

# Advancing Well-Being at Every Stage of Life



2023 SUSTAINABILITY REPORT



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# INTRODUCTION

About This Report

Our Company

Group CEO's Message



# ABOUT THIS REPORT

**PT Lippo Karawaci Tbk** (LPKR, Lippo Karawaci or “the Group”) is proud to present its 2023 Sustainability Report (“this Report”). This Report provides insights into the Group’s consolidated Environmental, Social and Governance (ESG) performance and conveys our commitment to promote accountability and transparency in sustainability reporting. Our approach and methodology aim to incorporate sustainability into every facet of our business strategy, policies, and operations. We recommend reviewing this Report alongside our Annual Report, which delves into our financial, operational, and governance disclosures. The policy, practice and performance data presented in this report were obtained from formal documents and operational data from business units in the Group. Endorsed by the Board of Directors and Board of Commissioners, this Report is published on 30 April 2024. This Report is only available in a digital version – current and previous editions are available at [www.lippokarawaci.co.id](http://www.lippokarawaci.co.id).

## REPORTING SCOPE & PERIOD

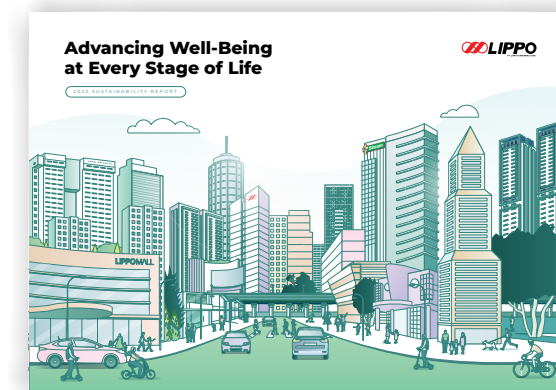
The scope of this Report mirrors our Annual Report, covering all business units across our Real Estate, Healthcare, and Lifestyle segments. The scope includes publicly listed entities under the Group’s management, such as PT Lippo Cikarang Tbk (LPCK), PT Gowa Makassar Tourism Development (GMTD), PT Siloam International Hospitals Tbk (Siloam), and Lippo Malls Indonesia Retail Trust (LMIR Trust)<sup>1</sup>, as well as wholly-owned subsidiaries such as PT Lippo Malls Indonesia (Lippo Malls) and PT Aryaduta International Management (Aryaduta). This year, we have also included the operations of San Diego Hills Memorial Park (SDH) in our scope of reporting.

In line with reporting best practice, we have specified the boundaries for any disclosure that does not apply to all business units. For instance, our environmental data only reflects assets and operations under the Group’s operational control, in line with the GHG protocol. All business units adopt a standard approach as prescribed by the Group Sustainability Function in the identification of material topics, performance measurement and reporting.

The reporting period spans 1 January to 31 December 2023, which aligns with our financial year. Where relevant and available, this Report provides comparative historical data to provide more context. We publish our Sustainability Reports on an annual basis.



2022 Sustainability Report



2023 Sustainability Report

<sup>1</sup> As publicly listed entities, LPCK, GMTD, Siloam, and LMIR Trust separately publish their own Sustainability Reports on an annual basis.

## REPORTING STANDARDS & FRAMEWORKS

This year's Report builds on the disclosures from our previous Sustainability Reports. We have conducted a comprehensive gap analysis against reporting standards and frameworks such as sustainability reporting requirements of the Financial Services Authority of Indonesia (OJK) and the Singapore Exchange (SGX), GRI Universal Standards 2021, SASB Standards, Taskforce on Climate-related Financial Disclosure (TCFD), as well as the performance indicators of global sustainability benchmarks. This year, we have disclosed additional information that aligns with the reporting standards and frameworks employed by industry leaders, in an effort to continually improve our disclosures. We recognize the issuance of the new International Sustainability Standards Board (ISSB) standards and are currently enhancing our disclosures to align with the ISSB guidelines. This Report is prepared in accordance or makes reference to the following regulations, standards, and guidelines (please refer to "Appendix - Content Index" on pages 99 to 111):

Reporting Standard / Framework	Description
Global Reporting Initiative (GRI)	This Report has been prepared in accordance with the GRI Universal Standards 2021. The GRI framework is one of the most widely used standards for global reporting. The disclosures made in this report are in line with GRI's Reporting Principles for defining report quality – accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. Our GRI content index can be found on pages 99 to 103 of this report.
Sustainability Accounting Standards Board (SASB)	We are disclosing additional information in line with the SASB Standards for Real Estate, which provide sector-specific guidance on sustainability indicators based on financial materiality.
United Nations Global Compact (UNGC) and United Nations Sustainable Development Goals (UN SDGs)	As a UNGC signatory, we are committed to upholding the Ten Principles of the UNGC and advancing the UN SDGs that are more relevant to our business. This Report showcases how we are contributing towards the global sustainability agenda under the UNGC and UN SDGs and forms the basis for our annual disclosures under the UNGC's "Communication on Progress" requirements.
Task Force on Climate-related Financial Disclosures (TCFD)	To enhance our climate reporting and future alignment with the International Financial Reporting Standards (IFRS)'s International Sustainability Standards Board Standards 2 (ISSB S2), we have prepared our climate-related disclosures in accordance with TCFD recommendations. This is structured around the four thematic areas of Governance, Strategy, Risk Management, and Metrics and Targets. Our TCFD Report is enclosed under "Climate Risks & Opportunities" on pages 28 to 29. We are committed to working towards fully aligning with the TCFD recommendations and enhancing our disclosures in line with best practice. This year, we have built on our inaugural TCFD Report last year, to include key takeaways from our financial impact assessment and scenario analysis, found on pages 30 to 33.
Financial Services Authority of Indonesia (OJK)	As a public company listed on the Indonesia Stock Exchange, we have disclosed information in line with the sustainability reporting requirements of OJK Regulation No.51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Companies, Issuers, and Public Companies and in reference to OJK Circular Letter No.16/SEOJK.04/2021 for Form and Contents of the Issuer's or Public Company's Annual Report.
Singapore Exchange (SGX)	This report also complies with the sustainability reporting requirements of the SGX-ST Listing Rule 711A and 711B, and Practice Note 7.6 Sustainability Reporting Guide. It has also been developed while referencing the six primary components stated in SGX-ST Listing Rule 711B on the "comply or explain" basis.
World Economic Forum (WEF)	As a long-standing partner of WEF, we are amongst the first corporations in Southeast Asia to pledge our support for the WEF Stakeholder Capitalism Metrics. Our Sustainability Framework and disclosures are organized according to the four thematic areas of Prosperity, Planet, People, and Principles of Governance, which demonstrates our commitment to long-term value creation for all our stakeholders across both financial and non-financial dimensions.

## RESTATEMENTS OF INFORMATION

We have made restatements in emissions, energy, water and workforce data for previous periods. Please refer to the Appendix for more information.

## EXTERNAL ASSURANCE

We have not sought external assurance for this Report. We are continually improving our data collection and validation processes in preparation for external assurance in the future. In 2023, we performed an internal audit on environmental disclosures as a preparatory measure for assurance readiness.

## FEEDBACK

To enhance the quality and transparency of our reporting, we have proactively provided more information to fulfill the disclosure requirements under POJK 51/2017 and OJK Circular Letter SEOJK 16/2021, based on the feedback received from OJK on our 2022 Sustainability Report.

We welcome feedback on this Report, as this helps us to improve our sustainability performance and reporting. Please reach out to us with any comments or questions at [sustainability@lippokarawaci.co.id](mailto:sustainability@lippokarawaci.co.id)

## CONTACT INFORMATION

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# OUR COMPANY

Listed on the Indonesia Stock Exchange, Lippo Karawaci is Indonesia's leading real estate and healthcare platform, with a presence in 26 provinces and 56 cities across Indonesia and total assets of USD 3.2 billion as of 31 December 2023. The Group has a strong track record of developing and managing a diversified asset base that includes landed and high-rise residences, hospitals, lifestyle malls, hotels, commercial and industrial estates, office buildings, as well as townships and integrated developments.

Through our innovative use of land and integrated value chain, we create value across every segment of the urban ecosystem. We serve Indonesia's emerging consumer by not only building homes and townships, but also providing healthcare, retail and hospitality services. Our diversified assets and operations span the archipelago, from Aceh to the eastern reaches of Papua. As champions of sustainability, we are committed to creating a more liveable world for all our stakeholders, and for the generations to come.

There were no significant changes in the Group's operations and business relationships in 2023.

## VISION

To be a leading real estate and healthcare company in Asia, advancing the wellbeing of those we serve.

## MISSION

- To win the hearts and minds of our customers through quality homes, healthcare and lifestyle offerings, as well as people-centric services.
- To build a talent-driven organization that prides itself on operational excellence and bringing out the best in our people.
- To embrace innovation and technology in the constant pursuit of developing better products and processes.
- To inspire our customers, communities, and partners towards a more sustainable future.

## VALUES



### CUSTOMER FOCUS

- Put the customer first in every aspect of our business.
- Go the extra mile to earn customer trust and loyalty.



### EXCELLENCE

- Strive to be the best and uphold the highest standards of quality without compromise.
- Unleash the full potential of our talent to deliver outstanding performance.



### AGILITY

- Thrive in dynamic environments and anticipate change.
- Innovate and capitalize on new opportunities.



### STEWARDSHIP

- Be responsible for our resources, environment and communities.
- Create lasting, positive impact for all stakeholders in our ecosystem.



## BUSINESS ECOSYSTEM

### REAL ESTATE

**Large landbank** and **strong growth in marketing sales** that is expected to remain elevated in coming years, generating positive cashflow

**End-to-end revenue streams:**

- Real Estate Development
- Township Management
- Water treatment and other supporting services

**3** townships  
**~1,400 ha** of land bank  
**25+** years of remaining land bank  
**9** high-rise residences  
**80+** property development projects for sale

### HEALTHCARE

**Controlling stake in the largest hospital operator in Indonesia**, delivering clinical excellence and access to healthcare

**Complete healthcare service offering:**

- Hospitals
- Clinics
- Digital healthcare, homecare, lab & diagnostics

**41** hospitals  
**8,500+** nurses & medical professionals  
**~4,000** hospital beds  
**72** clinics  
**3,800+** GPs, specialists, & dentists

### LIFESTYLE

**Malls, hotels, and ancillary business assets** that are profitable and supplement the main business by providing regular dividend income

**Wide range of recurring revenue businesses:**

- Malls
- Hospitality
- Food catering, parking & other ancillary businesses

**59** managed malls  
**1.7M m<sup>2</sup>** net leasable area  
**3** leisure properties  
**10** hotels  
**~2,000** hotel rooms

PT LIPPO KARAWACI TBK | 2023 SUSTAINABILITY REPORT

PT Lippo Karawaci Tbk



PT Lippo Cikarang Tbk



PT Gowa Makassar Tourism Development Tbk



PT San Diego Hills Memorial Park



PT Siloam International Hospitals Tbk



PT Lippo Malls Indonesia



Lippo Malls Indonesia Retail Trust



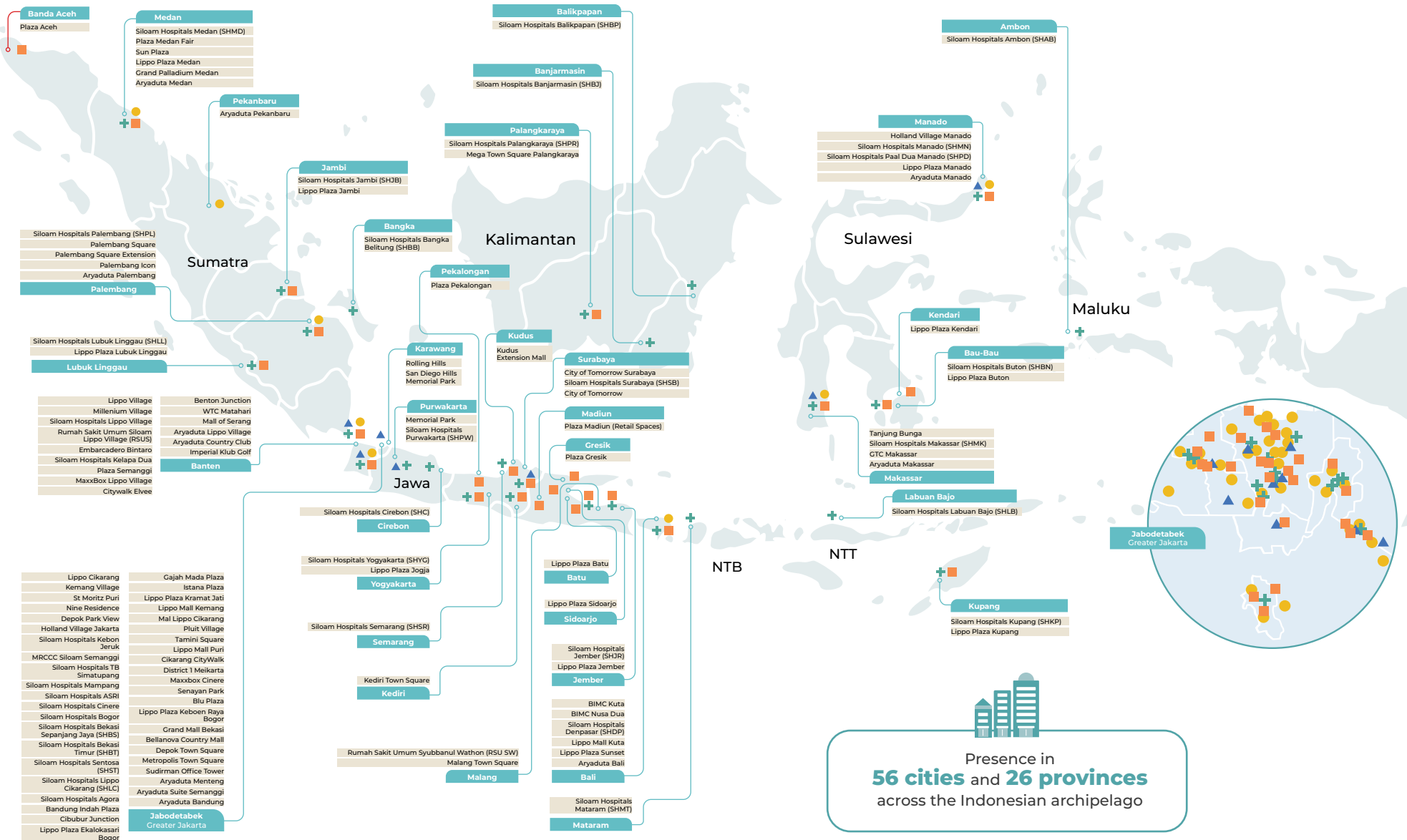
PT Aryaduta International Management



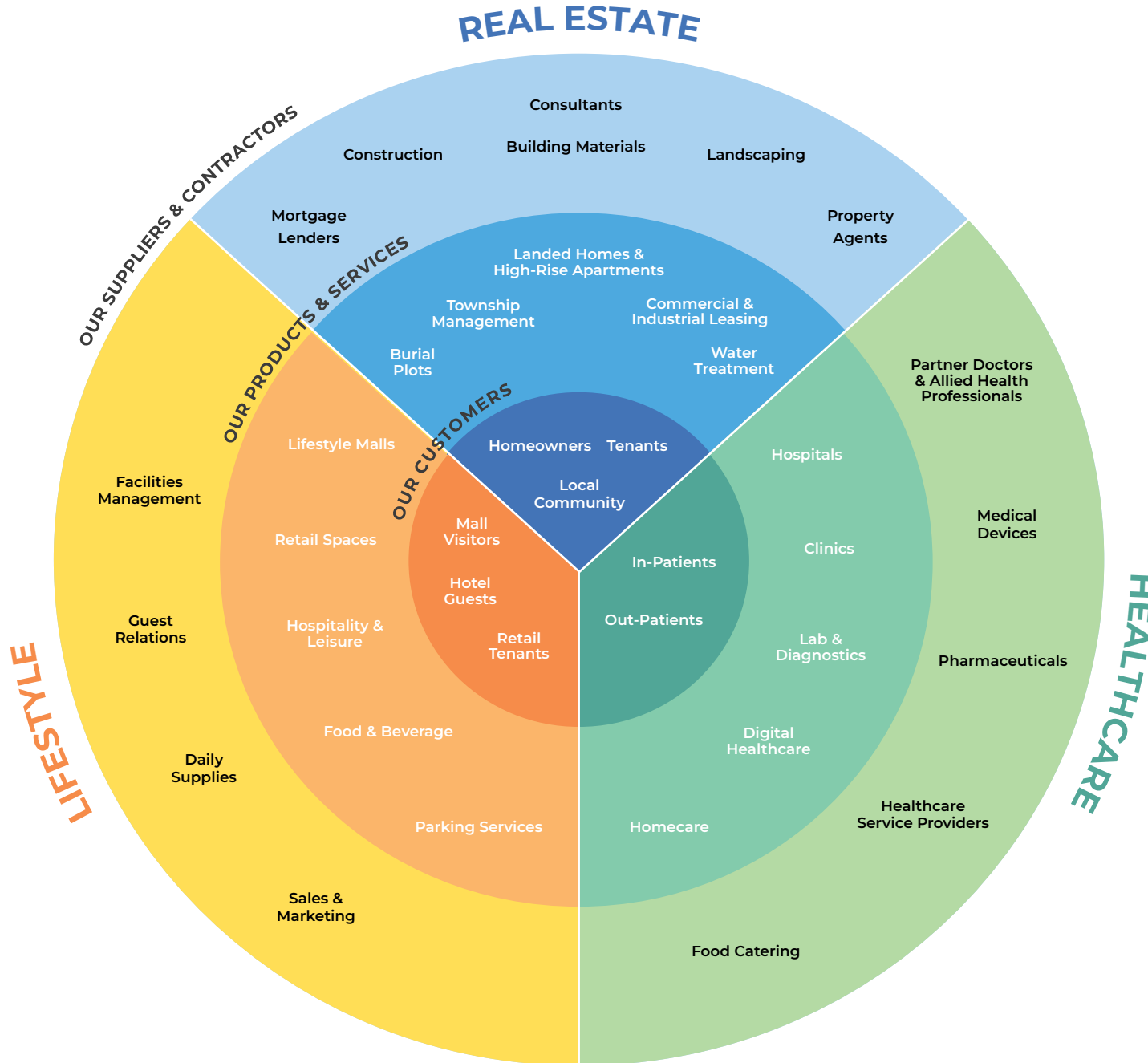
**Note:** PT Lippo Karawaci Tbk serves as the operating company for part of its real estate operations, as well as the parent company for a number of publicly listed and wholly owned subsidiaries.



## OPERATIONAL FOOTPRINT



VALUE CHAIN

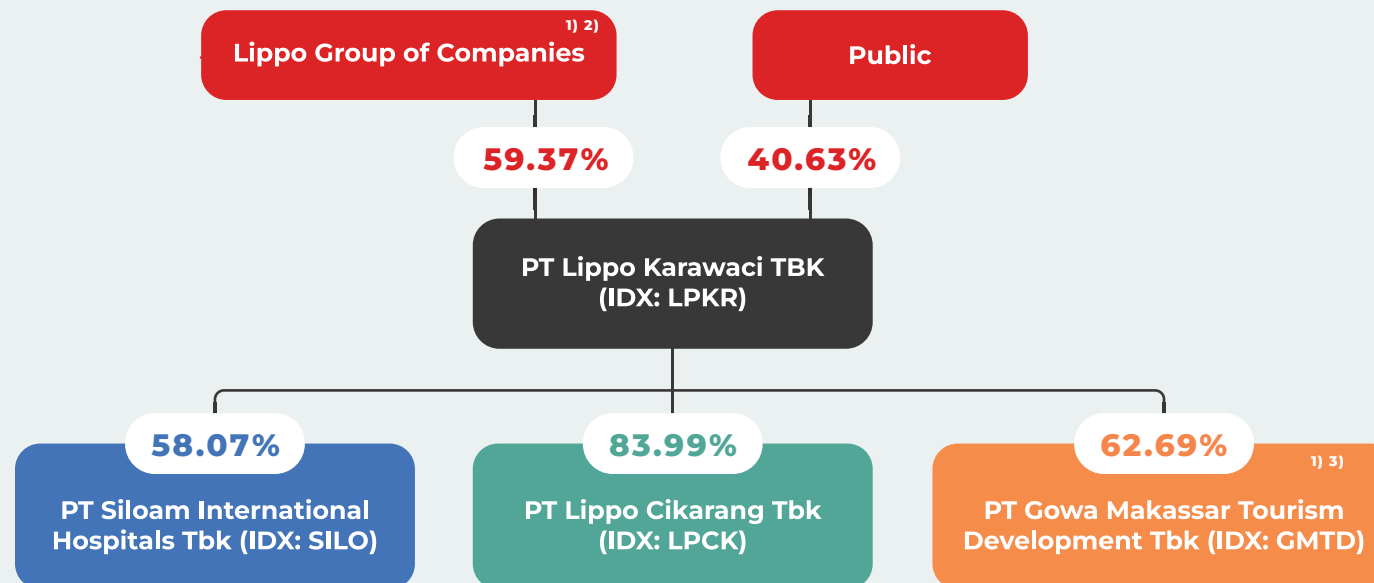


## SHAREHOLDERS STRUCTURE

<sup>1)</sup> Directly and indirectly

<sup>2)</sup> Ultimate Beneficial Owner is James T. Riady who has indirect ownership through PT Inti Anugerah Pratama

<sup>3)</sup> As of the issuance date of this Sustainability Report, 4.92% of shares owned by the Company in PT Gowa Makassar Tourism Development Tbk have been sold and transferred to the public to fulfil the free float requirements.



