reducing emissions through production process efficiency, the use of new and renewable energy, and promoting a circular product life cycle. As an industry leader of innovative building materials in Indonesia, Impack will continue to create solutions that support the creation of more environmentally friendly buildings and construction.

### Vision



Becoming the most influential 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 who share our Group values and sustainable attitude.

### Sustainability Values & Cultures



#### HONOR GOD, THE ALMIGHTY

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



#### HUMILITY

Accepting that success comes from team members and that each member is valuable.



#### INTEGRITY

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



#### PROFESSIONALISM

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



#### SOLUTIONS PROVIDING

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



# Sustainability Achievements

## BUILDING RIGHT



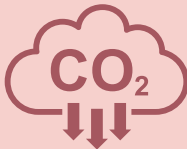
### GCG Achievements



- Implementation of various GCG and human rights policies
- Implementation of ASEAN Corporate Governance Scorecard (ACGS)
- Implementation of sustainability policies
- Strengthening of the Risk Management Work Unit in the Company



### Emission Reduction Achievements



3,421

tons CO<sub>2</sub>eq saved from the use of solar panels

483

tons CO<sub>2</sub>eq saved from Altira, ranked Platinum in the Greenhouse Certification

37%

Energy efficiency of the Company's operations compared to 2019



### Average Training Hours



13

hours/employee/year



The commencement of PT Sirkular Karya Indonesia's operations, which focus on circular economy principles



9,420 tons

Recycled materials, both post-consumer and industrial waste, integrated to become long-lasting building products



84%

Purchased raw materials sourced from local suppliers



## BUILDING GOOD



44,355

Beneficiaries of SDD and SDT products spread across 32 provinces in Indonesia

663

tons CO<sub>2</sub>eq

Emissions reduced from SDD and SDT usage



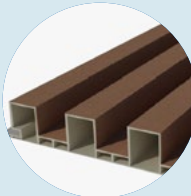
### Solar Dryer Dome



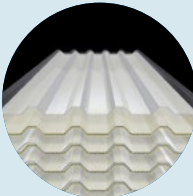
3 New innovative and sustainable products introduced and marketed to consumers in 2024



Improroll



DEWALL



AlderonTP  
INNOVATIVE BUILDING MATERIALS



## BUILDING WELL



ZERO

Fatal occupational injuries



12%

CAGR increase in net revenue/employee compared to base year (2019)

28%

CAGR increase in net income/employee compared to base year (2019)



The commencement of operations of a new factory in Batang, Central Java began in February 2024, as part of business expansion and market share growth



Launched a state-of-the-art DC located at Delta Silicon 8, Lippo Cikarang, West Java



Acquisition of Mulford Holdings, a leading distributor of plastic sheets for signage and building material products in Australia and New Zealand

## COLLABORATIONS & PARTNERSHIPS AS ENABLERS



### MEMORANDUM OF UNDERSTANDING

on Collaboration in Circular Economy

January 8<sup>th</sup> December 2024



### UNIVERSITIES:



Trisakti University, Institut Pertanian Bogor (IPB) University, Bina Nusantara (BINUS) University, Universitas Hindu Indonesia (UNHI), Universitas Multimedia Nusantara (UMN)

### COMPANIES:



PT Sasa Inti, Covestro, Sabic, Marubeni Corporation, Greenprosa

### NGOs:



Gerakan Plastik Akal Sehat untuk Indonesia (PASTI)

### GOVERNMENTAL INSTITUTION:



Komando Resor Militer (KOREM) 142/ Tatag, Dinas Lingkungan Hidup Provinsi DKI Jakarta & Suku Dinas Lingkungan Hidup Kabupaten Kepulauan Seribu

# BUILDING SUSTAINABILITY







01

## BUILDING RIGHT



### CORPORATE GOVERNANCE

- › Continue to uphold unwavering commitment to transparency and good governance practices.
- › Implement good governance and disclosure practices designed for long-term value creation, considering the interests of the Company's stakeholders.
- › Continue to execute a consistent and accountable growth strategy aligned with the sustainable growth policy.



### CLIMATE RESILIENCE

- › Establish concrete targets for reducing carbon emissions by transitioning to renewable energy for both new and existing Company facilities.
- › Drive continuous product innovation and growth to address customer needs while simultaneously minimizing emissions.
- › Establish a Risk Management Work Unit to proactively mitigate climate change-related risks and identify opportunities.