## MEMBERSHIP ASSOCIATIONS

### LIPPO KARAWACI

- Indonesian Chamber of Commerce and Industry (KADIN)
- Real Estate Indonesia (REI)
- Indonesian Issuers Association (AEI)
- World Economic Forum (WEF)
- Jakarta Property Institute (JPI)

### SUBSIDIARIES (select)

- Indonesian Employers' Association (APINDO)
- Indonesian Industrial Estate Association (HKI)
- Indonesian Private Hospitals Association (ARSSI)
- Indonesia Shopping Center Management Association (APPBI)
- Indonesian Hotel and Restaurant Association (PHRI)

# GROUP CEO'S MESSAGE

## Dear Valued Stakeholders,

Amidst significant volatility in the global economy, exacerbated by climate change, geopolitical tensions and supply chain disruptions, sustainability has emerged as a fundamental cornerstone for business resilience. At Lippo Karawaci, we firmly believe that sustainability is a strategic imperative that drives value creation and long-term growth for our organization. As such, we have placed a greater emphasis on integrating sustainability in our core business strategy, operations, and risk management practices. By making sustainability top-of-mind, our Boards and Management teams have embraced a more holistic approach that considers the impact of ESG factors on our businesses, and enables us to better capitalize on potential efficiencies and new opportunities.

As Chairman of our ESG Committee, I am pleased with the good progress that our Management teams have made to keep pace with the rapidly evolving global ESG landscape and industry best practices. 2023 has been a pivotal year in our sustainability journey, and we are happy to share with our stakeholders the concrete steps that we have taken to advance our ESG priorities.

## ENHANCING CLIMATE RESILIENCE

We continue to build on our efforts to address our climate-related risks and opportunities, in line with the recommendations of the Task Force on Climate-Financial Disclosures (TCFD). In 2022, we conducted our inaugural

climate risk assessment across different asset classes and time horizons, and integrated these climate risks and opportunities into our enterprise risk management system and business strategies. In 2023, we have gone one step further to quantify these climate risks. We conducted our first climate scenario analysis to forecast the potential impacts of identified physical and transition risks to our businesses. Our scenario analysis was based on 2030 and 2100 timelines, under two scenarios: a more optimistic one where global warming is limited to 2°C by 2100, and a more severe one where it reaches 4°C. In addition, we conducted a bottom-up analysis of climate-related incidents and costs faced by our businesses in 2022 and 2023, to form a preliminary understanding of the financial cost of climate mitigation and adaptation (cost to fix or prevent damage) and business disruption due to climate change. Lastly, we reviewed our management responses to key climate risks and opportunities at our ESG Committee meetings. Going forward, we plan to discuss our climate agenda more comprehensively at various governance platforms and with our business units, as well as improve our climate reporting and risk management practices to align more closely with the TCFD recommendations and the International Sustainability Standards Board (ISSB)'s requirements.

## ADVANCING OUR SUSTAINABILITY AGENDA

At the start of 2023, we launched our 2030 Sustainability Agenda, which sets measurable ESG targets to drive performance and accountability across climate action,



social impact, and corporate governance. Throughout the year, we actively engaged both internal and external stakeholders to raise awareness and secure buy-in for our priorities, including by cascading our Group-wide targets and action plans down to our respective business units. For instance, each business unit has formulated its own decarbonization roadmap of energy and emissions reduction initiatives, tailored to the unique characteristics of their business operations and capital expenditure plans. These decarbonization plans are supported by regular energy audits, the systematic roll-out of energy efficiency initiatives and asset enhancements, and new opportunities associated with green buildings and renewable energy. I am particularly pleased to note that two of our malls, Lippo Mall Puri and Sun Plaza, have been awarded the EDGE green building certification for demonstrating resource efficiency in energy, water and material usage. We recognize the benefits of green buildings, and are working to certify more assets in the coming years.

We have also surpassed our water sustainability goals, whereby 24% of our water consumption now comes from sustainable sources such as recycled wastewater and harvested rainwater, and the expansion of our wastewater recycling operations in our townships has resulted in a 139% increase in total volume of treated water from sustainable sources (against our 2019 baseline). This demonstrates our commitment to water circularity within our operational ecosystem, to address freshwater scarcity and water supply disruptions in Indonesia.

On the social impact front, we have ramped up our community engagement programs under our flagship campaign “Lippo Untuk Indonesia PASTI”. In 2023, we conducted a total of 1,284 PASTI activities across our business units, ranging from festivals supporting local MSMEs to vocational training programs. A key highlight was the launch of Siloam Hospitals’ “SELANGKAH” campaign, which aims to provide free breast cancer screenings for over 25,000 women across Indonesia, particularly in remote areas. As of 2023, 6,900 women have benefited from the free breast cancer screenings, with around 45,000 members of the public participating in SELANGKAH health talks and education sessions.

## STRENGTHENING INTERNAL POLICIES AND PROCESSES

We remain committed to upholding the highest standards of corporate governance and conducting our business responsibly, which is why we continue to enhance our governance structures and processes in support of our sustainability ambitions. In 2023, we rolled out a new Sustainable Procurement Policy

and Supplier Code of Conduct, which seeks to improve governance across our value chain by setting clear baselines for our suppliers in terms of ethical business practices and compliance with environmental, human rights, and occupational health and safety (OHS) standards. Internally, we also established a Group OHS Committee that exercises direct oversight over the business units on OHS compliance and performance, and cross-shares best practices in terms of policies and training.

To improve our ESG reporting processes, we formalized Group-wide standard operating procedures (SOPs) to provide clarity on data requirements, roles and responsibilities, and reporting/approval workflows. As a preparatory measure for assurance readiness, we have kickstarted our internal audit program starting with our environmental disclosures, to ensure that we have strong data integrity and internal controls in place for our ESG reporting. We are currently in the process of integrating the ESG data management systems across our respective business units to streamline data consolidation and performance management, and we expect to roll out a new Group-wide system in 2024.

Aside from policies and processes, we also seek to empower our employees at all levels of the organization through ESG capacity building. In 2023, we made it a top priority to deepen the ESG knowledge and expertise of not just our Boards and leadership teams, but also our middle management and operational staff. Our employees attended 1,156 hours of ESG training courses on various topics such as climate risks, decarbonization strategies, ISSB requirements, and sustainable finance.

## PARTNERING FOR THE FUTURE

Looking ahead, we believe that it is imperative to find like-minded partners to support our journey and achieve our sustainability objectives. For instance, as part of our commitment to make world-class healthcare services accessible to Indonesians, we have been collaborating with healthcare leaders around the world such as Asan Medical Center in South Korea to expand our clinical capabilities and enhance collaboration in patient care, referrals, as well as the exchange of medical staff and researchers. Beyond healthcare, we also partner with local players such as Voltron to make electric vehicle (EV) charging stations available at our townships and integrated developments, as part of our efforts to support the acceleration of EV adoption in Indonesia. There are many other interesting sustainability opportunities that we continue to explore with our partners, especially in terms of sustainable finance and product innovation, that will drive value creation for our stakeholders in the near to long term.

Through our sustainability agenda, I am optimistic that we can do much more to forge a better future for Indonesians. I would like to express my heartfelt appreciation to everyone who has been a part of this journey with us.

**John Riady**  
Group CEO

# HIGHLIGHTS

Sustainability Performance

Sustainability Agenda



# SUSTAINABILITY PERFORMANCE

Enhancing Quality of Life

<p><b>&gt;185M</b> Indonesians served</p>	<p><b>Rp 16,990B</b> Revenue</p>	<p><b>97%</b> Sold homes priced under Rp 2 billion</p>	<p><b>1,284</b> Community activities under PASTI</p>	<p><b>Rp 25.1B</b> CSR spending</p>
<p><b>Rp 850B</b> Taxes paid</p>	<p><b>~95%</b> Procurement budget on Indonesian Suppliers</p>	<p><b>1,725</b> MSMEs supported through PASTI</p>	<p><b>8,200</b> Healthcare professionals trained at Siloam Training Center</p>	<p><b>315</b> Nurses graduated under Siloam scholarship program</p>

Caring for Our Environment

<p><b>2</b> Green Buildings EDGE Certifications for Lippo Mall Puri &amp; Sun Plaza</p>	<p><b>20</b> New EV charging stations installed</p>	<p><b>GHG Emissions</b> <b>290 ktCO<sub>2</sub>e</b> Scope 1 &amp; 2</p>	<p><b>0.118 tCO<sub>2</sub>e/m<sup>2</sup></b> Building Emissions Intensity <b>28% reduction from 2019 baseline</b></p>
<p><b>1.317M GJ</b> Energy Consumption</p>	<p><b>0.534 GJ/m<sup>2</sup></b> Building Energy Intensity</p>	<p><b>316 ktCO<sub>2</sub>e</b> Scope 3</p>	<p><b>~3,200 Tons</b> Waste diverted from landfill</p>
<p><b>4.595M m<sup>3</sup></b> Water Consumption</p>	<p><b>1.61 m<sup>3</sup>/m<sup>2</sup></b> Building Water Intensity <b>14% reduction from 2019 baseline</b></p>	<p><b>24%</b> Water consumption from sustainable sources 2019 baseline: <b>6%</b></p>	<p><b>~1.24M m<sup>3</sup></b> Treated water from sustainable sources <b>139% increase from 2019 baseline</b></p>

# SUSTAINABILITY PERFORMANCE

**Investing in Our People**




**17,130**  
Employees

**40%**  
Female senior executives and managers



**Rp 6.9B**  
Total training expenditure



**702,071**  
Total training hours

**41**  
Average training hours per employee



**1,156**  
ESG training hours

**5,196**  
Total OHS training hours



Formation of  
**Group Committee for Occupational Health and Safety**



**0.17**  
Employee Total Recordable Injury Frequency Rate (TRIFR)



**1.31**  
Contractor Total Recordable Injury Frequency Rate (TRIFR)



**Championing Best Practices**

Formalization of  
**Group Sustainable Procurement Policy & Supplier Code of Conduct**



Socialization of  
**Group-wide ESG reporting SOPs** and system integration for ESG data management



**Zero**  
Cases of non-compliance with laws and regulations resulting in fines and/or sanctions



**Zero**  
Incidents of discrimination, child labor, or forced labor



**Zero**  
Legal cases of corruption, fraud and bribery



**Zero**  
Complaints due to customer privacy and data leaks



**99%**  
Refresher training completion for Code of Conduct and anti-corruption policies



**UNGC Submission** of Communication on Progress



**First TCFD Climate Scenario Analysis**

















**Internal Audit** for environmental data





# SUSTAINABILITY AGENDA

As a forward-looking company, we are committed to pursuing sustainable growth and delivering large-scale positive impact to Indonesians throughout the archipelago, including future generations. Our 2030 Sustainability Agenda articulates our ESG ambitions through concrete outcomes that will benefit our stakeholders and improve accountability. We are fully committed to supporting and accelerating Indonesia's 2030 Agenda for Sustainable Development, and aspire to be an ESG leader in Indonesia. Our 2023 ESG performance against our 2030 targets is below.

ENHANCING QUALITY OF LIFE	CARING FOR OUR ENVIRONMENT	INVESTING IN OUR PEOPLE	CHAMPIONING BEST PRACTICES																				
<b>AFFORDABLE HOUSING</b>  <table border="1"> <tr> <th>2030 TARGET</th> <th>2023 PERFORMANCE</th> </tr> <tr> <td>At least 90% of sold homes priced under Rp 2 billion<sup>1</sup> each year</td> <td>97% of sold homes priced under Rp 2 billion</td> </tr> </table>	2030 TARGET	2023 PERFORMANCE	At least 90% of sold homes priced under Rp 2 billion <sup>1</sup> each year	97% of sold homes priced under Rp 2 billion	<b>OPERATIONAL EMISSIONS</b>  <table border="1"> <tr> <th>2030 TARGET</th> <th>2023 PERFORMANCE</th> </tr> <tr> <td>35% reduction in building emissions intensity<sup>3</sup> by 2035, with 15% reduction by 2030 <small>Baseline: 2019 (0,176 ktCO<sub>2</sub>e/m<sup>2</sup>)</small></td> <td>28% reduction in building emissions intensity</td> </tr> </table>	2030 TARGET	2023 PERFORMANCE	35% reduction in building emissions intensity <sup>3</sup> by 2035, with 15% reduction by 2030 <small>Baseline: 2019 (0,176 ktCO<sub>2</sub>e/m<sup>2</sup>)</small>	28% reduction in building emissions intensity	<b>OCCUPATIONAL HEALTH &amp; SAFETY</b>  <table border="1"> <tr> <th>2030 TARGET</th> <th>2023 PERFORMANCE</th> </tr> <tr> <td>Zero fatalities</td> <td>2 fatalities (1 employee &amp; 1 contractor)</td> </tr> <tr> <td>Zero high consequence injuries</td> <td>Zero high consequence injuries</td> </tr> <tr> <td>≤ 1 Total Recordable Injury Frequency Rate (TRIFR)</td> <td>TRIFR (Employee): 0.17 TRIFR (Contractor): 1.31</td> </tr> </table>	2030 TARGET	2023 PERFORMANCE	Zero fatalities	2 fatalities (1 employee & 1 contractor)	Zero high consequence injuries	Zero high consequence injuries	≤ 1 Total Recordable Injury Frequency Rate (TRIFR)	TRIFR (Employee): 0.17 TRIFR (Contractor): 1.31	<b>BUSINESS ETHICS</b>  <table border="1"> <tr> <th>2030 TARGET</th> <th>2023 PERFORMANCE</th> </tr> <tr> <td>100% completion rate for training on Code of Conduct and anti-corruption policies</td> <td>99% completion rate for training on Code of Conduct and anti-corruption policies</td> </tr> </table>	2030 TARGET	2023 PERFORMANCE	100% completion rate for training on Code of Conduct and anti-corruption policies	99% completion rate for training on Code of Conduct and anti-corruption policies
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# OUR SUSTAINABILITY APPROACH

In line with Lippo Group's overarching vision of "Growing in Stewardship, Transforming Lives", we place sustainability at the heart of everything we do. We are committed to being responsible stewards of the resources, environment, and communities placed under our care. As a forward-looking company, we strive to pursue sustainable growth and deliver transformative impact to the millions we serve throughout the archipelago, as well as the future generations to come. We recognize that we cannot do this alone, which is why we work together with the myriad business partners and stakeholders across our value chain to adopt ESG best practices and leverage our respective strengths. Together, we stand united for a better Indonesia.

[Sustainability Framework](#)[Sustainability Governance](#)[Materiality Assessment & Stakeholder Engagement](#)[Supporting UN SDGs & UNGC Principles](#)[Climate Risks & Opportunities](#)

# SUSTAINABILITY FRAMEWORK

At Lippo Karawaci, we aspire to advance the well-being of Indonesians at every stage of life. Our Sustainability Framework articulates our approach to sustainable value creation for our stakeholders across four key pillars:

- 1 **Enhancing Quality of Life**
- 2 **Caring for Our Environment**
- 3 **Investing in Our People**
- 4 **Championing Best Practices<sup>2</sup>**

Supported by a robust sustainability governance structure, this Framework guides the integration of sustainability into our business strategy, policies, and operations.



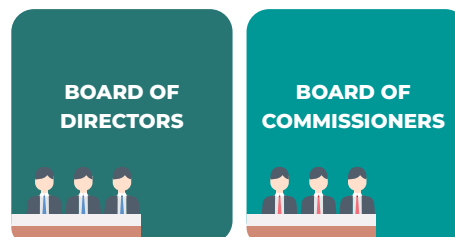
<sup>2</sup> These pillars correspond with the four overarching themes of the WEF Stakeholder Capitalism Metrics – Prosperity, People, Planet, and Principles of Governance.

# SUSTAINABILITY GOVERNANCE

At Lippo Karawaci, we are committed to integrating sustainability into our organizational structure and governance framework. We believe that a robust sustainability governance structure, which emphasizes our ESG priorities across all organizational levels, enables us to serve our stakeholders in a more responsible manner.

Our sustainability governance is spearheaded by the ESG Committee, anchored by the ESG Steering Group, and supported by champions from the relevant corporate functions and our business units. The Group Sustainability Function acts as a “Centre of Excellence” to support the ESG Committee, ESG Steering Group, and each business unit in their respective ESG journeys. Together, they are responsible for formulating the Group’s sustainability strategy and driving initiatives to achieve the Group’s ESG targets and commitments. This structure provides multiple channels through which we can escalate ESG risks and issues of concern, remediate negative impacts, and undertake policy reviews where necessary. Bottom-up input from the business units and corporate functions is frequently tabled to the ESG Committee for consideration and follow-up.

## GOVERNANCE & ACCOUNTABILITY



## STRATEGY & OVERSIGHT



## MANAGEMENT, COORDINATION, MONITORING



## EXECUTION



As the lead governing bodies of Lippo Karawaci, the BoD and BoC provide strategic direction for the Group, ensuring that its approach to material ESC issues aligns with the interests of the business and stakeholders. The BoD bears ultimate responsibility for the Group’s ESG performance, while the BoC serves as a supervisory and advisory body to the BoD. Both Boards review the Group’s sustainability targets and performance, as well as approve relevant disclosures such as the Sustainability Report.

The ESG Committee is appointed by the BoD to set the direction for the Group’s ESG strategy, policies, and initiatives, as well as exercise oversight over the Group’s ESG performance. Chaired by the Group CEO, the ESG Committee consists of BoD Members and Senior Executives who hold positions of responsibility and/or possess expertise which are relevant to the Group’s ESG strategy and policies. The ESG Committee periodically reports to the BoD and BoC to seek guidance on ESG priorities and workplans, and to provide updates on the Group’s ESG performance. The ESG Committee meets at least four times a year.

The ESG Steering Group is the platform through which the Group’s ESG strategy is operationalized. Led by the Group Head of Sustainability, it comprises key representatives from our business units and relevant corporate functions, who are responsible for executing workplans approved by the ESG Committee and monitoring ESG performance in their respective areas of operation. These corporate functions include Sustainability, Risk Control and Assurance, Corporate Secretary, Human Resources, Investor Relations, and Corporate Communications. When necessary, the ESG Steering Group convenes working groups to socialize workplans, create alignment, and drive progress in specific ESG workstreams.

Our business units, with support from the relevant corporate functions, are held accountable for their ESG performance through regular reporting to the ESG Committee via the ESG Steering Group.

# MATERIALITY ASSESSMENT & STAKEHOLDER ENGAGEMENT

## MATERIALITY ASSESSMENT

Every year, we perform a materiality assessment to review the ESG topics that have a material impact on our business and our stakeholders. This year, we conducted a comprehensive review of our material topics through:

### PEER BENCHMARKING

Through peer benchmarking and a detailed study of industry best practices, we understand how peers approach material topic selection. This provides valuable insights, helping us align our material topics selection with industry expectations given the sectoral specific stakeholders, the business nature of the industries, and the respective weight and relevance of material topics.

### 2 YEAR TIME-PERIOD COMPARISON

The 2-year time period comparison was used to compare the material topics selection and prioritization between 2021 and 2022. We assessed trends and developments of the material topics selected and key changes in prioritization of topics. The purpose was to gain insights into how stakeholders rating of material topics have evolved over past years.

### SURVEYS AND FOCUS GROUP DISCUSSIONS

Stakeholder engagement was conducted through employee surveys and focus group discussions with each business unit. We conducted this two-way communication to deepen our understanding of internal stakeholder concerns as well as feedback received from external stakeholders.

### GAP ANALYSIS AGAINST GLOBAL SUSTAINABILITY REPORTING STANDARDS, FRAMEWORKS, AND BENCHMARKS

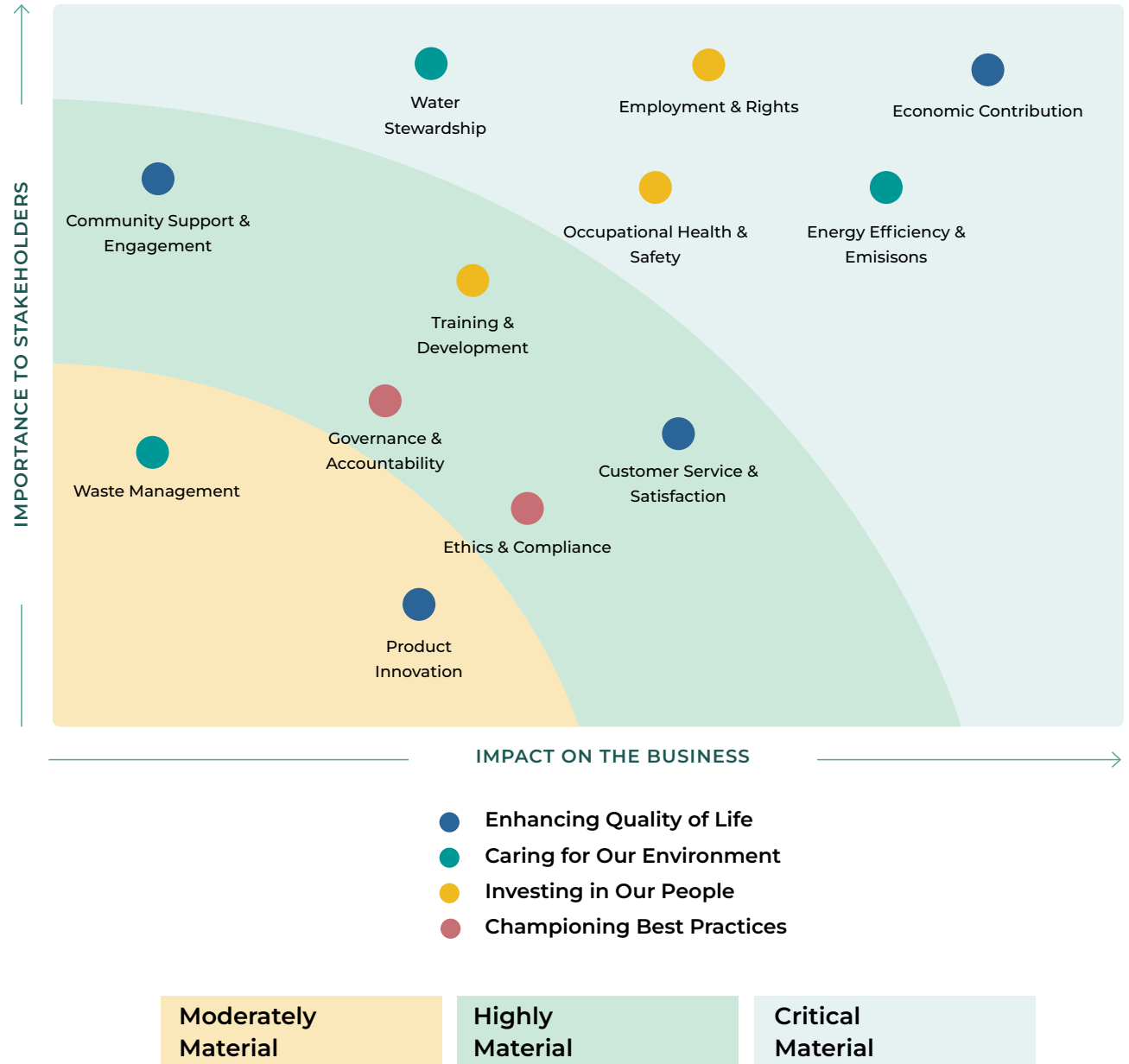
Through our gap analysis applied against the global reporting standards, frameworks, and benchmarks by ESG rating agencies, we identified discrepancies between our current disclosures and desired disclosures, to ensure that we continue to keep pace with what is material for our industry peers and best practices. This year, improvements were made to our reporting methodologies and disclosures to further align with industry leaders and global reporting standards.



In summary, our exercise has led to a streamlining of several material topics, such as integrating “Responsible Value Chain” into “Ethics & Compliance”, “Diversity Equity & Inclusion” into “Employment & Rights”, “Climate Resilience” into our TCFD Report under “Climate Risks and Opportunities” and incorporating “Biodiversity” throughout the relevant environment-related sections. We believe that streamlining these material topics will enable us to produce more structured and comprehensive disclosures. In order to better align with international frameworks, we have relabeled “Health & Safety” to “Occupational Health & Safety”. We have also reprioritized several material topics to reflect our latest management approach and priorities in our sustainability journey. The final set of ESG topics and materiality matrix are approved by the ESG Committee, and subsequently validated by the Board of Directors and Board of Commissioners. As our business landscape continues to evolve, we will regularly review the relevance of these material topics to our business and update their prioritization where necessary.

**STAKEHOLDER ENGAGEMENT**

We strive to build positive relationships and actively engage with our internal and external stakeholders throughout the year. Stakeholders are defined as the individuals or groups that have interests that are affected or could be affected by the Group’s activities. These individuals or groups are identified through screening by the Group Sustainability Function and are engaged through regular touchpoints and various feedback channels, such as surveys and focus group discussions.



By consistently communicating across diverse platforms and employing feedback mechanisms, we gain a deeper understanding of our stakeholders and their emerging needs and concerns. Upon identifying emerging needs and concerns among stakeholders, the Group reviews these issues and makes subsequent adjustments. These adjustments will be thoughtfully incorporated or duly considered in the decision-making process. We ensure good communication with stakeholders

by publishing materials, including quarterly financial results, press releases, and investor presentations. Additionally, as a publicly listed entity, we regularly disclose information and announcements through the Indonesia Stock Exchange and shareholder meetings, as well as actively engage in investor meetings, media gatherings, and various conferences. This year, we ramped up our corporate communications to external stakeholders, including through media engagements with Indonesian Chief Editors

and the publishing of over 70 media articles featuring various business performance highlights and ESG initiatives. We also continue to improve internal communication with our employees through our internal newsletters and events, as well as regular socialization on ESG topics - please refer to "Employee Engagement & Retention" on page 68 for more information. The table below highlights the Group's response to specific stakeholder concerns.

	Employees	Investors & Rating Agencies	Government & Industry Associations	Customers & Tenants	Communities	Vendors & Suppliers
TOP ESG TOPICS	<ul style="list-style-type: none"> <li>• Employment and rights</li> <li>• Ethics and compliance</li> <li>• Training and development</li> <li>• Health and safety</li> <li>• Diversity and equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Economic contribution</li> <li>• Governance and accountability</li> <li>• Climate resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics and compliance</li> <li>• Employment and rights</li> <li>• Health and safety</li> <li>• Governance and accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Economic contribution</li> <li>• Customer service and satisfaction</li> <li>• Product innovation</li> <li>• Health and safety</li> <li>• Energy efficiency and emissions</li> <li>• Water stewardship</li> <li>• Waste management</li> </ul>	<ul style="list-style-type: none"> <li>• Community support and engagement</li> <li>• Economic contribution</li> <li>• Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible value chain</li> <li>• Ethics and compliance</li> <li>• Health and Safety</li> <li>• Energy efficiency and emissions</li> <li>• Water stewardship</li> <li>• Waste management</li> </ul>
HOW WE ENGAGE	<ul style="list-style-type: none"> <li>• Employee benefits and assistance</li> <li>• Training programs (internal/ external)</li> <li>• Employee engagement activities</li> <li>• Career and talent development programs</li> <li>• Company policies</li> <li>• Volunteerism</li> </ul>	<ul style="list-style-type: none"> <li>• Investor meetings</li> <li>• Investor releases and presentations</li> <li>• Quarterly earnings calls</li> <li>• Investor conferences and roadshows</li> <li>• Annual and Sustainability Reports</li> <li>• General Meeting of Shareholders</li> </ul>	<ul style="list-style-type: none"> <li>• Regular interaction with national/ local government agencies</li> <li>• Permits and licensing approvals</li> <li>• Events organized by government and industry associations</li> </ul>	<ul style="list-style-type: none"> <li>• Product launches and customer events</li> <li>• Tenant agreements</li> <li>• Digital applications and services</li> <li>• Customer service and guest relations</li> <li>• Surveys, feedback platforms, and market research</li> <li>• Social media channels</li> </ul>	<ul style="list-style-type: none"> <li>• Public spaces and programs</li> <li>• Social engagement and CSR activities</li> <li>• Online and offline media engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Tenders</li> <li>• Vendor/supplier policies</li> <li>• Regular engagement</li> <li>• Collaboration with local vendors</li> </ul>
OUR CHALLENGES	<ul style="list-style-type: none"> <li>• Internal ESG alignment and buy-in across business units</li> <li>• Changes to operational SOPs to align with best practice</li> <li>• Understanding of ESG concepts and requirements at the middle manager levels and below</li> </ul>	<ul style="list-style-type: none"> <li>• Price volatility and inflationary pressures</li> <li>• Stock performance</li> <li>• Global uncertainties from geopolitical conditions and macroeconomic factors</li> </ul>	<ul style="list-style-type: none"> <li>• Evolving regulatory frameworks</li> <li>• Advocacy for ESG priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of feedback</li> <li>• Complaints that are difficult to resolve immediately</li> </ul>	<ul style="list-style-type: none"> <li>• Measurement of social impact</li> <li>• Approach to CSR limited to philanthropic activities</li> <li>• Effectiveness of communication channels</li> </ul>	<ul style="list-style-type: none"> <li>• Nascent awareness of ESG best practices and sustainable supply chain</li> </ul>
HOW WE RESPOND	<ul style="list-style-type: none"> <li>• Weekly updates on company news and activities</li> <li>• Increase employee training hours and leadership development programs</li> <li>• Update Code of Conduct to promote business and ethics</li> <li>• Promote greater diversity, equity, and inclusion at the workplace</li> <li>• Launch campaigns on health and wellness, environmental awareness, and community engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Provide timely updates to bond and equity investors through conference calls and investor release</li> <li>• Improve transparency in disclosures (e.g. enhancing ESG disclosures – TCFD, SASB)</li> <li>• Regular meetings to understand and address external stakeholders' concerns</li> <li>• Engage rating agencies to understand ESG rating criteria</li> <li>• Discussions on ESG best practices and other topics such as sustainable financing</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain engagement with agencies and institutions to ensure compliance</li> <li>• Support KADIN initiatives through B20 participation and ESG taskforces</li> <li>• Become a UNGC member</li> <li>• Conduct CSR activities in partnership with local government agencies</li> <li>• Participate in surveys by OJK and IDX</li> </ul>	<ul style="list-style-type: none"> <li>• Improve products and services through soliciting regular feedback</li> <li>• Enhance customer and tenant experiences through innovation</li> <li>• Increase engagement via digital platforms (e.g. MySiloam app)</li> <li>• Speed up complaint resolution processes</li> </ul>	<ul style="list-style-type: none"> <li>• Implement Group social engagement framework (PASTI)</li> <li>• Newsletters and social media engagement</li> <li>• Increase community engagement and volunteering</li> </ul>	<ul style="list-style-type: none"> <li>• Promote business ethics through Vendor Integrity Pledge and Sustainable Procurement Policy</li> <li>• Recognize achievements of good performers</li> <li>• Prioritize local vendors and small businesses</li> </ul>

# SUPPORTING UN SDGs & UNGC PRINCIPLES

The UN SDGs rally governments and corporations to advance the well-being of people, societies, and the planet by providing a blueprint to address the world's most pressing sustainability development challenges. We are committed to aligning our ESG strategy to meet the underlying actions and priorities of the UN SDGs, as well as Indonesia's 2030 Agenda for Sustainable Development. We have mapped our sustainability framework and material ESG topics to 13 UN SDGs which we believe are relevant to our business operations and where we can create the most significant impact.

In 2022, we became a signatory to the United Nations Global Compact (UNGC). By joining the world's largest corporate sustainability initiative, we are pledging our commitment to support the UNGC's Ten Principles on human rights, labour, environment, and anti-corruption, as well as to take strategic actions to advance the UN SDGs. This Report contains our disclosures based on the UNGC's Ten Principles – please refer to “Content Index” on page 104.





## Supporting UN SDGs

## Our Contributions

## ESG Topics


**GOAL 3**  
**Good Health & Well-being**

**TARGET 3.8**  
 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality, and affordable essential medicines and vaccines for all.

**TARGET 3.C**  
 Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States.

- Provide quality and accessible healthcare across Indonesia, including remote areas.
- Promote health and wellness through public campaigns.
- Provide customers, visitors and employees with a safe and healthy living and working environment.

- Economic Performance
- Community Support and Engagement
- Customer/Tenant Engagement
- Occupational Health and Safety


**GOAL 4**  
**Quality Education**

**TARGET 4.4**  
 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.

- Equip employees with the necessary skills through training and development to fulfil their career aspirations.
- Ensure access to quality education and vocational training across Indonesia.

- Community Support and Engagement
- Employment
- Training and Development


**GOAL 5**  
**Gender Equality**

**TARGET 5.1**  
 End all forms of discrimination against all women and girls everywhere.

**TARGET 5.5**  
 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life. developing States.

- Promote gender equality and empower women at the workplace.
- Eradicate all forms of workplace discrimination and establish effective channels for grievances.

- Employment
- Diversity and Equal Opportunity
- Non-Discrimination


**GOAL 6**  
**Clean Water and Sanitation**

**TARGET 6.3**  
 By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally.

**TARGET 6.4**  
 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

- Ensure availability of clean water at all our managed properties and townships.
- Manage water resources efficiently through optimizing water usage and transitioning to sustainable sources such as recycled wastewater and harvested rainwater.
- Ensure proper disposal of wastewater.

- Water Stewardship
- Waste Management


**GOAL 7**  
**Affordable and Clean Energy**

**TARGET 7.2**  
 By 2030, increase substantially the share of renewable energy in the global energy mix.

**TARGET 7.3**  
 By 2030, double the global rate of improvement in energy efficiency.

- Increase energy efficiency to lower carbon emissions and operational costs.
- Switch to renewable energy through the adoption of technologies such as rooftop solar photovoltaic (PV) systems.

- Energy Efficiency and Emissions

## Supporting UN SDGs

## Our Contributions

## ESG Topics



### GOAL 8 Decent Work and Economic Growth

#### TARGET 8.1

Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries.

#### TARGET 8.8

Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

- Contribute to the local economy and MSMEs through job creation and business partnerships.
- Protect and promote human rights and labor rights at the workplace.

- Economic Performance
- Community Support and Engagement
- Employment



### GOAL 9 Industry, Innovation and Infrastructure

#### TARGET 9.4

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

#### TARGET 9.5

Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

- Provide products and services that meet infrastructural and social needs through continuous innovation.
- Implementing green building practices such as energy audits and building management systems.

- Product Innovation
- Energy Efficiency and Emissions



### GOAL 10 Reduced Inequalities

#### TARGET 10.2

By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

#### TARGET 10.3

Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies, and action in this regard.

- Advocate for equitable employment practices and DEI principles in the workplace.
- Reinforce zero tolerance policy for discrimination.

- Employment
- Diversity and Equal Opportunity
- Non-Discrimination



### GOAL 11 Sustainable Cities and Communities

#### TARGET 11.1

By 2030, ensure access for all to adequate, safe, and affordable housing and basic services and upgrade slums.

#### TARGET 11.6

By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

- Provide affordable housing options that cater to different market segments in Indonesia, especially first-home owners.
- Contribute to local communities and nurture a society that is inclusive and vibrant.
- Minimize any negative environmental impacts through an environmental impact assessment and responsible waste management.

- Community Support and Engagement
- Product Innovation
- Waste Management

## Supporting UN SDGs

## Our Contributions

## ESG Topics


**GOAL 12**  
**Responsible Consumption and Production**
**TARGET 12.2**

By 2030, achieve the sustainable management and efficient use of natural resources.

**TARGET 12.5**

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

- Reduce the consumption of natural resources and optimize resource efficiency across operations and the entire value chain.
- Minimize waste generation and enhance waste diversion at all managed assets and townships.
- Raise environmental awareness among stakeholders.

- Energy Efficiency and Emissions
- Water Stewardship
- Waste Management


**GOAL 13**  
**Climate Action**
**TARGET 13.2**

Integrate climate change measures into national policies, strategies, and planning.

**TARGET 13.3**

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

- Incorporate climate-related risks and opportunities in strategy and risk management.
- Provide training on climate change mitigation and adaptation to build capacity.
- Align ESG priorities with global and national sustainability agendas.

- Energy Efficiency and Emissions
- Governance and Accountability


**GOAL 15**  
**Life on Land**
**TARGET 15.5**

Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

- Reduce any negative impacts on biodiversity due to our operations.
- Actively preserve and revitalise natural environments in urban areas.

- Biodiversity


**GOAL 16**  
**Peace, Justice and Strong Institutions**
**TARGET 16.5**

Substantially reduce corruption and bribery in all their forms.

**TARGET 16.8**

Promote and enforce non-discriminatory laws and policies for sustainable development.

- Uphold the highest standard of corporate governance and conduct our business with integrity.
- Enhance accountability and transparency in ESG disclosures.
- Establish a non-discriminatory workplace environment and reinforce zero tolerance for discrimination.

- Non-Discrimination
- Governance and Accountability
- Anti Corruption / Anti Competitive

# CLIMATE RISKS & OPPORTUNITIES

As a real estate and healthcare company managing a portfolio of buildings and physical assets in Indonesia, climate resilience continues to be at the core of our strategy. We recognize climate change is inevitable, and proactive measures are needed to adapt and mitigate the impact of climate change. Operationally, our businesses are already confronted with heightened risks of acute and chronic extreme weather events due to climate change. As such, there is an urgent need for us to accelerate our efforts to mitigate and adapt to climate change as we transition to a more sustainable, low-carbon economy. In 2022, we adopted the recommendations of the Task Force on Climate-Financial Disclosures (TCFD) to disclose our first TCFD Report on climate-related risks and opportunities. This year, we have built on our previous disclosures to include a high-level climate scenario analysis, as well as quantitative analysis of the financial impact of climate risk on our assets and operations. We are dedicated to aligning completely with TCFD recommendations and improving our disclosures in accordance with best practices.

## GOVERNANCE

Since 2021, we have established a sustainability governance structure that provides oversight and accountability for our climate agenda. Our Board of Directors (BoD) bears ultimate responsibility for the Group's ESG performance, while our Board of Commissioners (BoC) serves as a supervisory and advisory body to the BoD. Together, they review our sustainability performance and targets on an annual basis, prior to the issuance of the Sustainability Report.

The BoD and BoC schedule regular meetings throughout the year, during which specific ESG agenda items are tabled for approval or informational purposes on an ad hoc basis. Examples include the approval of the Group Sustainable Procurement Policy and updates on International Sustainability Standards Board (ISSB) requirements. The BoD has appointed the ESG Committee to set the direction for the Group's ESG strategy, policies, and initiatives, as well as exercise oversight over the Group's ESG performance. Under the guidance of the ESG Committee, the lens of climate governance is applied to various internal processes, including risk management, business plans, annual budgets and strategy. The ESG Committee meets at least four times a year and reports periodically to the BoD and BoC on its activities and recommendations, including with regard to climate-related risks and opportunities. Any significant climate risks identified by the ESG Committee is escalated to the attention of both the BoD and BoC for thorough deliberation.

At the operational level, the ESG Committee is supported by the ESG Steering Group, comprising the Group Sustainability Function and key representatives from each business unit and relevant corporate functions. The ESG Steering Group is responsible for coordinating and monitoring ESG performance for all business units. The Group Sustainability Function oversees ESG reporting and data collection, assessment of sustainability trends, risks and opportunities, capacity building, and stakeholder engagement.

All ESG targets and climate-related targets are approved by the ESG Committee and subsequently tabled for approval by the BoD and BoC. Starting in 2024, the Group's sustainability performance will be reviewed on a quarterly basis. Please refer to "Sustainability Governance" on page 20 and "Governance and Accountability" on page 80 for further details.

## STRATEGY

In 2022, we conducted our first bottom-up climate risk assessment to evaluate the climate-related risks and opportunities affecting our business across different asset classes and time horizons. The results of this assessment have been integrated into our risk management procedures, enabling us to make better-informed decisions in terms of strategic planning. Our climate risk assessment comprised the following stages:

1. Analysis of current and upcoming trends specific to our real estate, healthcare, and lifestyle assets, as well as policies and regulations specific to Indonesia
2. Internal stakeholder assessment involving key representatives of each business unit to gain insights and perspectives on climate-related risks and opportunities
3. Assessment of the impact of climate-related risks identified across different time horizons, considering their magnitude and probability of occurrence
4. Evaluation of viable control measures to either mitigate or adapt to the climate-related risk identified based on available resources and capabilities

	Climate-related risks	Climate-related risk description and potential impact
PHYSICAL	<b>Floods</b>	Our properties may face increased occurrences of flooding due to high rainfall events experienced in Indonesia. As a result, this could cause business interruptions and infrastructure damage, leading to higher financial costs. Flooding could also potentially endanger the safety of our stakeholders at our properties.
	<b>Droughts</b>	Prolonged periods of abnormally low rainfall may lead to droughts and a shortage of water. This poses significant social impacts on our stakeholders as disruptions in water supplies can impact their health and safety.
	<b>Heavy precipitation (storms)</b>	Changes in precipitation patterns, including prolonged rainy seasons and the presence of tornadoes or typhoons, can lead to damage to property and infrastructure, disruption of supply chains, and business interruption. This results in higher costs incurred, as well as posing health and safety risks to our stakeholders.
	<b>Higher temperatures</b>	Higher temperatures will lead to an increase in operating costs due to increased cooling demands. We may also face reduced revenue and productivity from our workforce due to higher absenteeism rates.
	<b>Landslides</b>	Landslides due to heavy torrential rain or earthquakes may lead to decreased property values and result in costly repairs from damage to property and infrastructure.
	<b>Extreme waves &amp; coastal abrasion (rising sea levels)</b>	Rising sea levels can lead to the erosion of our land bank and damage/devaluation of properties near coastal areas, and increased costs from investment in coastal infrastructure adaptation measures.
TRANSITION	<b>Greater expectations and demand from customers and investors for more sustainable products and services</b>	There may be a shift in stakeholders' preferences towards more sustainable products and the inclusion of ESG considerations in our decision-making processes. Failure to meet industry standards and the expectation of stakeholders could result in weaker demand as well as loss of reputation and investor confidence.
	<b>Disruption of new (low emission) technology</b>	Our current technology may become obsolete, which may lead to additional costs to adopt and deploy alternative low-emission technology.
	<b>More stringent building regulations</b>	We may face stricter regulations on urban planning and construction, including mandatory building codes. This may lead to an increase in costs due to mandatory investments required for asset enhancement and retrofitting to comply with regulations.
	<b>Increase in energy cost</b>	As the Indonesian energy system progressively transitions away from fossil fuels, we may experience higher fossil fuel prices and greater price fluctuations.
	<b>More stringent carbon tax</b>	The Indonesian government has plans to implement a carbon tax on carbon-intensive industries in the near future. This may result in increased operational costs for properties with high emissions.
	<b>Increase in cost of materials and equipment</b>	Disruption in supply chain from climate-related physical risks will increase operational costs and affect commodity prices, leading to price volatility. We may also incur additional costs from switching to low-carbon materials and more energy-efficient equipment.