### ENERGY EFFICIENCY AND RENEWABLE ENERGY TRANSITION

- › Digitalize production records and distribution channels to improve operational efficiency.
- › Improve energy efficiency through the implementation of the latest technologies.



### HUMAN CAPITAL MANAGEMENT

- › Provide equal opportunities to all employees, regardless of race, national origin, or gender in career development, including promotions, awards, and access to training.
- › Conduct regular training sessions to enhance employee skills and competencies, encompassing both hard and soft skills.
- › Evaluate employee performance and reward employees according to their performance.
- › Carry out regeneration by developing high-potential talents within the company and preparing them to become future leaders.



### CIRCULAR ECONOMY

- › Creative innovation of sustainable products through upcycling, using environmentally friendly materials derived from industrial waste and post-consumer waste, while maintaining premium product quality.
- › Implementation of Impack's Circularity principles, as well as identifying and reducing waste generated in the production process.
- › Investment in the Impack Research and Innovation Center (IRIC) to develop innovative building products solutions utilizing unmanaged low-value residual waste as raw materials.
- › Facilitate product sorting after use by adding resin identification codes to the goods.
- › Implement the reduce, reuse, recycle (3R) principle to minimize the environmental impact of production activities.
- › Routinely report on environmental performance and maintain recognized environmental certifications held by the Company.
- › Collaborate with various non-governmental organizations (NGOs) in biodiversity and environmental sectors to enhance the Company's positive impact on the community and the environment.



### PRODUCT QUALITY AND SAFETY

- › Ensure all products available to the public have undergone quality and safety assessments conducted by IRIC.
- › Maintain ISO 9001:2015 certified quality management systems throughout production processes.
- › Conduct comprehensive product durability and safety tests both independently and through certified third parties.
- › Continue to conduct research and innovation to enhance and explore alternatives for safer, higher-quality, and more sustainable raw materials.



### SUSTAINABLE SUPPLY CHAIN

- › Select suppliers with a focus on sustainability, demonstrating strong environmental practices.
- › Engage suppliers in the Company's sustainability initiatives, encouraging active collaboration to achieve sustainability in the supply chain.
- › Proactively assess sustainability data and performance of main suppliers.



02

## BUILDING GOOD



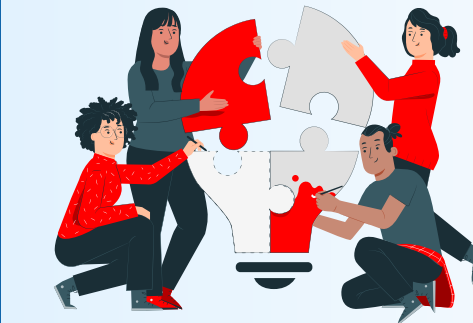
### COMMUNITY IMPACT DEVELOPMENT

- › Expand the installation of environmentally friendly Solar Dryer products in various underdeveloped areas across Indonesia, particularly focusing on post-harvest management, aiming to enhance the well-being of communities and increase food security.
- › Utilize recycled materials for building products, fostering the growth of local recycling industries and providing opportunities for collectors, scavengers, and communities.
- › Promote the upstream collection of recycled raw materials through plastic waste sorting practices in collaborative partnerships with various NGOs and communities.



### PRODUCT INNOVATION AND STEWARDSHIP

- › Collection of product scraps and remnants from home renovations from the Company's sales network to upcycle these materials into new environmentally friendly products.
- › Investment in research and development to create environmentally friendly and innovative building material products using recycled materials.
- › Collaboration with business partners and fast-moving consumer goods (FMCG) companies, especially in efforts to upcycle single-use packaging materials that are very difficult to upcycle through technological innovation, as part of the extended producer responsibility (EPR).
- › Upcycle industrial waste and single-use packaging/bottles into high-quality building materials with a minimum life span of five years as a substitute for raw materials derived from natural resources.



### RESPONSIBLE MARKETING AND CUSTOMER MANAGEMENT

- › Introduce new products and standardize the correct installation method to the Company's installers and customers.
- › Offer technical support for customers requiring detailed specifications and addressing special needs, so the Company can deliver and provide the right products.
- › Introduce sustainable products designed to reduce customers' carbon footprint, support awareness of environmental impacts, and promote sustainable lifestyles.
- › Conduct various programs for customer retention that provide added value and superior customer service to foster long-term, profitable relationships.