Climate-related opportunities	Climate-related opportunities description and potential impact	Strategies to capture opportunities
<b>Development of new sustainable products or services through R&amp;D and innovation</b>	Creating greener products and services to tap into new groups of customers who place a high focus on sustainability.	We continue to strive for green building certification for our existing properties and new products. We will also step up our engagements with key stakeholders and partners to better capitalize on demand for more sustainable products and services.
<b>Shift towards renewable energy sources</b>	Using renewable energy sources such as solar power instead of conventional fossil fuel can result in cost saving.	We have completed multiple feasibility and site studies for solar photovoltaic installation at our properties, with the aim of installing rooftop solar panels across our portfolio of assets. We have also switched to bio-based fuel in compliance with the Indonesian government's regulations.
<b>Adoption of green technology</b>	Upgrading to more efficient equipment enables us to reduce operating costs in the long run by reducing energy consumption and improving our water and waste management.	We continue to conduct energy audits and explore asset enhancement initiatives that enable us to leverage the benefits of green technology.
<b>Sustainable finance</b>	Tapping on sustainable finance will improve our access to financing, lower our cost of capital and increase collaborations with banks and financial institutions.	We will explore sustainable finance opportunities based on our ESG targets.

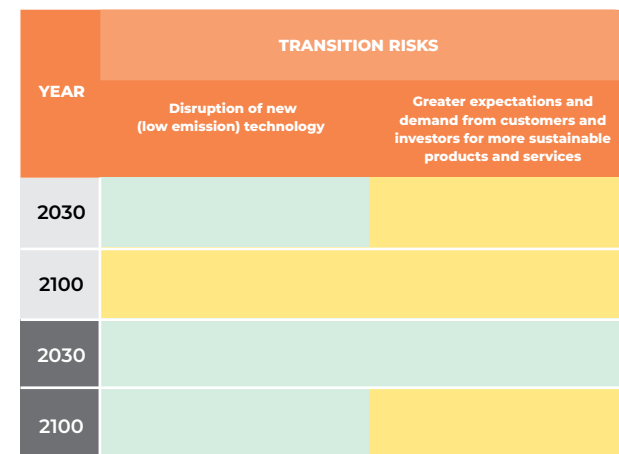
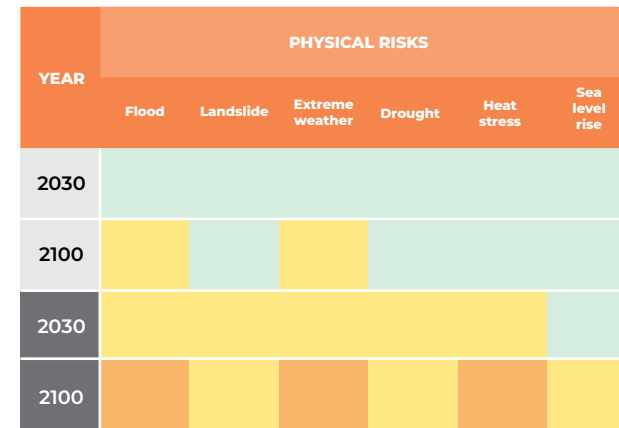
This year, we have conducted our inaugural climate scenario analysis, forecasting the potential impact of identified physical and transition risks on our businesses, investments, and assets. The scenarios analysis exercise covers the organization’s resilience over two RCP scenarios<sup>3</sup> - RCP 2.6 and RCP 8.5. Our model and evaluation are based on climate scenario RCP 2.6 and RCP 8.5, where global temperatures are limited to 2°C and 4°C by 2100 respectively. Our time horizons cover 2030, aligning with our sustainability agenda and 2100, adhering to TCFD best practices. As part of our scenario analysis, we have also collected physical risk impacts from all business units and examined the risks that have affected us in recent years. The aim is to assess the financial implications of these physical risks, identify the most common risks affecting us, and develop strategies to mitigate or adapt to them.

**Scenario Analysis (Country Level)**

At country level, we identified the potential impact of physical and transition risks in 2030 and 2100 by using external data sources such as *Buku Indeks Risiko Bencana Indonesia* (IRBI), Climate Central, Climate Knowledge Portal, INFORM Risk Index, and Aqueduct. Please refer to “Appendix - Scenario Analysis” on pages 97 to 98 for more details on the potential impact of each physical and transition risk<sup>4</sup> in Indonesia.

In a RCP 2.6 scenario, which represents a best-case scenario, global greenhouse gas emissions are stabilized by mid-century, limiting the average global temperature increase to around 2°C above pre-industrial levels. Intensive climate policies would be required over the next few years globally, including the participation of underdeveloped countries with assistance of governmental aid or a developed, wealthy nation to achieve those climate change reduction policies. In this scenario, transition risks are prevalent and physical risks are low as significant effort and measures are taken to mitigate climate change, strict regulation and policies are required for global temperatures being limited to 2°C by 2100.

In a RCP 8.5 scenario, which represents a worst-case scenario where greenhouse gas emissions continue to rise rapidly throughout the century, leading to a much higher level of global warming. We face an average global temperature increase of 4°C or more by the end of the century. In this scenario, physical risks are prevalent and transition risks are low as RCP 8.5 assumes a trajectory with a significant increase in greenhouse gas emissions, particularly carbon dioxide. This results in a more pronounced warming effect on the Earth’s climate and secondary effects of other physical risks such as flooding and heavy precipitation are increased.

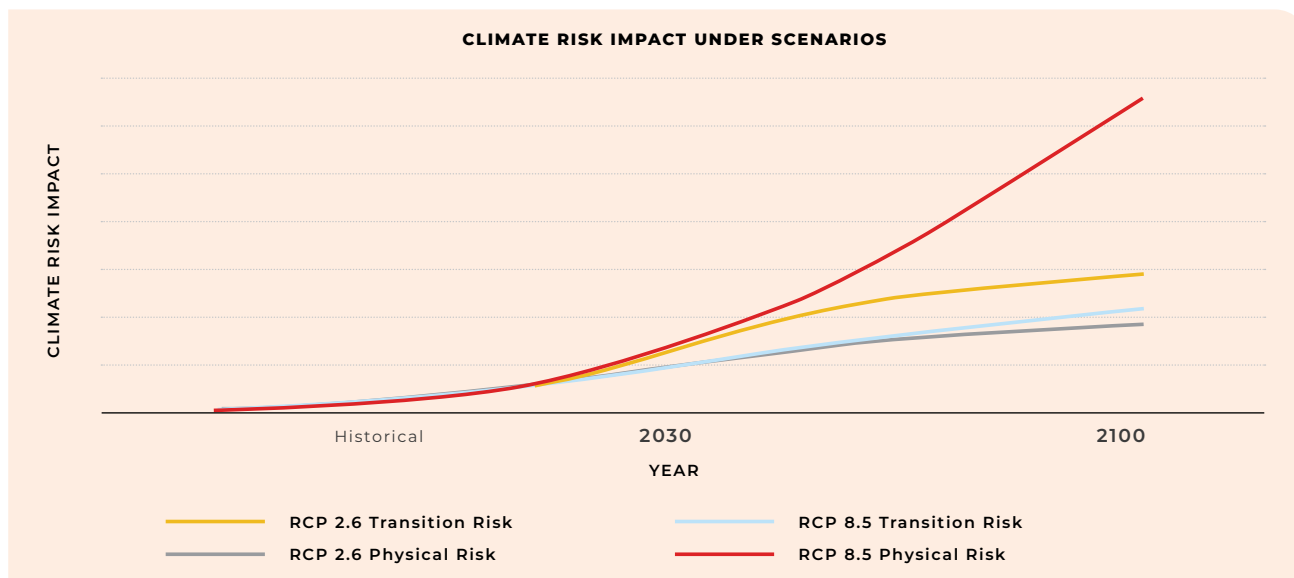


**LEGEND**

RCP 2.6 scenario	Low
RCP 8.5 scenario	Medium
	High

<sup>3</sup> Representative Concentration Pathways (RCPs) are a set of scenarios that describe possible future changes in greenhouse gas concentrations in the atmosphere. These scenarios are used by climate scientists to model how the Earth’s climate might change in the future. The Intergovernmental Panel on Climate Change (IPCC) developed the RCPs. They are not predictions, but simulations that help scientists understand how the climate might change depending on our emissions choices. The IPCC uses four main RCPs, ranging from very low emissions (RCP 2.6) to very high emissions (RCP 8.5). Each scenario translates into a potential range of global temperature increase by 2100.

<sup>4</sup> In the climate risk assessment conducted last year, we examined additional transition risks, including the implications of a more stringent carbon tax, enhanced building regulations, increasing energy costs, and increased costs for materials and equipment. After thorough analysis, it was determined that these transition risks are not significant for our particular sectors in Indonesia based on existing policies and regulations in the near to mid-term. We commit to regularly reviewing and monitoring any shifts in the landscape, updating our climate risk evaluations annually.



All climate-related risks identified are included in our risk register, and risks are prioritized based on an impact & probability assessment. Subsequently, the Risk Manager presents the results of risk identification, assessment and treatment to their respective Senior Management and Internal Audit teams for approval. The BoD and BoC oversee the implementation of risk management and regularly engage with Senior Management teams to review the business strategy.

Our approach to climate risk management is based on the TCFD Recommendations, COSO ERM Framework and ISO 3100 Risk Management. Climate risks are integrated in our ERM framework, which consists of comprehensive risk management policies and processes, as well as risk monitoring and control processes. Climate risks are specifically tabled at the ESG Committee meeting for in-depth discussion, including strategies and plans to mitigate these risks. Regular risk training and workshops are also conducted for both Senior Management and Risk Managers, with a focus on climate risk and opportunities. This year, we are working on a software system to support digitization and data collection in our risk management workflows.

### Management Response

We have re-calibrated our management responses based on this year's review of the effectiveness of our existing climate mitigation and adaptation measures in addressing climate risks.

### Scenario Analysis (Property Level)

In addition, we analyzed the impact of physical risk on a total of 113 managed properties (including hotels, offices, townships, malls, and hospitals) under a RCP 8.5 scenario. In our risk assessment process, we analyzed each physical risk on a location-specific basis, and these risk scores were then used to calculate an aggregated risk index. To further validate our projections at the property level, we conducted a review on all physical risks that have impacted our business in 2022 and 2023. The purpose of this review was to understand the impact of physical risks on business disruption, categorize the severity of these risks and determine any associated financial implications. The accuracy of these calculations and results was verified through cross-referencing with historical data. Our recent records indicate that we have frequently experienced the impact of extreme weather patterns and floods.

On the other hand, landslides and sea level rises have occurred less frequently, but the associated repair costs for damages caused by landslides and sea level rise are substantial. Considering these findings, it is imperative that we proactively adapt to physical risks to mitigate costs and minimize the impact on assets. We will continue to study the frequency and impact of these physical risks closely going forward.

### RISK MANAGEMENT

We have a well-established process to identify, manage, and monitor risks. Climate and operational risks are assessed at the business unit level, by type of asset/operation and geographical location. The Group Sustainability and Group Risk Management Functions collaborate to liaise with the respective Risk Owners who are responsible for identifying and monitoring risks within their businesses.

	Risk	Mitigation & adaptation response	
		SHORT TERM	LONG TERM
PHYSICAL	<b>Flood</b>	<ul style="list-style-type: none"> <li>• Early warning systems</li> <li>• Update flood management SOPs</li> <li>• Partnerships with government and local communities to prepare for flooding scenarios and improve communication</li> <li>• More proactive water pumping (Storm Water Flooding Dewatering Pumps)</li> <li>• More frequent checks to ensure canals and drains are unclogged</li> </ul>	<ul style="list-style-type: none"> <li>• Install structural protection measures such as dams, flood barriers, etc</li> <li>• Risk informed land planning: consider adopting elevated designs, resilient infrastructure, nature-based solutions, and sustainable building practices to mitigate potential flooding impacts</li> </ul>
	<b>Landslide</b>	<ul style="list-style-type: none"> <li>• Early warning systems</li> <li>• Locate high-risk properties in landslide-prone areas and prepare evacuation plans</li> <li>• Partnerships with government or local communities to prepare for landslide scenarios</li> <li>• Consult external experts to identify and evaluate landslide-prone risk areas, and to reinforce these areas prior to any development</li> </ul>	<ul style="list-style-type: none"> <li>• Identify landslide-prone risk areas, avoid building in these areas</li> <li>• Install monitoring equipment at landslide prone areas</li> </ul>
	<b>Extreme variability in weather patterns and precipitation patterns</b>	<ul style="list-style-type: none"> <li>• Early warning systems</li> <li>• Update storm management SOPs</li> <li>• Regular building inspection and maintenance, especially facades</li> </ul>	<ul style="list-style-type: none"> <li>• Forecasting the potential impact of these events and incorporating the anticipated financial costs associated with extreme weather events into the planning and investment phases of a project</li> </ul>
	<b>Droughts</b>	<ul style="list-style-type: none"> <li>• Implement comprehensive water-saving initiatives to address water conservation and reduce overall water consumption</li> <li>• Expand wastewater recycling and rainwater harvesting operations</li> </ul>	<ul style="list-style-type: none"> <li>• Build infrastructure and water reserve projects that focus on capturing and storing rainwater for later use</li> </ul>
	<b>Extreme waves &amp; coastal abrasion (rising sea levels)</b>	<ul style="list-style-type: none"> <li>• Implement adaptable measures such as shoreline protection methods (e.g. construction of man-made structures, such as jetties, breakwaters, groins, and seawalls)</li> <li>• Monitoring and evaluate the impact and cost of abrasion</li> </ul>	<ul style="list-style-type: none"> <li>• In-depth evaluation and reconsider property development in areas that are projected to be impacted by rising sea levels by the year 2100</li> </ul>
	<b>Heat stress</b>	<ul style="list-style-type: none"> <li>• Regular building inspection and maintenance, especially for cooling systems</li> <li>• Establish and enforce comprehensive heat stress policies and guidelines. These documents outline specific protocols for working in high-temperature conditions (e.g. scheduled breaks, hydration measures, adjustments to work schedules) to prevent heat-related illnesses</li> </ul>	<ul style="list-style-type: none"> <li>• More prevalent technology-assisted heat stress monitoring and thermometers</li> <li>• Explore designs for green developments/townships which encourage more tree cover, natural ventilation, covered walkways, etc</li> </ul>



Risk		Mitigation & adaptation response	
		SHORT TERM	LONG TERM
TRANSITION	<b>Disruption of new (low emission) technology</b>	<ul style="list-style-type: none"> <li>Review current equipment to identify which are energy-intensive and require replacement</li> <li>Monitor technological advancements and switch to new low-emission technology that can reduce energy consumption and costs</li> <li>Diversify the energy mix to reduce dependence on high-emission equipment or a single low-emission technology</li> </ul>	<ul style="list-style-type: none"> <li>Increase CAPEX allocation in favour of low-emission technologies</li> <li>Whitelist energy-efficient equipment for procurement teams to encourage adoption</li> </ul>
	<b>Greater expectations and demand from customers and investors for more sustainable products and services</b>	<ul style="list-style-type: none"> <li>Engage frequently with customers and investors to gauge appetite for green and sustainable products</li> <li>Conduct gap analysis of housing products and building assets based on green certification standards</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate green building principles into planning and design standards</li> <li>Conduct thorough lifecycle assessments of products and services to identify and minimize environmental impacts</li> </ul>

### METRICS & TARGETS

We have set measurable ESG targets under our Sustainability Agenda to drive ambition and accountability in climate action, social impact, and good corporate governance. Our Sustainability Agenda aligns our corporate policies and business growth plans with our sustainability objectives and strategy and ensures that we take a longer-term view on ESG as we transition towards a more sustainable future. All ESG targets, including climate targets, are approved by the ESG Committee and subsequently tabled for approval by the BoD and BoC. We have also reviewed our performance based on the disclosures of industry leaders and ESG rating reports to identify areas of improvement. We disclose a wide range of environmental metrics to offer our stakeholders a more comprehensive insight into our approach to addressing climate-related risks and opportunities. We also monitor climate risk indicators such as increases in repair and maintenance costs, utilities costs and property insurance premiums.

**MITIGATION** = Tackling the causes and minimizing the possible impacts of climate change  
**ADAPTATION** = Reducing negative effects and taking advantage of opportunities that arise

Operational emissions		Water consumption		Water treatment		Waste diversion	
2030 TARGET	2023 PERFORMANCE	2030 TARGET	2023 PERFORMANCE	2030 TARGET	2023 PERFORMANCE	2030 TARGET	2023 PERFORMANCE
35% reduction in building emissions intensity by 2035, with 15% reduction by 2030	28% reduction in building emissions intensity	20% of water consumption from sustainable sources	24% of water consumption from sustainable sources	30% increase in volume of treated water from sustainable sources	139% increase in volume of treated water from sustainable sources	Double amount of waste diverted from landfill	3,200 tons of waste diverted from landfill

Our climate-related performance is monitored based on the following metrics:

- Energy consumption, pages 52 to 54
- GHG emissions (Scope 1, 2 and 3), pages 55 to 56
- Water consumption and treatment, pages 57 to 61
- Wastewater discharge and diversion, page 61
- Waste disposal and diversion, pages 62 to 64

For the full breakdown of our environmental performance, including a historical comparison, please refer to “Appendix – Environmental Data” on pages 90 to 92.

# ENHANCING QUALITY OF LIFE

At Lippo Karawaci, we are in the business of creating urban ecosystems for quality living. We are committed to driving sustainable economic growth and job creation through our business operations, as well as uplifting the local businesses and communities whom we partner with. We constantly innovate to improve our offerings and strive to build trust through customer service and satisfaction.

Economic Contribution

Community Support and Engagement

Product Innovation

Customer Service and Satisfaction



# ECONOMIC CONTRIBUTION

## ECONOMIC PERFORMANCE

As Indonesia's largest real estate and healthcare operator by geographic footprint, we are privileged to be able to serve over 180 million people in 26 provinces and 56 cities. Through our business operations, we create direct economic value and jobs for the Indonesian economy, while generating indirect socioeconomic impact that benefits various stakeholders within our ecosystem.

### Direct Economic Contribution

In 2023, our Company achieved strong financial growth across all business segments by generating a total of Rp 17 trillion in revenue, marking a significant 15% YoY increase compared to 2022. In the Real Estate segment, we witnessed a notable increase in marketing sales compared to previous years. Similarly, our Healthcare segment showed sustained growth, reflected in higher EBITDA and net profit margins compared to the previous year. Despite a challenging recovery period, our Lifestyle segment maintained some positive momentum, especially with higher hotel occupancy rates and significant visitor footfall in our better-performing malls. For a detailed breakdown of our financial performance, please refer to the following sections of our 2023 Annual Report – “Financial Highlights”, “Management Report”, “Management Discussion and Analysis”, and “Consolidated Financial Statements”.

Financial Highlights (Rp Billion)	2021	2022	2023
Revenue	16,529.82	14,808.57	<b>16,990.09</b>
Net Profit/Loss	(1,602.89)	(2,692.08)	<b>50.14</b>
Operating Costs	2,768.52	2,842.78	<b>3,026.90</b>
Employee wages and benefit liabilities	1,450.61	1,459.43	<b>1,511.98</b>
Post-employment benefits	338.60	297.99	<b>325.99</b>
Payments to providers of capital	2,603.21	1,981.38	<b>1,929.59</b>
Payments to government	960.06	633.89	<b>849.90</b>
Share buybacks + dividend payments	197.30	111.43	<b>125.59</b>
Assets	52,080.94	49,870.90	<b>49,570.82</b>
Liabilities	29,594.93	30,731.01	<b>29,964.39</b>
Equity	22,486.01	19,139.89	<b>19,606.43</b>

Business Segments	Business Unit	Sub-Categories	Customers Served
REAL ESTATE	Lippo Karawaci	Residents in Lippo Village Township	<b>60,000</b>
		Residents in Integrated Developments	<b>7,000</b>
	Lippo Cikarang	Residents in Lippo Cikarang Township	<b>70,000</b>
	Gowa Makassar Tourism Development	Residents in Tanjung Bunga Township	<b>30,000</b>
HEALTHCARE	Siloam Hospitals	Inpatients	<b>302,000</b>
		Outpatients	<b>3,900,000</b>
LIFESTYLE	Lippo Malls	Visitors	<b>180,790,000</b>
	Aryaduta Hotels	Guests	<b>787,000</b>

Direct economic value generated = revenue

Economic value distributed = net profit/loss, operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments

Economic value retained = 'direct economic value generated' less 'economic value distributed'

Rounded to nearest '000

### Indirect Economic Contribution

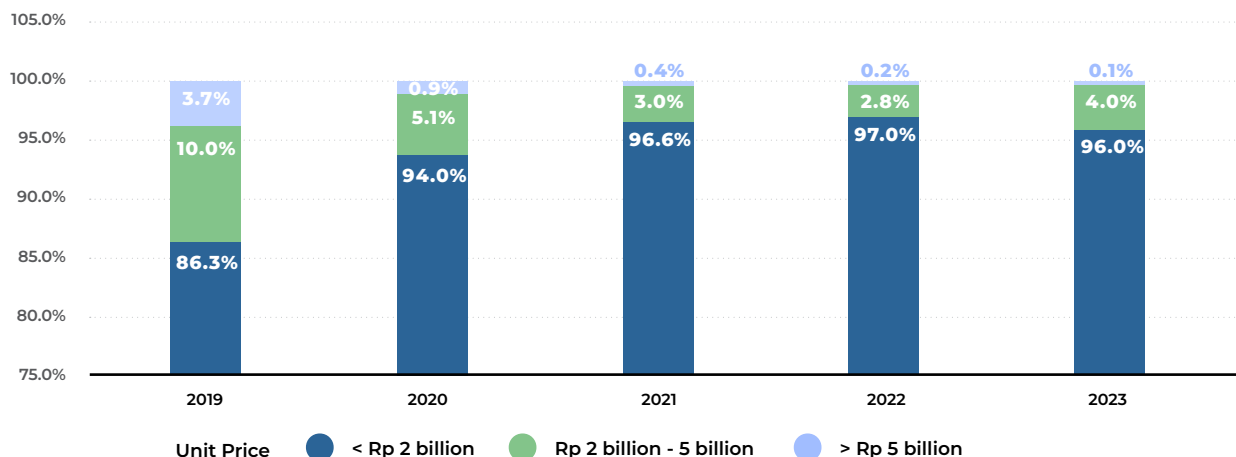
The impact generated by our economic activities extends beyond just financials. We believe that it is our duty to deliver positive socioeconomic impact to our customers, as well as our business partners and the local communities in the regions where we operate.

#### AFFORDABILITY AND ACCESSIBILITY

Housing and healthcare are two of the most fundamental human needs, but there remains a great unmet need for affordable housing and quality healthcare throughout Indonesia. This is why we prioritize affordability and accessibility in our real estate and healthcare offerings.

Since 2020, we have made the strategic decision to focus on developing housing products which cater to the needs of first-home owners, especially millennials. This includes pricing our housing products affordably, at a price point of under Rp 2 billion. In 2023, homes sold at this price point made up 96% of all residential sales (in units), of which around half were priced below Rp 1 billion. In total, we have sold over 12,000 homes priced under Rp 2 billion in the last 4 years, primarily driven by the high demand for our Cendana Homes series. Going forward, we are committed to maintaining our track record of at least 90% of home sales priced under Rp 2 billion every year.

### RESIDENTIAL SALES



In our healthcare segment, we are dedicated to delivering healthcare services in regions across Indonesia and focusing on areas where quality healthcare may face accessibility challenges. Our commitment extends to establishing a healthcare network that covers over 60% of the country's provinces. Affordability and accessibility remain a priority, with more than 40% of our hospital portfolio situated outside of Java. To date, Siloam's portfolio includes hospitals and clinics in 23 out of 38 (61%) provinces in Indonesia, with 19 out of 41 hospitals (46%) located outside of Java.

We also serve the Indonesian public through Badan Penyelenggara Jaminan Sosial (BPJS) Kesehatan, the Indonesian government's health insurance scheme. Siloam has been expanding its network of BPJS-licensed hospitals to make its services available to more patients who are unable to fully pay out of pocket or are not covered by private insurance. Out of our 41 hospitals, 29 treat BPJS patients, with around 2 million BPJS patients treated in 2023. Siloam also operates 30 community clinics nationwide, all of which are either licensed to cater to BPJS patients or offer healthcare services free of charge. For additional information on Siloam's community healthcare initiatives, please refer to "Community Support & Engagement" on page 40.

**29/41**  
BPJS  
hospitals

**23/72**  
BPJS  
clinics

**~2 million**  
BPJS patients  
Served

**Rp 2 trillion**  
BPJS revenue  
(18% of total revenue)

Siloam has established “Centers of Excellence” (CoEs) which cater to specific health issues and medical conditions prevalent in certain regions in Indonesia, such as those relating to cardiology, urology, and fertility. At present, we have 5 CoEs which provide top-class medical treatment supported by high-end facilities and equipment in the following healthcare specialties: Cardiology, Urology, Neurology, Nephrology, and Oncology. Siloam continues to improve and expand its CoE services, with a focus on Kidney Transplants and IVF treatments in 2023. In addition, the World Stroke Organization has awarded Siloam with 3 Stroke-ready hospitals in 2023 (Siloam Hospitals TB Simatupang, Siloam Hospitals Sriwijaya, Siloam Hospitals Kebon Jeruk), with more units to follow.

### WORLD-CLASS KIDNEY TRANSPLANTATION

In January 2023, Siloam Hospitals ASRI in South Jakarta launched the Kidney Transplantation Excellence Service, catering to the growing need for kidney disease therapy in Indonesia. With a skilled multidisciplinary team, innovative kidney transplantation technology, and an integrated clinical management system, Siloam Hospitals ASRI offers a local solution to a pressing healthcare need in Indonesia. Siloam Hospitals ASRI is the first private hospital in Indonesia to receive the Certificate of Recommendation for Kidney Transplant Procedure from the government. Since 2017, the hospital has successfully performed over 300 kidney transplant surgeries, with 104 conducted in 2023 alone.

<p><b>319</b> Kidney transplants</p> 	<p><b>97.3%</b> 1-Year survival rate</p> 	<p><b>99.1%</b> 1-Year Graft survival rate</p> 
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### EXPANDING HEALTHCARE ACCESS TO PAPUA

Siloam has played an active role in providing healthcare services to the rural and remote areas of Eastern Indonesia, including in Papua. To date, Siloam operates 7 community clinics in remote mountainous villages in Papua with 2 general practitioners and 14 nurses for each clinic, bringing quality healthcare services to extremely inaccessible locations. All healthcare services at these Papua clinics are provided free-of-charge, and include basic medical services such as immunizations, blood pressure check-ups, first aid services, stunting assessments, screenings for tuberculosis and HIV, as well as home visits and local community health education programs. In 2023, we served over 13,000 patients at our community clinics in Papua.



**INDIRECT JOB CREATION**

Our economic contribution also extends to the jobs created through our larger ecosystem of business partners, including contractors, suppliers, vendors, and tenants. In the course of our business operations, we strive to contribute to the local economy by working with people and partners based in our areas of operation as far as possible.

**15,587**  
Contractors/  
Outsourced  
Workers



**3,879**  
Specialist  
Doctors and  
Dentists



**4,970**  
Permanent  
Mall Tenants



**2,604**  
Casual Leasing  
Mall Tenants



For example, under our Real Estate segment, we have been working with vendors and outsourcing companies to actively hire from within our townships to support our Town Management Division (TMD) operations. In addition, within our Lippo Cikarang and Tanjung Bunga townships, all the tenants in our commercial areas are local Micro, Small, and Medium Enterprises (MSMEs). For our Healthcare segment, Siloam works closely with specialist doctors and dentists throughout the country to provide quality healthcare services at our hospitals. These doctors and dentists are not directly employed by us, but practice at our hospitals on a full-time or part-time basis, supported by our medical facilities, equipment and nursing staff. In 2023, we partnered with 3,879 specialist doctors and dentists.

Through our Lifestyle segment, we support thousands of tenants who, in turn, employ manifold more people in their operations. In addition to engaging casual leasing tenants, many of whom are MSMEs, we actively support local businesses by providing them with retail spaces and curated events where they can sell their goods and services. In 2023, Lippo Malls was awarded an achievement by the Indonesian World Records Museum for the “Shopping Center with the Most Participants in Consecutive MSME Exhibitions.” This recognition comes in light of our continuous efforts to organize events for MSMEs across 35 malls managed by Lippo Malls, involving a participation of over 3,200 MSMEs.





### LOCAL PROCUREMENT

We recognize our significant role in influencing the sustainability landscape in Indonesia. This stems from our close collaborations with a diverse range of suppliers, vendors, contractors, and service providers daily. The supply chain for the real estate, healthcare, and lifestyle industries encompasses the processes and activities involved in sourcing, producing, and delivering goods and services within these sectors. We are committed to ethical sourcing, applying responsible procurement practices and supporting local suppliers in all aspects of our operations. Through local sourcing, we can make a direct contribution to the national economy and job market. It also enables us to reduce the generation of Scope 3 emissions in the transportation of supplies. Across the Group, 99.7% of all suppliers are Indonesian suppliers, with over 95% of our procurement expenditure directed towards Indonesian suppliers. In addition, we actively work with local MSMEs within our operational areas to fulfill our business needs. We are committed to supporting MSMEs where possible, including by sourcing fresh produce such as vegetables and fruits, procuring construction materials, clothing and office products, as well as engaging local service providers for security, landscaping, and IT services.

### FROM FARM TO TABLE ARYADUTA'S EMPOWERMENT OF LOCAL COMMUNITIES

Aryaduta Hotels is dedicated to showcasing Indonesia's rich heritage through its latest campaign, "Asta Karya," exemplifying its commitment to supporting local businesses and uplifting the community. With a focus on sustainable practices, Aryaduta emphasizes local procurement of food and daily supplies, while reinforcing connections with nearby communities and participating in the reforestation program by the Ministry of Environment and Forestry in Palembang. The hotel is actively involved in promoting Micro, Small, and Medium Enterprises (MSMEs) by providing a marketplace for their products and incorporating MSME offerings, such as snacks and regional delicacies, in its restaurant menus. Additionally, Aryaduta collaborates with disabled communities, hosting inclusive art exhibitions as part of its broader initiative under the "Lippo untuk Indonesia PASTI" framework. The campaign, spanning across ten Aryaduta properties and recreational centers, offers guests a unique staycation experience themed around Indonesian arts and culture, featuring exhibitions, art installations, cultural performances, and interactive family activities. Through these initiatives, Aryaduta Hotels not only champions local businesses but also creates a meaningful and inclusive cultural experience for its guests.

# COMMUNITY SUPPORT & ENGAGEMENT

We strive to create a culture of volunteering, aiming to create a positive and significant social impact in the regions where we are active. For us, community support goes beyond mere philanthropy; it serves to cultivate and strengthen relationships with our stakeholders. This year, we have actively promoted employee volunteering in support of meaningful causes and encourage the exploration of innovative ways to engage with our communities across various touchpoints. All of our initiatives under PASTI support Indonesia's sustainability agenda and the UN SDGs, as well as the needs of the local communities we serve. In 2023, we conducted 1,284 community engagement programs and activities across our business operations under PASTI, scholarships for healthcare and hospitality students, and Papua healthcare program. In total, we spent around Rp 25.1 billion to fund these activities.

Lippo Untuk Indonesia  
**PASTI**

Lippo untuk Indonesia PASTI (**P**intar, **A**sri, **S**ejahtera, **T**angguh, **I**ndependen) embodies the firm and bold spirit that drives our holistic advancement of Indonesia's sustainability agenda. We are committed to enhancing our quality of life for all stakeholders in our ecosystem, to secure a brighter outlook for future generations.



Education

## PINTAR

Scholarships

Vocational Training & Skills Development

Educational Support



Provide access to quality education



Environment

## ASRI

Nature Conservation

Waste and Water Management

Environmental Awareness



Reduce ecological footprint and raise environmental awareness



Social

## SEJAHTERA

Philanthropy

Community Welfare & Engagement

Humanitarian Aid



Support philanthropic causes and community events



Health

## TANGGUH

Community Health Services

Health Awareness

Vaccination & Blood Drives



Improve community health and well-being



Economic

## INDEPENDEN

MSME

Empowerment

Local Economic Development

Entrepreneurship



Empower MSMEs and local economies







## Education

## PINTAR

## SUPPORT FOR LOCAL SCHOOLS

**64** Events  
**434** Hours  
**302** Volunteers  
**19,907** Beneficiaries

## VOCATIONAL TRAINING AND SKILLS DEVELOPMENT

**25** Events  
**3,177** Training participants  
**15** Aryaduta/UPH scholarship recipients

## OTHERS (COMMUNITY ACTIVITIES &amp; WORKSHOPS)

**87** Events  
**13,673** Participants

## SILOAM SCHOLARSHIP &amp; TRAINING CENTRE

## Nursing Scholarship

**315** Nurses graduated  
**89%** Graduation rate  
**>3,600** Total scholarships disbursed (since 2007)

## Training Centre

**112** Training programs  
**8,263** Training participants



## Environment

## ASRI

## ENVIRONMENTAL AWARENESS AND CAMPAIGNS

**310** Environmental campaigns  
**>3,300** participants

Social media awareness campaigns on topics around zero waste, Earth Hour, World Environment Day, World No Tobacco Day, World Ocean Day and World Water Day

## CLEAN UP ACTIVITIES

**>3,800** Beach Clean Ups by Aryaduta participants  
**>100** Akkarena Beach Clean Up by GMTD participants  
**>100** Jakarta & Tangerang River Clean Up participants



Social

### SEJAHTERA

#### COMMUNITY WELFARE AND ENGAGEMENT

**Rp 2.2B**  
donated for religious events,  
disaster relief, and social  
assistance

**234**  
Events

**>47,000**  
total beneficiaries



Economic

### INDEPENDEN

#### EMPOWERING MSMEs

**1,725**  
MSMEs supported

**>130**  
MSME flagship events

**>12,000**  
event participants and  
beneficiaries



Health

### TANGGUH

#### VACCINATION & BLOOD DRIVES

**120**  
Events

**17,341**  
Participants

#### COMMUNITY HEALTH SERVICES

**42**  
Events

**13,720**  
total beneficiaries

**6,900**  
free breast cancer screenings

#### HEALTHCARE AWARENESS

**93**  
healthcare  
awareness  
campaigns

**>9,800**  
participants in  
the events



## BREAST CANCER AWARENESS AND FREE SCREENING CAMPAIGN

Siloam is committed to improving public health awareness. Their major initiative, the "SELANGKAH" campaign, focuses on breast cancer screening, showcasing Siloam's role as a leading healthcare provider and supporting the global fight against cancer. Launched from March to December 2023, the SELANGKAH campaign aims to provide breast cancer screenings for over 25,000 women across Indonesia, particularly in remote areas, utilizing mammography machines in 14 hospitals. Siloam invites everyone, including communities and companies, to join forces in supporting early detection of breast cancer, recognizing its significant impact on lives in Indonesia. By actively participating in this campaign, Siloam not only serves as a healthcare provider but also as a transformative agent in Indonesia's healthcare services. We believe in Siloam's strategic role in supporting early detection and sustainable cancer treatment services. We also emphasize that the success of this effort requires active collaboration and participation from the entire community in the SELANGKAH campaign's success.

**6,900**

Free breast cancer screenings in 2023



**14**

Hospitals participated in the program



**45,000**

People participated in SELANGKAH Health Talks and education sessions



## EMPOWERING LOCAL ENTREPRENEURS

Lippo Cikarang is spearheading impactful initiatives to bolster the local economy through collaborations with the community, particularly focusing on supporting Micro, Small, and Medium Enterprises (MSMEs). Notably, significant commodity spending, such as steel and aluminum, is directed towards local MSMEs suppliers, demonstrating a commitment to strengthening the local business ecosystem. Furthermore, in celebration of Indonesia's Independence Day, Lippo Cikarang engaged with the community through a collaborative event involving 50 MSMEs, fostering a spirit of unity and economic empowerment. Similarly, during weekly Car Free Day events, Lippo Cikarang collaborated with the community by involving another 50 MSMEs, providing a platform for these local businesses to showcase their products and contribute to the vibrant economic landscape of the region. These initiatives underscore Lippo Cikarang's dedication to uplifting local MSMEs, ensuring their active participation and economic sustainability within the community.

**1,300**

Total Participants and Beneficiaries



**100**

MSMEs continuously supported



## LOCAL COMMUNITY WELL-BEING

Lippo Karawaci, in collaboration with the government and key community figures, organized a special initiative called "Beras Premium Harga Terjangkau" to provide affordable premium rice packages to more than 3,000 households in Tangerang Regency. The packages, comprising of 5 kilograms of premium rice, 1 kilogram of all-purpose flour, and 1 kilogram of granulated sugar, were sold at a heavily subsidized price of Rp 49,000, providing essential supplies to those in need. The initiative, aligning with the "Sejahtera" pillar of the PASTI framework, was aimed at addressing the community's basic needs by supporting the government's efforts to stabilize the prices of essential commodities and alleviate inflationary pressures.

**3,200** residents  
Beneficiaries of basic food packages



**14** tons

Rice and basic food distributed



## SUPPORTING MSMEs THROUGH BANGKIT BERSAMA FESTIVAL

We are committed to providing our spaces and platforms to promote local businesses and their products. As part of its flagship program "Bangkit Bersama Festival", Lippo Malls curated 27 events showcasing local products made by over 1,200 MSMEs, such as batik clothing, crafts, and snacks. It emphasizes the "Independen" pillar, showcasing our dedication to supporting independent businesses and fostering economic sustainability in Indonesia.

**1,253**

MSMEs supported in Bangkit Bersama Festival



**27**

Flagship events under Bangkit Bersama Festival



# PRODUCT INNOVATION

In today's dynamic business environment, innovation is key to delivering quality products and services that can meet our customer's evolving needs and enhance our market position in the long run. Our product innovation strategy includes research and development to analyse and capitalize on the latest market trends, deepening our areas of specialty, as well as leveraging digital channels and new partnerships to enhance our offerings. Our R&D efforts help us to identify emerging needs so that we are well-positioned to provide the most relevant offerings. At the same time, we are also constantly innovating to improve customer service and satisfaction – these initiatives are separately outlined on pages 47 to 50.

## CAPTURING NEW DEMAND

While our real estate development business has seen significant success with the Cendana Homes series, we have introduced several new housing products at diversified price points to cater to the different needs and lifestyles of the next generation of young urban dwellers. These products have been developed based on extensive market studies and ethnographic research to better understand the various profiles of Indonesian millennials, including their living preferences and broader life aspirations. Our overall approach to project development has evolved in recent years, as we move away from designing individual home units to creating vibrant living environments centered around community building.

### REAL ESTATE

#### PARK SERPONG

Park Serpong is a new 405-hectare township located at the center of Serpong, with 5 different district concepts that capture the aspirations of community-oriented and sustainability-minded Indonesian homebuyers. Through the launch of Park Serpong, we have reinforced our commitment to providing quality and affordable landed housing in a sustainable living environment.



#### XYZ LIVIN

With over 5,000 units sold in 2023, XYZ Livin is re-defining modern living with its innovative approach to design and functionality. Beyond the modern and stylish facade, XYZ Livin stands out for its attractive price point within the range of Rp 300-600 million. This aligns with our product strategy of serving the growing demand and needs of young families and professionals in the Greater Jakarta area.



Under our Healthcare and Lifestyle segments, we continue to innovate by developing new facilities and experiences to cater to different market segments. In 2023, Siloam launched several new centers with specialized clinical offerings, as well as rolled out new services and tests to cater to a wider spectrum of patients. Lippo Malls executed major asset enhancements to revitalize its facilities and tenant mix in several malls, to keep pace with the evolving consumer and lifestyle preferences of the Indonesian shopper. Aryaduta has also expanded its service offerings to meet the growing demand for Meetings, Incentives, Conferences, and Exhibitions (MICE).

## GROWING THROUGH PARTNERSHIPS

We work with credible partners to expand our healthcare service offerings and leverage the expertise of others. We believe in developing mutually beneficial partnerships that not only enhance the quality of our products and services, but also broaden our customer reach.

## HEALTHCARE

### NEW CENTERS

- AXON Pain Intervention Center in Siloam Hospitals TB Simatupang
- Pediatric Integrated Care Center in Siloam Hospitals Palembang
- Fertility Clinic in Siloam Hospital Bangka Belitung

### NEW SERVICES & TESTS

- 1<sup>st</sup> Coronary Artery Bypass Graft (CABG) operation in Siloam Hospitals Bogor
- Immunohistochemistry (IHC) testing with Mayo Clinic
- New clinical pathology testing parameters with Roche
- New molecular testing parameters with GeneXpert, BioFire and QIAstat
- Therapeutic Diet Program for Pre & Post In Vitro Fertilization (IVF) and Kidney Transplant



## LIFESTYLE

### GAJAH MADA PLAZA

Originally constructed in 1982, Gajah Mada Plaza has undergone a comprehensive building rejuvenation process, including the redesign of interiors, usage of more resource efficient equipment, and enhanced tenant management. In addition to revitalizing the physical structure, Gajah Mada Plaza has introduced several supporting facilities, including: Pet playground on the 6<sup>th</sup> floor, outdoor swimming pool known as The 5ky SwimPool, and preparation of connections to Sawah Besar Station, MRT Jakarta



### PLUIT VILLAGE

Pluit Village has launched the “Hawkers Street” dining area, which provides street food choices from more than 34 tenants which have gone viral for their taste. Pluit Village also collaborates with the Jangkrik Culinary Team as a community of food bloggers and food influencers. Hawker Street provides a choice of food with varying prices where the food displayed is food from viral and legendary traders from several regions in Indonesia.