03

## BUILDING WELL



### SUSTAINABLE GROWTH

- › Expand our operations into areas with high growth potential, along with supporting infrastructure and new factories.
- › Diversify product lines by innovating sustainable home improvement and building improvement solutions.
- › Market our newly introduced and improved innovative sustainable products.
- › Strategically acquire companies to strengthen our market position and enhance our resilience in navigating industry challenges.
- › Optimize operational costs efficiently to enhance profitability.
- › Apply circular economy principles, through our subsidiary, PT Sirkular Karya Indonesia (SKI), aligning with our commitment to implement sustainable business practices.



### EMPLOYEE WELL-BEING, HEALTH, AND SAFETY

- › Promote and implement diversity and inclusivity initiatives, creating a fair and inclusive workplace for all employees.
- › Provide safe and comfortable work and sports facilities for employee well-being.
- › Strengthen employee relationships through engaging employee bonding programs, such as gatherings and joint recreational activities.
- › Ensure employees' well-being by including them in the Social Security Agency for Employment (BPJS Ketenagakerjaan) and the Social Security Agency for Health (BPJS Kesehatan), as well as provide medical and nutritional allowances according to the applicable Collective Labor Agreement (CLA).
- › Cultivate a strong work safety culture in the workplace, from operator to management level.
- › Prioritize employee health by conducting regular medical check-ups (MCU) for employees in factories, especially those working in high-risk areas.

# Message from the Board of Directors

**Haryanto Tjiptodihardjo**

PRESIDENT DIRECTOR



Dear esteemed stakeholders,

In 2024, the global economy experienced a slowdown with increased geopolitical tensions, disruption to global supply chains, and inflation, which continue to foster uncertainty. The Company remains committed to our five-year plan, "Retune, Refine, and Recharge", which has been a cornerstone of our sustainability strategy and serves as our roadmap to a more sustainable future.

## Sustainability Achievements

Impack is one of Indonesia's leading suppliers in building materials; we recognized the crucial role we play in the environmental stewardship, social responsibility, and governance of health and safety. Here is to share some of our achievements over the year:

### Environmental Stewardship

- 15% YoY reduction in Scope 1 and 2 emissions intensity.
- 94% YoY increase in emissions reduction from the use of new and renewable energy.
- Scope 3 emissions calculation to reduce environmental impact across our entire operational chain.
- Corporate social and environmental responsibility (CSER) costs disbursed amounted to Rp24,452,107,838 (USD 1,512,938).

### Social Responsibility and Diversity

- No fatalities over the past five years.
- 20.8% female representation in the Board of Directors and Board of Commissioners across the parent company and its subsidiaries.
- >600 solar dryers installed across 32 provinces, benefiting over 44,000 people in various farming and fishing communities, and has helped reduce 663 tCO<sub>2</sub>eq in emissions in 2024.

### Good Governance and Responsible Business

- Investing in R&D efforts since 2022 to enhance the recycled content in building materials, making them more sustainable and durable (11.43% of recycled content in 2024).
- Investing in decentralization of production and operations to address increasing demand to ensure

sustainable solutions and increase efficiency in production and delivery processes for customers. This resulted in a 39.07% increase in net income compound annual growth rate (CAGR) from 2019.

- Signed a memorandum of understanding (MoU) with Marubeni Corporation, which aims to foster the circular economy, transform plastic into valuable building materials, and integrate communities as part of sustainable business strategy.

## Future Focus

We focus on three key strategies to sustain the three pillars of our achievements mentioned:

### Climate Strategy

We strive for continuous improvement by proactively enhancing our decarbonization strategies and action plans.

### Social Inclusion

We will continue to provide occupational health and safety (OHS) training with the goal that workers can work healthily and safely, maintain zero fatalities in the workplace, cultivate more female leaders, and benefit society with greener and more affordable solutions.

### Responsible Business






We will work with our suppliers, customers, government, and civil society partners to reduce negative environmental impact through more efficient circular businesses.



We are confident that we will make good progress and we would like to take this opportunity to thank all our colleagues, customers, partners, and stakeholders who have supported our sustainability journey.