### ASAN MEDICAL CENTRE

Siloam and Asan Medical Center (AMC) in South Korea signed a Memorandum of Understanding (MoU) in 2023 to expand clinical capabilities in Indonesia and enhance collaboration in patient care, referrals, as well as the exchange of medical staff and researchers. This collaboration strengthens Siloam’s commitment to providing internationally recognized medical care in Indonesia. As the largest medical center in Korea, AMC offers global expertise that enables Siloam to enhance clinical programs and medical outcomes in Indonesia, involving doctors and medical experts in clinical research and training.

### MAYO CLINIC LABORATORIES

Siloam collaborates with Mayo Clinic Laboratories as a reference laboratory to improve the quality of laboratory testing and medical results. Siloam currently administers various immunohistochemical tests and molecular tests, including Next Generation Sequencing, to increase the accuracy and speed of response in medical diagnosis. Collaboration with Mayo Clinic Laboratories offers further access to esoteric testing, thereby improving Siloam’s clinical capabilities.

In addition, Siloam is well-positioned to extend its research services to Clinical Research Organizations (CROs) and Sponsors. Our hospitals possess essential elements for conducting clinical research. What sets us apart is our dedicated and visionary team in clinical research management, aiming to deliver research that competes with global standards. Clinical Research Siloam (CRS) serves as an integrated research site service provider within Siloam, covering feasibility fulfillment, efficient legal-to-budgeting review, a swift start-up process, and Institutional Review Board (IRB) procedures. CRS is committed to supporting research activities within Siloam and fostering collaborations between Siloam and partners. Our goal is to assist sponsors and institutions in achieving world-class clinical trial results.



# CUSTOMER SERVICE & SATISFACTION

We are committed to consistently delivering high-quality products and services to our customers. This year, our focus has been on improving our digital platforms and engagement channels to ensure that our customers receive timely, targeted and useful information. We strive to cultivate a culture of customer-centricity and will continue to raise the bar to provide the best possible experience for our customers.

## CUSTOMER SATISFACTION & ENGAGEMENT

We take customer feedback very seriously and are continuously improving our customer experience. Digital improvements have been made such as instant receipt of email notifications once a complaint is resolved, access to options for marking their complaints as complete, and complaint escalation channels.

### Real Estate

We continually strive to enhance the customer experience and happiness each year. This involves redesigning buildings and spaces, implementing digitization, innovating new applications and products, all to ensure that customers can easily enjoy a seamless and delightful experience. Gathering feedback from our customers is a top priority for enhancing our services and ensuring customer satisfaction. Satisfaction surveys are consistently conducted for visitors and tenants throughout the year, utilizing various channels such as QR codes at launch events, surveys for new homeowners, and obtaining direct in-person feedback.

TMD engages with our residents daily, placing a primary focus on customer satisfaction as a cornerstone of our commitment to service excellence. One key metric used to gauge customer satisfaction is the Customer Satisfaction Score (CSAT). In 2023, we achieved a CSAT Score of 4.5 on a 5-point scale, validating our dedication to delivering services that meet the expectations of property residents. Throughout the year, we documented a total of 51,000 tickets from our customers. Our team successfully addressed over 99% of residents' queries, with only 133 requiring a return request. This translates to a mere 0.25% of the total tickets indicating dissatisfaction related to our initial corrective action. This underscores our commitment to providing satisfactory solutions for every customer inquiry. Moving forward, we remain committed to maintaining and enhancing our CSAT Score, ensuring that each customer feels prioritized and content with their experience at our property. Our goal is to achieve a customer satisfaction rating of 4.5 out of 5.

We have attained several industry-best awards as evidence of our dedication to customers, demonstrating our commitment to delivering the finest services and products possible.

## LIPPO CUSTOMER PORTAL

TMD has introduced the Lippo Customer Portal, offering customers a digitized and seamless experience for onboarding, self-service and redeeming vouchers, especially for new residents. Our customer portal has also partnered with the Lippo Malls Styles App to establish a self-service portal. This creates more opportunities for residents to enjoy enhanced benefits, particularly concerning Lippo Malls' products. Among these advantages is the opportunity to upgrade their membership level to the highest tier, known as "Silk." Upon attaining the Silk level, residents can access various exclusive benefits, including special offers at all Lippo Malls, and points accumulation. This platform also empowers residents to conduct activities, including utility (IPKL) payment transactions, and submit on-demand requests like water connections. In the initial 5 months post-launch, the Customer Portal facilitated 1,846 transactions by residents in the Lippo Village Karawaci area. The total value of transactions carried out through Lippo Customer Portal amounted to approximately Rp 1.7 billion.

## Healthcare

Siloam is constantly making improvements to the patient experience and enhancing patient satisfaction through its various digital services such as:

- Multichannel appointment booking (MySiloam App, Website, Contact Center, WhatsApp & LiveChat (ChatBot))
- Single queue management enabling self check-in via MySiloam App
- EMR (e-Medical Record) providing integrated records in all hospitals
- 24/7 access for patient medical histories through Patient Portal
- Doctor teleconsultation and online booking

In 2023, Siloam achieved a Net Promoter Score (NPS) of 67, indicating the effectiveness of its patient-centric initiatives. Siloam also managed to maintain a ticket resolution rate of 97% throughout the year. Siloam has achieved several industry-best awards, serving as a testament to our commitment to customers and showcasing our best practices for customer experience.

### OUR AWARDS & RECOGNITIONS

- "Top 10 Developers of 2023" from BCI Asia Awards (Lippo Karawaci)
- "Top 50 Mid Capitalization Public Listed Company 2023" from Indonesian Institute for Corporate Directorship (Lippo Karawaci)
- "Nusantara CSR Awards" from The La Tofi School of CSR (Lippo Cikarang)
- "Best Emerging Partner Award" at Enterprise Connexion 2023 from Link Net (Lippo Cikarang)
- "5<sup>th</sup> Top Digital Corporate Brand Award 2023 - Special Achievement for Property Industry" from InfoEkonomi.ID and TRAS N CO Indonesia (GMTD)
- "Best Specialized Hospitals APAC 2023" from Newsweek (MRCCC Siloam Semanggi)
- "Indonesia Customer Experience Champion 2023" from SWA Media (Siloam)
- "Customer Satisfaction Champion in Healthcare Services 2023" from SWA Media (Siloam)
- "Top Brand Award 2023 - Private Hospital Network" from Top Brand (Siloam)
- "Recognition of Excellence Award" for MySiloam App from OpenGov Asia (Siloam)
- "Public Company: Entrepreneurial Marketing Awards - Healthcare Provider" from MarkPlus Inc (Siloam)
- "EDGE Green Building Certification" from Green Building Council Indonesia (Lippo Mall Puri & Sun Plaza Medan)
- "Most Continuous MSMEs Exhibition Participants for Shopping Center Group" from Indonesia World Record Museum (Lippo Mall Indonesia)

### EXPANSION OF FACILITIES & MEDICAL EQUIPMENT

Siloam is in the process of expanding its capacity in several hospitals, to add inpatient beds and provide more comprehensive services. Siloam will be expanding its existing hospitals in Bekasi and Makassar, as well as develop two new hospitals in Surabaya. In addition, Siloam is invested in bringing the latest medical devices and technology to Indonesia. MRCCC has unveiled a state-of-the-art PET/CT scanner and Flow-Cytometry equipment, enhancing diagnostic capabilities and treatment precision. To improve its oncology services in the Banten province, Siloam Hospitals Lippo Village is also in the process of adding a Linear Accelerator (LINAC) which produces high-energy X-rays for radiotherapy.

### NEW ONLINE BOOKING SERVICE FOR LABORATORY AND RADIOLOGY TESTS

Siloam has launched an online booking service for laboratory and radiology tests, allowing patients to easily schedule examinations anytime, anywhere through the MySiloam application or [www.siloamhospitals.com](http://www.siloamhospitals.com) website. This aims to meet the needs of a technologically savvy society, providing easier and faster access to healthcare services. With online bookings, patients can directly visit the hospital and utilize express queues, significantly reducing waiting times. This new service offers more than 500 parameters for laboratory and radiology tests, ranging from routine tests to in-depth examinations in pathology and oncology, as well as radiology services such as x-rays, CT scans, and MRI. Integrated into the Siloam digital medical record system, test results can be accessed through the MySiloam application, making the healthcare experience easier and more comfortable for patients.



## Lifestyle

Similarly, our Lifestyle businesses have also enhanced their feedback systems so that customers can provide feedback at more touchpoints. Mall visitors can provide feedback instantaneously by scanning QR codes located at key mall facilities including toilets, nursing rooms, prayer rooms, elevators, and customer service desks. This allows our operations teams to gather feedback on specific mall facilities or aspects of the visitor experience. Meanwhile, Aryaduta regularly conducts guest satisfaction surveys, including NPS and Customer Satisfaction Index, to gather feedback and continuously improve our facilities and services. Across our hotel portfolio, we received feedback from over 15,000 responses throughout the year.

## PRODUCT MARKETING

Product marketing serves as the catalyst that amplifies the impact of product innovation, ensuring that groundbreaking ideas not only come to fruition but also resonate effectively with the target audience.

### 1. Styles App

STYLES is a loyalty program introduced by Lippo Malls. The current version enables customers to view all their rewards and promotions. They can also see personalized rewards and marketing features about the latest news and programs available to them. The latest version of the STYLES app provides seamless user interaction, where updates to back-end operations enable our customers to scan QR codes and immediately receive a reward. Lippo Malls is committed to enhancing the user experience and access to benefits on the STYLES app. Furthermore, in 2024, our intention is to visually enhance the user interface by incorporating more appealing colors and tones.

### 2. Chatbot Assistance

Our Township Management Division (TMD) launched a chat bot learning hub through WhatsApp, designed to adapt to customers' schedules and needs on a 24/7 basis. Over the first 4 months of its implementation, the WhatsApp account facilitated 3,302 conversations, indicating its utility and dependability.

### 3. Channel Marketing

Providing tailored information to customers is crucial for enhancing customer loyalty and engagement, especially in our Lifestyle pillar. We have also enhanced our channel marketing (WhatsApp and email) by implementing more detailed segmentation, ensuring that each individual receives targeted information that is relevant to them. For instance, monthly programs are customized for each mall and tailored to the specific preferences of each customer.

### 4. Customer Experience Center (CXC)

In 2023, we established a Customer Experience Center (CXC) at Park Serpong, to facilitate product knowledge sharing for our new township and product lines. This approach proved successful, with 1,500 sales generated through visits to the CXC. The grand launch of Park Serpong attracted 16,000 customers, leading to a significant number of individuals becoming new homeowners in a single day.

## CUSTOMER & PRODUCT HEALTH & SAFETY

We are committed to providing our customers with accurate information regarding product quality and safety, as these build customer trust and loyalty. Each business unit is responsible for monitoring product quality and safety against a set of performance indicators to ensure compliance with the specified standards. In 2023, we did not receive any sanctions for non-compliance with customer health and safety regulations, product and service information, labelling, or marketing communications. No products were recalled.



## TMD Initiatives

- 1. Customer Focus Unit:** All properties are inspected for health and safety requirements before handover. Additionally, we have implemented systems to log defects and monitor the progress of rectifications.
- 2. Customer Care Unit:** A new division was established to streamline standards and SOPs across all customer relations divisions, with the primary objective of improving all aspects of the customer experience.
- 3. Onboarding Program:** A new program was launched to give residents of newly acquired housing units a walkthrough of all essential knowledge and technical aspects of living in our townships, to ensure a smooth transition for these residents. As part of onboarding program, TMD distributes tenant vouchers so that residents are aware of the facilities that can be enjoyed in the township. In 2023, we have distributed more than 1,000 facility onboarding vouchers for our new residents.
- 4. Living Environment and Health and Safety:** TMD undertook various initiatives to improve the living environment and health and safety for residents, covering various aspects such as:
  - o Security: Increasing frequency of patrol and external security monitoring, reviewing traffic safety needs, speed tables, traffic signs and crosswalks.
  - o Maintenance: Increasing frequency of sanitization and pest control including mosquito fogging and snake sweeping.
  - o Landscaping: Pruning trees and grass monthly throughout the Lippo Cikarang area.
  - o Waste Management Services: Daily garbage removal for all residents.
  - o New Certifications: Certification from the Ministry of Manpower for First Aid (P3K) and Class D Firefighting Certification from the Ministry of Manpower for Lippo Village Fire Brigade personnel.

TMD's environmental costs in 2023 amounted to Rp11.5 billion. Moving forward, we aim to disclose on the environmental costs borne by other Business Units in our Group.



# CARING FOR OUR ENVIRONMENT

Against the backdrop of climate change, we are committed to accelerating climate action by reducing our carbon and water footprint, improving our resource efficiency, and developing greener products and processes. To safeguard the natural environment, we conscientiously select locations for development and operations where there is no impact on areas of high biodiversity or conservation value. We do not currently have any developments or operations in regions recognized for their high ecological significance. Nevertheless, as part of our commitment to environmental stewardship and in compliance with regulatory requirements, all of our developments undergo the AMDAL process (Environmental Impact Assessment).

Energy Efficiency and Emissions

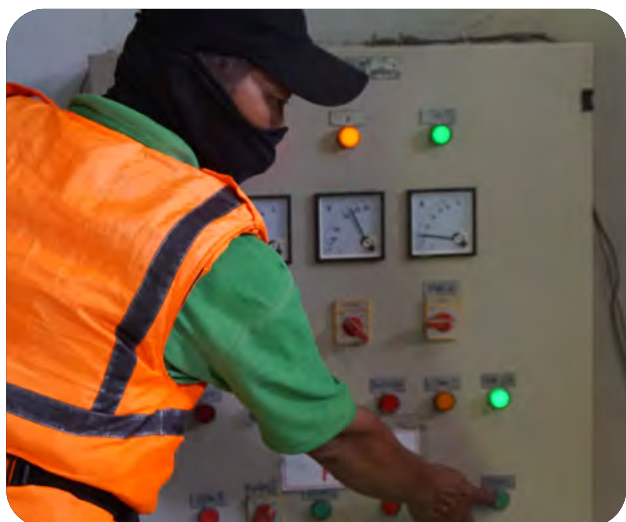
Water Stewardship

Waste Management



# ENERGY EFFICIENCY & EMISSIONS

The World Economic Forum's Global Risks Report 2024 ranked the climate crisis, specifically extreme weather, as the top material risk on a global scale in 2024.<sup>5</sup> As such, we are committed to doing our part to combat climate change by accelerating our decarbonization efforts through Group-wide energy and emissions reduction initiatives. Our decarbonization plans are supported by regular energy audits, the systematic roll-out of energy-efficiency initiatives and asset enhancements, and new opportunities associated with green buildings and renewable energy. In the first quarter of 2023, the Group Sustainability Function engaged the Senior Management and operations teams from key business units on their respective emissions reduction targets and specific decarbonization roadmaps, tailored to the unique characteristics of their business operations and capital expenditure plans.



Initiatives	Description
<p><b>1. Energy audits and efficiency projects</b></p>	<ul style="list-style-type: none"> <li>We conducted 13 energy audits in select malls, hotels and hospitals, to fine-tune our energy optimization initiatives and the upcoming pipeline of retrofits.</li> <li>We successfully executed 22 energy efficiency projects, ranging from LED light replacements, chiller optimization, smart cooling, energy-saving appliances, etc. These specific projects are expected to achieve annual financial savings of at least Rp 1.9 billion, energy savings of 875,893 kWh and emissions reduction of 762 tCO<sub>2</sub>.</li> </ul>
<p><b>2. Digitization</b></p>	<ul style="list-style-type: none"> <li>Business units such as Siloam and Aryaduta have implemented automated dashboards that monitor daily energy and water consumption of their portfolio of assets. This enables swift responses to anomalies in consumption patterns and allows us to formulate effective plans to reduce consumption, considering factors such as (a) asset size, (b) age of existing energy systems, (c) the type of HVAC system employed, and (d) various operational metrics.</li> </ul>
<p><b>3. Lowering direct emissions / Electrification</b></p>	<ul style="list-style-type: none"> <li>As of 2023, we have installed a total of 31 electric vehicle charging stations across our assets. 20 additional EV charging stations were added in 2023.               <ul style="list-style-type: none"> <li>Lippo Malls and Hyundai Motors Indonesia signed an agreement to expand the EV Charging Station network in up to 52 malls under Lippo Malls in various cities across Indonesia.</li> <li>We signed a Memorandum of Understanding (MoU) with PT Exelly Elektrik Indonesia (Voltron) to provide Electric Vehicle Charging Station (SPKLU) services at several properties developed/managed by the Company.</li> </ul> </li> <li>Lippo Cikarang, in collaboration with Beam Mobility, launched 500 electric bicycles in more than 60 parking spots around Lippo Cikarang township. This collaboration reduces vehicular emissions and raises awareness of environmentally friendly modes of transport.</li> <li>Lippo Cikarang regularly organizes Car Free Day (CFD) in its central business district to reduce vehicular emissions and encourage healthy lifestyles.</li> <li>Over the years, we have cumulatively planted over 160,000 trees across Lippo Village, Lippo Cikarang, and Tanjung Bunga, to enhance the natural beauty of our townships, reduce the urban heat effect and improve air quality. These trees also help to combat climate change as they act as a carbon sink to offset emissions.</li> </ul>

<sup>5</sup> [https://www3.weforum.org/docs/WEF\\_The\\_Global\\_Risks\\_Report\\_2024.pdf](https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf)

## UNLOCKING SUBSTANTIAL SAVINGS LIPPO MALLS' ENERGY AUDIT

Lippo Malls has recently completed an extensive energy audit across its properties. The initiative unfolds in two phases – Phase 1 includes Lippo Mall Kemang, Plaza Medan Fair, Sun Plaza, Palembang Icon, Palembang Square, and Palembang Square Extension. Phase 2 extends the initiative to additional properties, including Lippo Plaza Kramat Jati, Cibubur Junction, Mall Lippo Cikarang, Pluit Village, and Lippo Plaza Ekalokasari.

Through targeted interventions and upgrades, Lippo Malls has not only bolstered its financial performance but also underscored its commitment to environmental sustainability, aligning with global efforts to combat climate change and reduce carbon emissions. As we continue to prioritize sustainability in its operations, it sets a compelling example for the retail industry, driving positive change and contributing to a greener, more resilient future.

**>Rp 8B**



Expected Annual Savings from energy efficiency measures within Lippo Mall Kemang & Palembang Square

**~Rp 50B**



Investment Cost from energy efficiency measures within Lippo Mall Kemang & Palembang Square

## LIGHTING THE WAY ARYADUTA HOTELS' ENERGY EFFICIENCY INITIATIVES

As part of Lippo Karawaci Group's commitment to sustainable development, Aryaduta Hotels has implemented several initiatives aimed at improving energy efficiency across its properties. These efforts not only align with global sustainability goals but also showcase Aryaduta's leadership in promoting environmental responsibility within the hospitality industry.



**40% energy savings**

From replacement of gas water heaters with heat pumps at Aryaduta Bandung



**20% energy savings**

From replacement of conventional booster pumps with inverter booster pumps at Aryaduta Palembang



**15-20% energy savings**

From installation of additional inverter/PSD for chill water pumps in Aryaduta Manado



**Up to 25% energy savings**

From modernization of elevators in Aryaduta Bandung

## ACCELERATING EV ADOPTION IN INDONESIA LPKR-VOLTRON PARTNERSHIP

Lippo Karawaci signed a Memorandum of Understanding (MoU) with PT Exelly Elektrik Indonesia (Voltron) to provide Electric Vehicle (EV) charging stations at LPKR-managed properties. Under this collaboration, Voltron has installed EV charging stations at various properties, including apartments and integrated developments. We are committed to support Indonesia's Electric Vehicle Acceleration Program and promote energy resilience and clean energy usage. This partnership underscores our commitment to sustainability and environmental stewardship.



**14**

New EV charging stations in partnership with Voltron

## THE FUTURE OF BUILDINGS EDGE GREEN BUILDING CERTIFICATION

Lippo Mall Puri and Sun Plaza, owned by Lippo Malls Indonesia Retail Trust (LMIR Trust), have achieved EDGE green building certification. Developed by the International Finance Corporation (IFC), EDGE certification recognizes buildings that demonstrate at least a 20% resource efficiency improvement compared to conventional structures. The deployment of energy-efficient systems and the adoption of water-efficient faucets and rainwater harvesting systems have achieved significant utility cost savings.