Jakarta, May 2025

**Haryanto Tjiptodihardjo**  
President Director

Progress and Target Towards 2030 Sustainability Goals

		Material Topics	Parameter	2030 Long-term Target	2024 Target	2024 Achievement	Towards 2030	SDGs
<div><div>BUILDING RIGHT</div><div></div></div>		Corporate Governance	Safeguard stakeholders' rights and interests by adhering to ethical business practices	The creation of ethical work behavior in the Company	Conduct code of conduct training in the Company	Achieved		
		Circular Economy	Use of recycled materials	5,000 tons/year (33.4% increase from 2019)	4,400 tons/year (17.4% increase from 2019)	9,420 tons/year (151% increase from 2019) 		 
		Climate Resilience, Energy Efficiency, and Renewable Energy	Emissions reduced from the use of SDD and SDT	≈1,500 ton CO <sub>2</sub> eq*	≈690 ton CO <sub>2</sub> eq*	≈663 ton CO <sub>2</sub> eq*		
			Emissions reduced from the use of solar panels	3,500 ton CO <sub>2</sub> eq	1,700 ton CO <sub>2</sub> eq	3,421 ton CO <sub>2</sub> eq		 
		Human Capital Management	Average training hours per employee	15 hours/year	9 hours/year	13 hours/year		
		Product Quality and Safety	Products that have passed quality and safety assessments	100%	100%	100%		
		Sustainable Supply Chain	Purchases from national suppliers	82%	79,5%	84% 		

<div><div>BUILDING GOOD</div><div></div></div>		Community Impact and Development	Beneficiaries of SDD and SDT	≈73.000	≈44,350	≈44,355		
		Product Innovation and Stewardship	Continuous innovation of new sustainable products and responsible producers	Continuous new product innovation and committed to releasing 5 new and upgraded products every year	5 new and upgraded products	3 new and upgraded products		
		Responsible Marketing and Customer Management	Customer satisfaction rate	88%	86.5%	85.5%		

<div><div>BUILDING WELL</div><div></div></div>		Sustainable Growth	Net revenue per employee	11% CAGR increase to Rp1,500 million compared to 2019	8% CAGR increase to Rp1,200 million compared to 2019	12% CAGR increase to Rp1,428 million compared to 2019		
			Net income per employee	13% CAGR increase to Rp120 million compared to 2019	10% CAGR increase to Rp89.5 million compared to 2019	28% CAGR increase to Rp199 million compared to 2019		
		Employee Well-being, Health, and Safety	Fatal accidents	Towards zero fatalities	Towards zero fatalities	Zero fatalities		
			Employee satisfaction rate	85%	79.5%	80%		

\* Compared to the use of electrical dryer.



# Sustainability Highlights

## Economic Aspect

Description	Unit	Reporting Period		
		2024	2023	2022
Production Quantity*	Tons	82,449	65,923	61,083
Net Revenue	Billion Rupiah	3,877.9	3,630.7**	2,808.7
Net Income	Billion Rupiah	539.4	447.8**	307.4
Eco-friendly Products*	Tons	9,420	7,813	7,154
Local Parties Engagement*	Tons	71,297	55,400	44,484

Note:

\*Data covers Polycarbonate (PC), Aluminum Composite Panel (ACP), PT Unipack Plasindo (UPC), and PT Kreasi Dasatama (KD) units.

\*\*Restatement of information due to the restatement of the financial statements for fiscal year 2023 in accordance with Statement of Financial Accounting Standards (PSAK) 338.

## Environmental Aspect

Description	Unit	Reporting Period		
		2024	2023	2022
Energy Consumption*	GJ	170,193	159,890	153,941
Emission Reduction	Tons CO <sub>2</sub> eq	3,904	2,943	1,103
Percentage of Waste to Total Production*	%	0.70	0.88	0.97
Recycled Waste*	Tons	9,420	7,813	7,154
Biodiversity Conservation	Rupiah	15,595,630	71,778,400	19,572,842

Note:

\*Data covers Polycarbonate (PC), Aluminum Composite Panel (ACP), PT Unipack Plasindo (UPC), and PT Kreasi Dasatama (KD) units.

## Social Aspect

Description	Unit	Reporting Period		
		2024	2023	2022
Employee Turnover Rate**	%	14.9	10.8***	11.7***
Total Training Hours*	Hours	20,059	15,300	9,949
Employee Satisfaction Level**	%	80	80	78
Consumer Satisfaction Rate	%	85.5	87	86
Number of Beneficiaries	People	≈44,355	≈43,551	≈41,536

Note:

\*Data covers Polycarbonate (PC), Aluminum Composite Panel (ACP), PT Unipack Plasindo (UPC), and PT Kreasi Dasatama (KD) units.

\*\*Data includes domestic subsidiaries.

\*\*\*Restatement of information due to an adjustment in the definition of employees, which no longer includes members of the Board of Directors and Board of Commissioners.







## Executive Summary

### **2024 Sustainability Report**

#### **PT Impack Pratama Industri Tbk**

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