### Lippo Mall Puri :



**21% energy savings**



**31% water savings**



**Rp 9 Billion utility saving annually**

### Sun Plaza :



**24% energy savings**



**35% water savings**



**Rp 8.5 Billion utility saving annually**

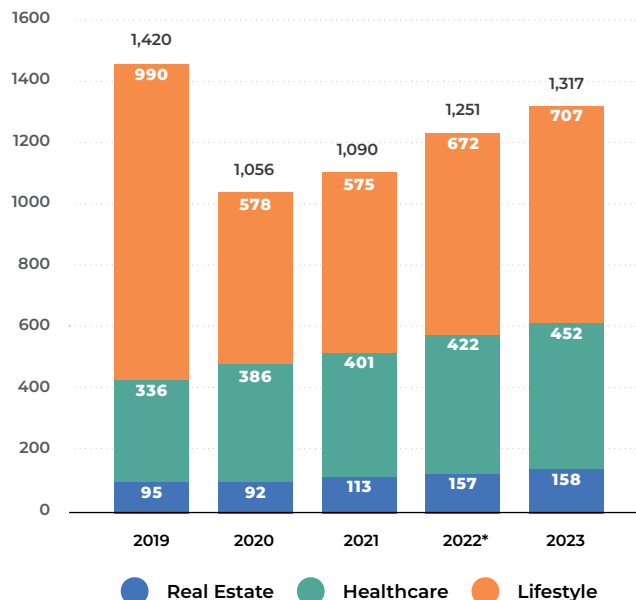
## ENERGY CONSUMPTION

Electricity continues to serve as the primary energy source for our operations, followed by the usage of diesel, petrol, and LPG for daily activities. In 2023, we recorded a total energy consumption of 1.3 million gigajoules (GJ). Notably, our Lifestyle and Healthcare segments accounted for 54% and 35% of the overall energy consumption, respectively. This distribution is attributed to the expansive scale of their operations and the inherently energy-intensive nature of these businesses.

Comparing the figures to the preceding year, there was a 6% increase in total energy consumption in 2023. This upswing can be largely attributed to an increase in mall visitors, number of patients treated at hospitals and renovations. The increase in reported energy consumption can also be attributed to the improved data transparency on energy consumption of fuel sources used in stationary and mobile combustion. We recognize that as our business grows, there will be an anticipated rise in energy consumption. Nevertheless, we are dedicated to implementing energy-saving projects to enhance overall energy efficiency. Grid energy constitutes 95% of our energy source. We have also increased the usage of renewable energy sources, supported by a 1,050% increase in biodiesel consumption. Energy consumption from third parties outside the organization, originating from tenanted commercial areas and high-rise residential units, amounts to 0.9 million GJ.

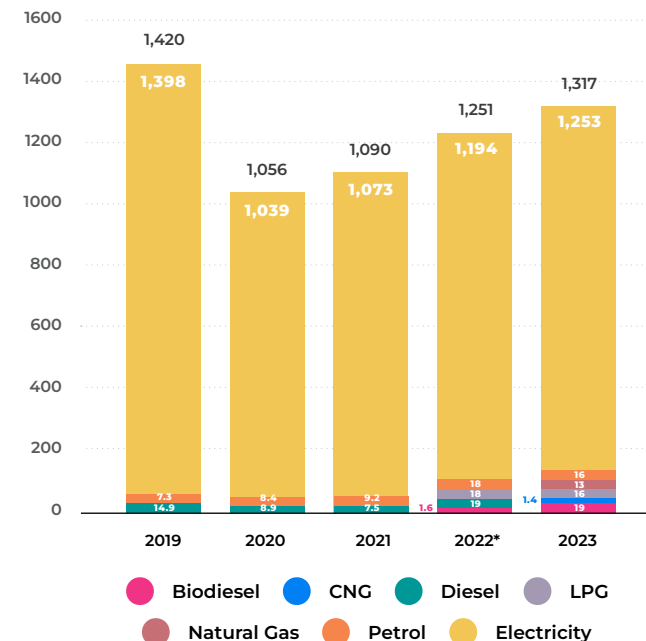
### ENERGY CONSUMPTION BY BUSINESS SEGMENTS

(10<sup>3</sup> GJ)



### ENERGY CONSUMPTION BY FUEL TYPE

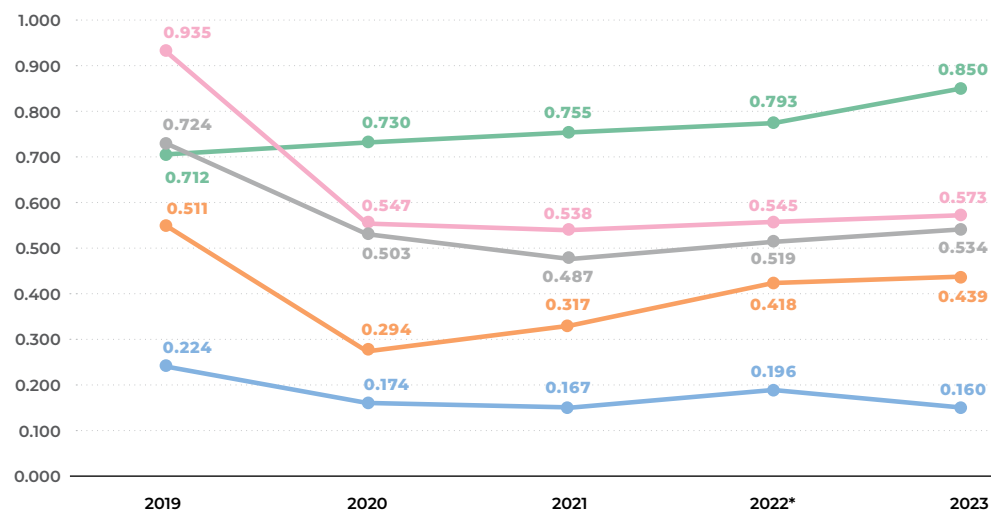
(10<sup>3</sup> GJ)



Note: Restatements have been indicated with \*. For further details, please refer to the Appendix.

### ENERGY INTENSITY BY BUILDING TYPE (GJ/m<sup>2</sup>)

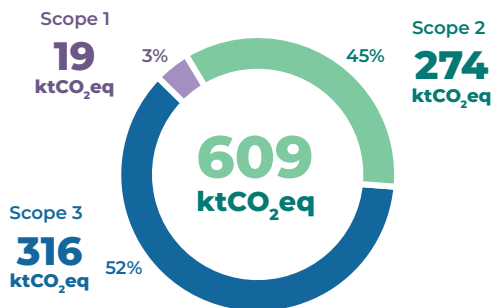
- High-Rise Residential
- Hospitals
- Malls
- Hotels
- Average



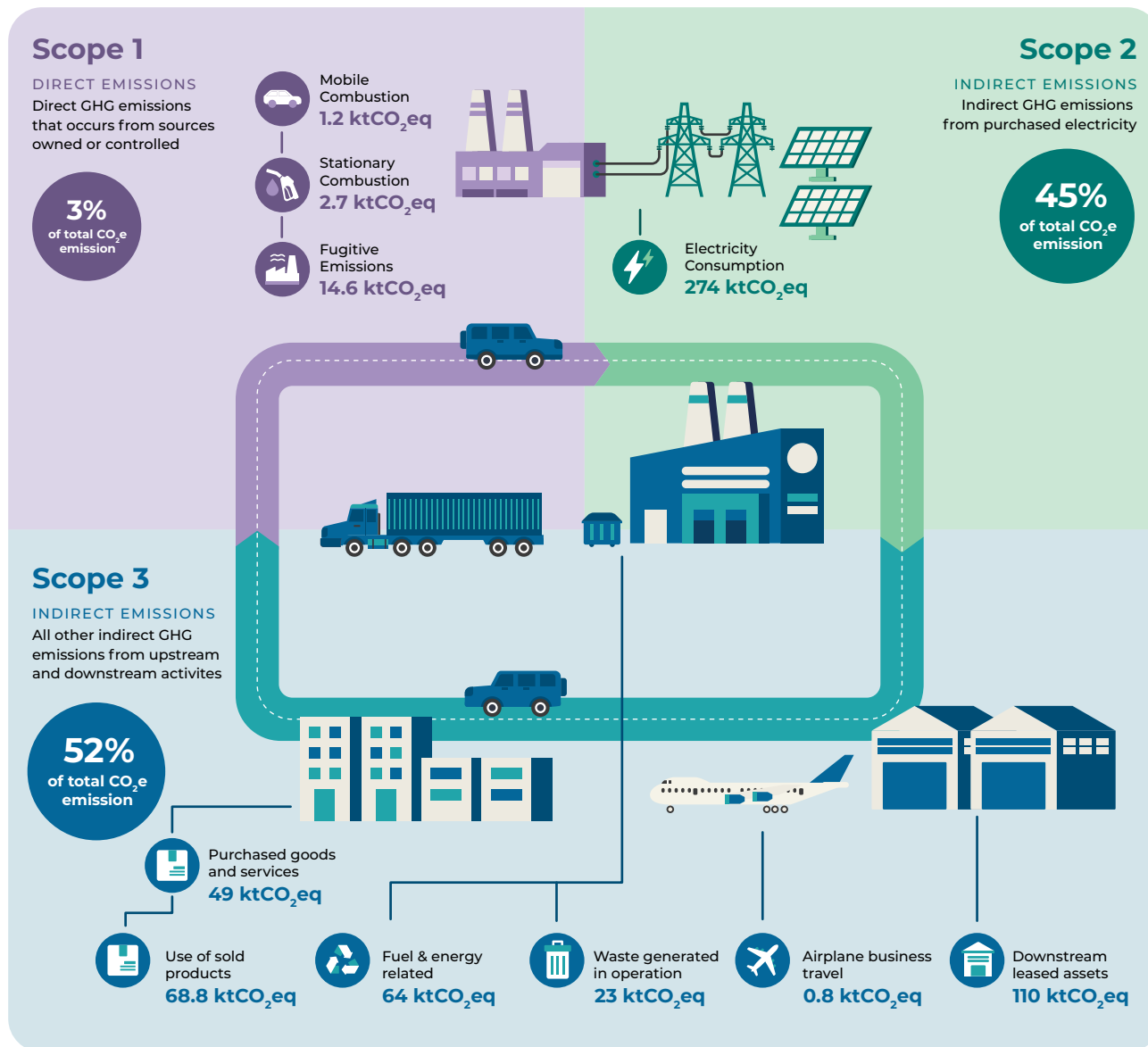
## GHG EMISSIONS

In 2023, we expanded our GHG inventory to include a broader coverage of emissions based on materiality. Our Scope 1 emissions stem from various sources, including refrigerant leakage in air-conditioning systems, mobile combustion from operational vehicles, and stationary combustion primarily from on-site generators. To calculate these direct emissions, we employ emission factors derived from DEFRA environmental reporting guidelines.<sup>6</sup> For Scope 2 emissions exclusively tied to purchased electricity, we utilize market-based methods and emission factors from the Ministry of Energy and Mineral Resources of Indonesia (MEMR) for measurement.

We took a significant step in 2022 towards carbon inventory management by reporting on Scope 3 emissions, which are generated by our indirect operations and value chain. We started by disclosing substantial emission sources that are currently tracked within our internal reporting systems, which includes embodied carbon in main construction materials (steel, concrete, timber, glass) used in real estate development projects, employee business travel (air flights), and tenant electricity consumption. As such, our 2022 disclosures only covered several aspects of Purchased Goods & Services (Cat 1), Business Travel (Cat 6) and Downstream Leased Assets (Cat 13) respectively.



## 2023 GHG EMISSIONS

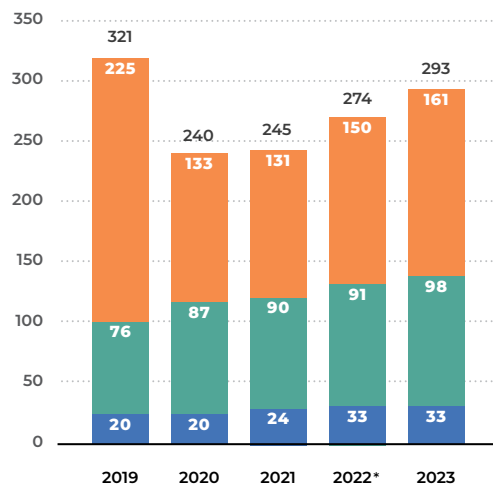


<sup>6</sup> Department for Environment Food & Rural Affairs environmental reporting guidelines (greenhouse gas reporting conversion factors 2023).

This year, we extended our coverage to include construction-related spending for non-real estate businesses and water consumption under Purchased Goods & Services (Cat 1), T&D electricity losses under Fuel & Energy Related Activity (Cat 3), waste generated in operations (Cat 5) and managed assets owned by third parties<sup>7</sup> under Use of Sold Product (Cat 11). This extends our Scope 3 disclosures to cover a total of six categories (1, 3, 5, 6, 11, and 13). We plan to consistently enhance and broaden our Scope 3 disclosures to more comprehensively reflect the emissions across our value chain. We also employ emission factors derived from Inventory of Carbon and Energy (ICE database)<sup>8</sup> and DEFRA environmental reporting guidelines for our Scope 3 emissions. In 2023, Siloam undertook a comprehensive assessment of its full Scope 3 emissions, and we intend to extend this assessment to other business units in 2024.

We remain committed to enhancing both our emissions reporting and carbon reduction initiatives. In 2023, our total emissions across Scope 1, 2, and 3 amounted to 609 kilotons of CO<sub>2</sub> equivalent (ktCO<sub>2</sub>e). Our total Scope 1 and Scope 2 emissions amounted to 293 ktCO<sub>2</sub>e, with Scope 3 emissions constituting 52% of the overall emissions. Notably, there has been a visible increase in emissions due to higher patient volume across hospitals, higher mall visitor footfall in top emitting malls, including a rebound in activity in malls that have completed major asset enhancement initiatives, as well as more extensive Scope 1 disclosures for refrigerants and other fuels. While there has been an absolute increase in emissions in 2023 compared to 2022, our building emissions intensity is still 28% lower compared to our 2019 baseline. As such, we remain on track to achieving our building emissions intensity reduction targets of 15% by 2030 and 35% by 2035.

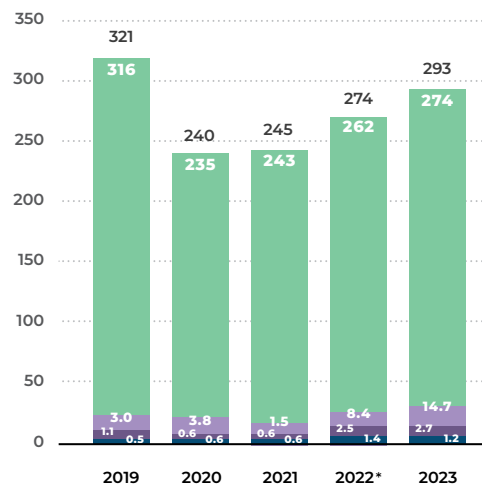
**SCOPE 1 & 2 EMISSIONS BY BUSINESS SEGMENT (ktCO<sub>2</sub>eq)**



● Real Estate ● Healthcare ● Lifestyle

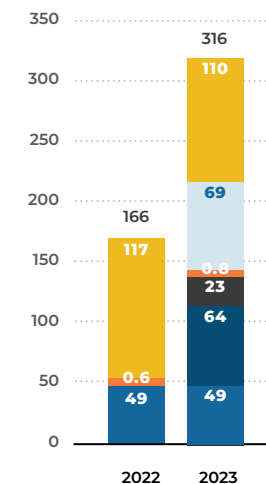
Note: Restatements have been indicated with \*. For further details, please refer to the Appendix.

**SCOPE 1 & 2 EMISSIONS BY SOURCE (ktCO<sub>2</sub>eq)**



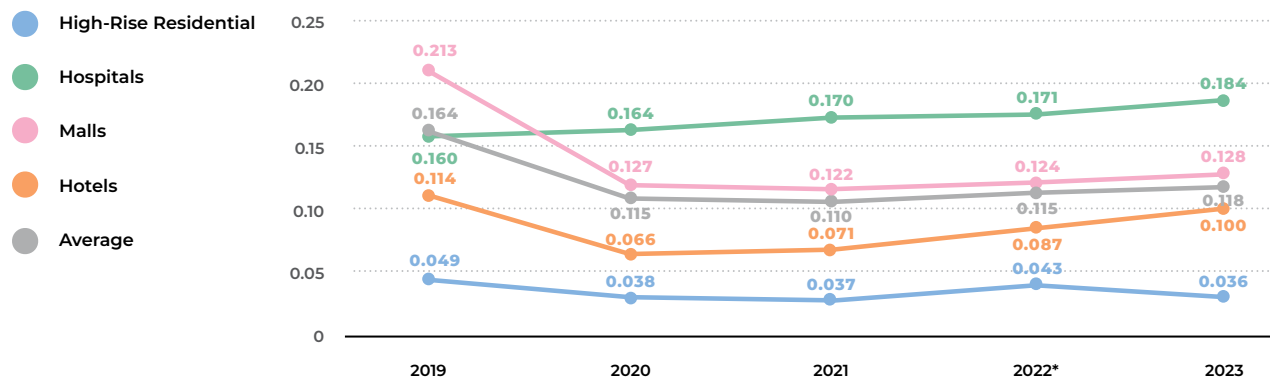
● Mobile Combustion ● Fugitive ● Stationary Combustion ● Electricity

**SCOPE 3 EMISSIONS (ktCO<sub>2</sub>eq)**



● Category 1 - Purchased Goods & Services ● Category 3 - Fuel & Energy Related Activity ● Category 5 - Waste Generated in Operations ● Category 6 - Airplane Business Travel ● Category 11 - Use of Sold Product ● Category 13 - Downstream Leased Asset

**SCOPE 1 & 2 EMISSIONS INTENSITY BY BUILDING TYPE (ktCO<sub>2</sub>eq)**



<sup>7</sup> Under Category 11, we have reported 13 managed assets owned by third parties (1 hospital, 6 malls, 6 office buildings). We intend to include more managed assets in the future, as and when the data is ready to be disclosed.

<sup>8</sup> Inventory of Carbon and Energy is an embodied carbon database for building materials.



# WATER STEWARDSHIP

We acknowledge the crucial role of water stewardship in preserving the health and well-being of all stakeholders within our ecosystem. Our commitment lies in utilizing water in a manner that is socially equitable, environmentally sustainable, and economically beneficial. Employing a comprehensive approach, we address the sourcing, distribution, and consumption of water to ensure a consistent and reliable supply of high-quality water. Our dedication lies in sustainable water management practices, emphasizing the optimization of water usage and the utilization of renewable water sources.

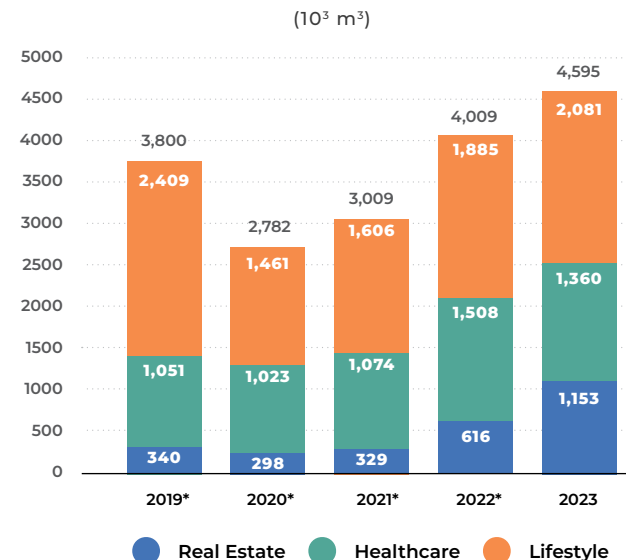
## WATER CONSUMPTION

Since 2022, we have drawn a distinction between the water consumption by our business units<sup>9</sup>, and the water withdrawal by our Water Treatment Division (WTD), which is a subset of our TMD services. This is due to the significant difference in the nature of the business, whereby our WTD withdraws water based on customer demand for treated water in our townships, and not only for the operational needs of our businesses. For transparency, we have separately reported on water withdrawals by our WTD under "Water Treatment" on pages 59 to 61.

Our main source of water is purchased water from municipal sources. Water consumption and water quality are monitored via standard operating procedures

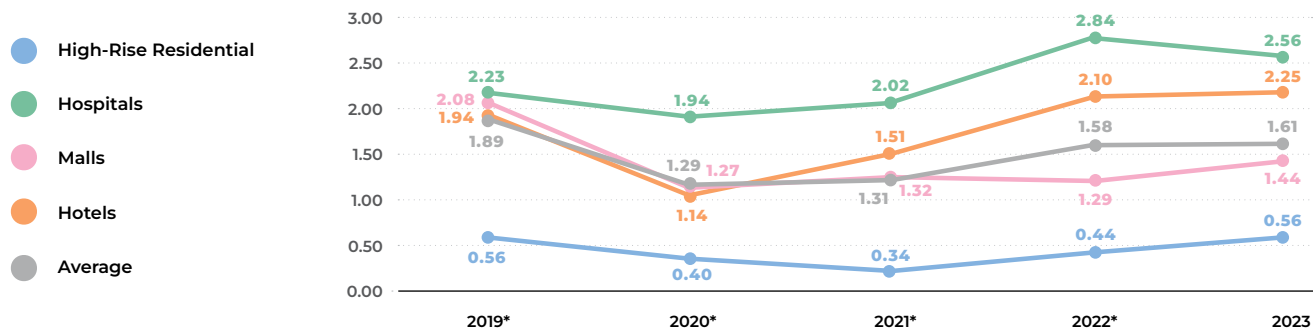
across all business segments and asset classes. In 2023, we consumed a total of 4.6 million m<sup>3</sup> of water, an increase of 15% as compared to 2022. Water consumption from third parties outside the organization, originating from tenanted commercial areas and high-rise residential units, amounts to 1.8 million m<sup>3</sup>. There was a significant increase in reported water consumption in 2023 compared to historical years due to the inclusion of San Diego Hills Memorial Park and general resumption of activities coming out of the pandemic. Nevertheless, building water consumption intensity has remained largely stable at 1.61 m<sup>3</sup>/m<sup>2</sup>.

**WATER CONSUMPTION BY BUSINESS SEGMENTS**



Note: Restatements have been indicated with \*. For further details, please refer to the Appendix.

**WATER CONSUMPTION INTENSITY BY BUILDING TYPE (m<sup>3</sup>/m<sup>2</sup>)**



<sup>9</sup> The water usage of our water treatment facilities are excluded from water consumption data, as we separately report on their water usage under the subsequent section on water withdrawal.

### Sustainable Water Consumption

We have established a target for 20% of our total water consumption to be sourced from sustainable water sources by the year 2030. Remarkably, in 2023, 24% of our water consumption originated from sustainable sources like wastewater recycling and rainwater harvesting. This reflects a significant absolute increase of 1.8 million m<sup>3</sup> in water consumption from sustainable sources in 2023 compared to 2019, when such sources constituted only 6% of our water consumption. The data mainly arises from incorporating San Diego Hills Memorial Park (SDH), which consumes an estimated 549,000 m<sup>3</sup> of water, primarily drawn from rainwater (99%) and river water (1%). SDH features a sizable lake for rainwater harvesting and runoff water retention across its property. The water is primarily utilized for landscaping, aligning with the nature of its business. We are committed to ensuring the accuracy and reliability of our data.

Over the years, we have made substantial investments to enhance our capabilities in leveraging sustainable water sources. We have implemented water retention systems to collect rainwater and runoff water. Our hospitals have established backup and additional water sources, including utilizing water from Reverse Osmosis (RO) systems, CSSD autoclaves, AHU, and FCU. Moreover, we have established partnership contracts with other water providers and continuously review the utilization of treated water from liquid waste areas.

At Lippo Village, all operational water needs, including irrigation and drainage cleaning, are fulfilled using treated wastewater. Furthermore, across our hospitals, malls, and hotels, we are actively exploring methods to enhance

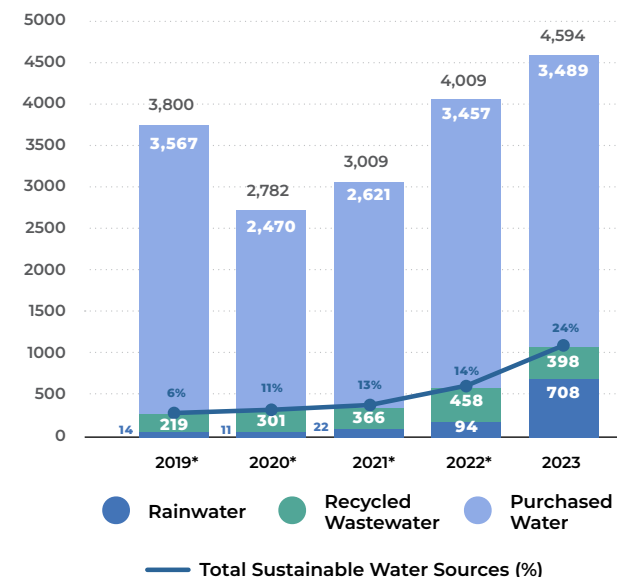
water recycling within our premises. This includes utilizing recycled wastewater for non-potable purposes such as cooling tower operation, gardening, and cleaning. We are also studying opportunities to further leverage recycled wastewater usage.

### Optimizing Water Usage

We are committed to implementing prudent water management practices. We recognize the importance of reducing our water consumption and improving the efficiency of water usage, given that we operate in Indonesia which experiences “high” to “extremely high” water stress according to the World Resources Institute’s Aqueduct Water Risk Atlas. Our township and property managers are responsible for monitoring water usage and conserving water wherever possible. Our properties undergo periodic maintenance of water systems and regular physical checks, which allows us to identify and fix leakages early. These checks are performed in-house by each business unit’s respective facilities managers and resolved by our engineers in the first instance.

We are also constantly adopting new methods, equipment, and technology to improve our water efficiency and achieve water savings, for example by installing water-efficient taps and adjusting flushing capacity in bathrooms. Our hospitals maintain RO water treatment systems through that provide backup water sources to manage water stress. Our mall properties focus on minimizing water disruptions and maximizing water recycling opportunities. Our hotels implement preventive maintenance programs for water supply systems, including by installing IoT-based early warning systems in several hotel units to monitor water usage.

**WATER CONSUMPTION BY SOURCES**  
(10<sup>3</sup> m<sup>3</sup>)



Note: Restatements have been indicated with \*. For further details, please refer to the Appendix.



### Water Quality Checks

We enforce stringent measures to uphold high water quality standards across our diverse properties, incorporating regular water quality assessments. These initiatives collectively safeguard optimal water quality throughout our establishments, prioritizing the well-being of both our employees and customers. To align with Minister of Health Regulation No. 2 of 2023, we conduct monthly testing of clean water quality. Should results exceed the acceptable thresholds, we promptly execute routine disinfection and flushing of our water storage systems. Furthermore, certified external laboratory analyses are conducted to ensure strict adherence to quality benchmarks.

In addition, our hospitals employ RO water treatment systems which are subject to routine maintenance and daily supervision. Monthly assessments gauge the quality of RO water, while regular laboratory testing of treated wastewater guarantees compliance with quality standards. Similarly, our mall and hotel properties conduct monthly laboratory tests on water quality, to ensure that we meet visitor safety and satisfaction standards.

### WATER TREATMENT

Aside from on-site water management as part of our operations, our WTD is directly involved in the treatment and distribution of water in our key townships: Lippo Village, Lippo Cikarang, Tanjung Bunga, and Kemang Village.<sup>10</sup> We implement a holistic water resilience

<sup>10</sup> In 2023, we commenced water treatment operations in our Holland Village Manado township. However, we have excluded the water withdrawal data from Holland Village Manado in this Report, as we do not have full-year data given that the operations only began in mid-2023. Other integrated developments such as St. Moritz also have water treatment facilities, but these are managed by third parties. We currently do not include third party water treatment data in our disclosures.

<sup>11</sup> Data regarding water withdrawal covers the water treatment facilities managed by our WTD only. Our WTD purchases water from different sources – 1) treated water from Perusahaan Daerah Air Minum (PDAM); 2) river water; 3) groundwater; and 4) other emergency water sources (e.g. water supply from water tank trucks).

strategy to manage our water supply responsibly, and to mitigate any potential disruptions. Our priorities include promoting efficient and effective operational processes to reduce water loss, minimizing the direct use of river and ground water as water sources, and enhancing our water circularity through retention ponds and treated wastewater. We hold a water withdrawal permit (SIPA) to ensure compliance with water withdrawal limits, and monthly water meter readings are reported to the relevant authorities. In 2023, our WTD collectively withdrew a total of 20.6 million m<sup>3</sup> of water for treatment, most of which came from purchased municipal water sources<sup>11</sup>.

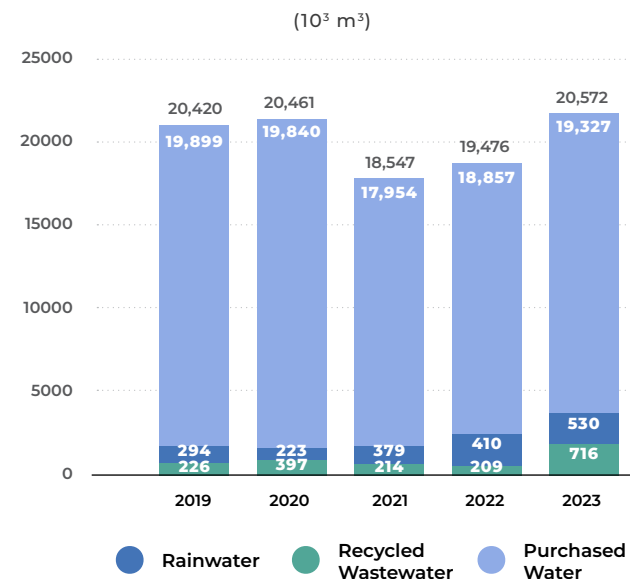
### Sustainable Water Treatment

As Indonesia is prone to water stress, our WTD has been expanding its capabilities to tap on sustainable water sources such as harvested rainwater and recycled wastewater to reduce freshwater withdrawal. For rainwater harvesting, we have invested in the collection and storage of runoff water through retention ponds, which also helps to reduce flooding in urban areas. For wastewater recycling, we have equipped some of our wastewater treatment plants with the systems to carry out additional treatment processes to ensure that the quality of the treated wastewater is suitable for reuse.

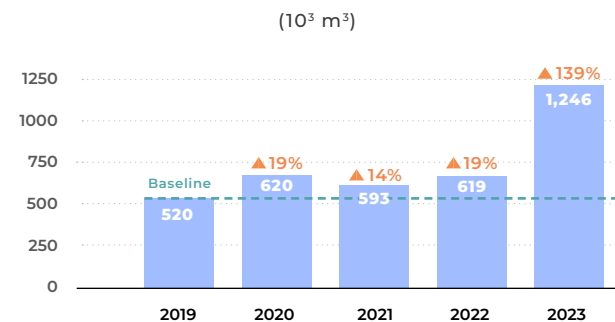
As of 2023, 6% of the total treated water is derived from sustainable sources (recycled wastewater & rainwater). This marks a 139% increase in treated water from sustainable sources against the 2019 baseline,

which exceeds our target of a 30% increase in the volume of treated water sourced sustainably by 2030., marking We are currently in the process of reviewing this target, to assess how we can continue to raise the bar for sustainable water treatment.

**WATER WITHDRAWAL BY SOURCE**



**WATER WITHDRAWAL FROM SUSTAINABLE SOURCE**

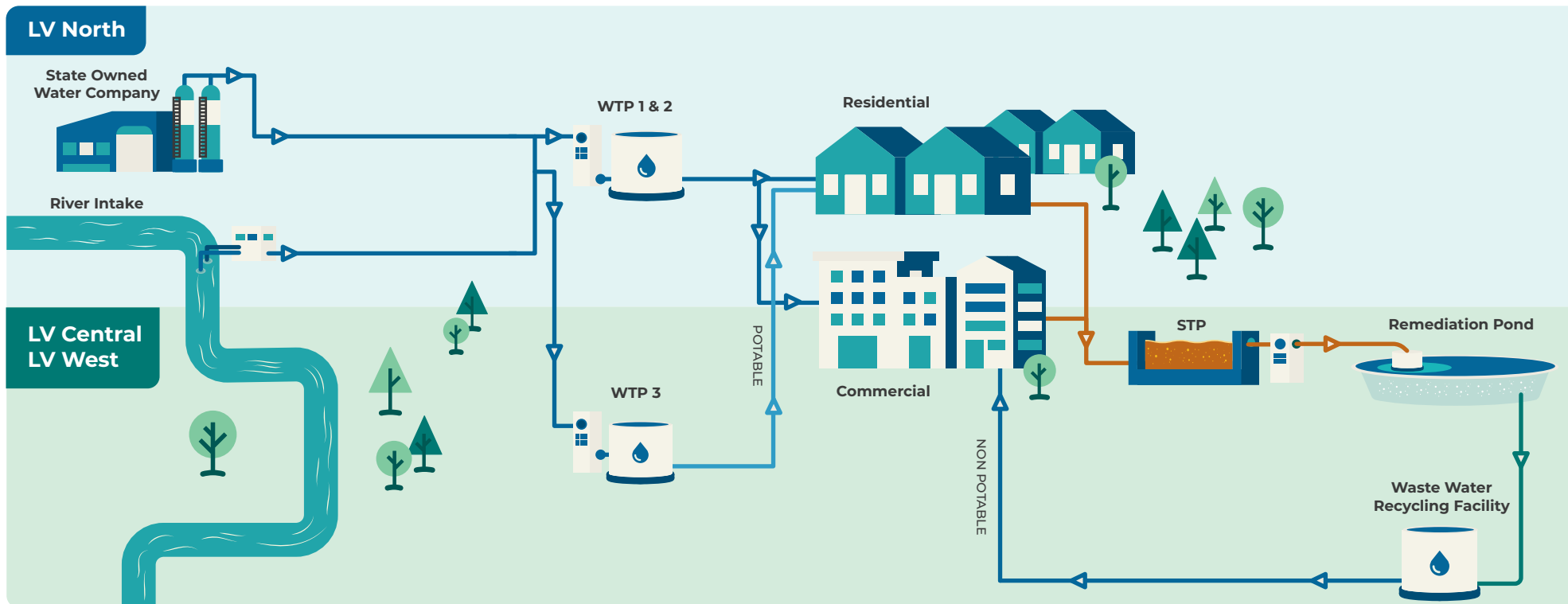


## TRANSFORMING WASTE INTO RESOURCE

### LIPPO VILLAGE'S INNOVATIVE WASTEWATER RECYCLING OPERATIONS

In 2023, Lippo Village (LV) kickstarted its wastewater recycling operations, marked by the launch of its new wastewater recycling facility in February. This facility employs an advanced ultrafiltration process to treat wastewater that is processed by the existing Sewage Treatment Plant (STP), transforming it into clean, non-potable water. This recycled water, while not suitable for drinking, serves as a valuable resource for commercial customers. They utilize it as an alternative water source for activities such as flushing toilets

and operating cooling towers. LV has ambitious plans to boost the volume of treated water from rainwater harvesting and recycled wastewater. Currently, the wastewater recycling facility operates at a capacity of 25 liters per second (lps) in this initial phase, with a target of reaching an ultimate capacity of 100 lps to meet rising demand. By repurposing wastewater through this recycling process, LV demonstrates its commitment to sustainable water management practices and environmental stewardship.



### Water Loss Avoidance

The avoidance of water loss is a priority for our WTD, given that water is a vital resource that is becoming increasingly scarce in many regions in Indonesia. By ramping up our efforts to reduce water loss in our production and distribution processes, we ensure efficient usage of water while reducing costs associated with water loss. Water loss avoidance can also help mitigate the impacts of drought and water scarcity on local communities. Hence, we have adopted the following measures to minimize the amount of water loss in our water production and distribution:

- Replacement of equipment and parts such as pipes, pressure gauge, pump systems and media filters
- Masterplan and infrastructure study: To optimize the capacity of retention ponds and identify additional developable areas within our boundary. Additionally, a water balance study was conducted to assess the ratio of water supply sourced from various potential water resources within the development, including retention ponds, recycled water, and the local water supply (PDAM)

To reduce water loss, our WTD employs various measures such as the recalibration of water meters, the replacement of pressure gauges to control distribution pipe pressure, and the replacement of inverters pump systems for constant pressure control. These measures not only serve to conserve water but also improve the efficiency of the water distribution system, reducing costs associated with water wastage.

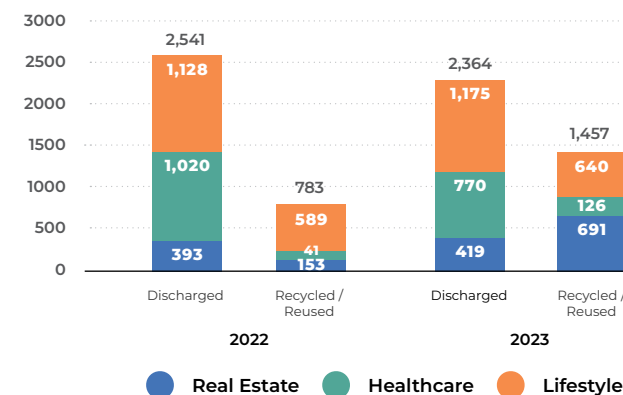
### WASTEWATER

We process our wastewater responsibly in line with regulatory requirements on wastewater discharge and diversion, ensuring that our wastewater does not have an adverse impact on the environment or other stakeholders such as our local communities. All wastewater generated at our managed properties is treated at certified wastewater treatment plants, the majority of which are located on-site, before being discharged or diverted. Monitoring of the treated water quality is conducted for pH and flow rate parameters, and regular measurements are taken by an accredited laboratory.

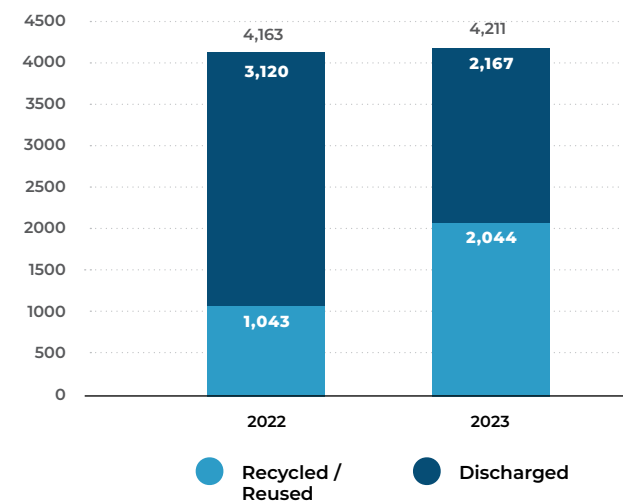
Our townships also operate centralized wastewater treatment plants that serve multiple assets and areas connected by a common sewage network. To manage the water discharge, sludge generated from the clean water treatment process is directed and stored in the sludge drying bed. Subsequently, the sludge undergoes settling and drying processes where the dried sludge is then collected in the open area of the water treatment plant.

In 2023, our business units generated a total of 3.82 million m<sup>3</sup> of wastewater, of which around 38% was recycled or reused for subsequent use, while the remaining was discharged externally. Our WTD treats wastewater which not only includes wastewater discharged by our business units, but also wastewater generated by residential, commercial, and industrial tenants. Around 49% of all processed wastewater is diverted for reuse after treatment<sup>12</sup>.

**WASTEWATER GENERATED BY BUSINESS SEGMENT**  
(10<sup>3</sup> m<sup>3</sup>)



**WASTEWATER TREATMENT BY WATER TREATMENT DIVISION** (10<sup>3</sup> m<sup>3</sup>)



<sup>12</sup> For diverted wastewater, some is recycled and sold as non-potable water, while the rest is directly re-used by TMD for various purposes including irrigation and landscaping.

# WASTE MANAGEMENT

We are committed to providing a clean and sustainable living environment for all stakeholders. Given the substantial volume of waste produced during our business operations and from our customers and tenants, effective waste management is crucial. Our strategy for waste management centers on optimizing resource efficiency, minimizing waste generation, and enhancing recycling rates to contribute to the principles of a circular economy.

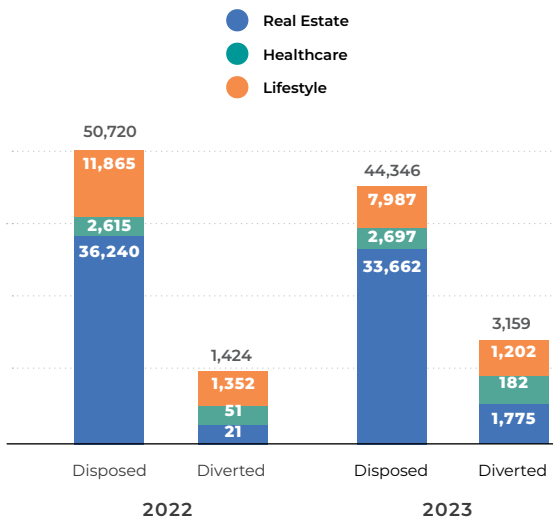


## MANAGING WASTE RESPONSIBLY

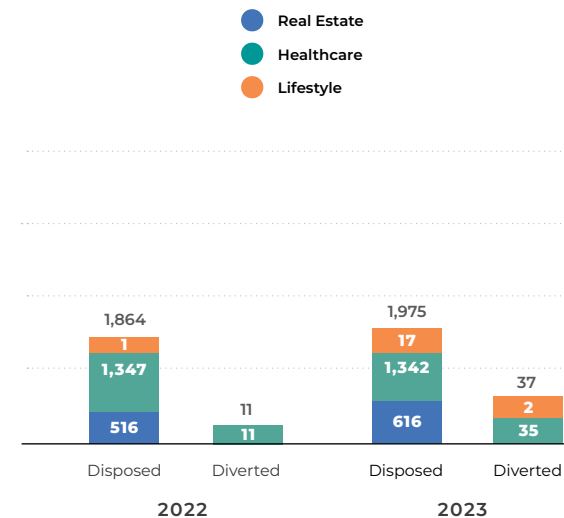
Given the diverse scope of our operations, we manage various types of waste including domestic waste from commercial and residential areas, medical waste from our hospitals, landscape waste from township management, and construction waste from project development. In 2023, our managed assets and townships generated around 50 kilotons of waste in total, comprising 48 kilotons of non-hazardous waste and 2 kilotons of hazardous waste. The majority of this waste was generated by our tenants and contractors.

There was an increase in waste diversion due to improvements in waste reporting by several business units (which now weigh their waste directly rather than use volumetric conversion), tenant engagement to recycle waste by Lippo Malls and our townships, as well as the inclusion of SDH, which actively composts landscape waste and recycles bottled waste. We received zero environmental complaints from the local community, NGO, government or media regarding any waste, water or air pollution. There were also no spills of chemicals, oils and fuels, among other substances that could potentially affect soil, water, air, biodiversity and human health.

### NON-HAZARDOUS WASTE



### HAZARDOUS WASTE



**DISPOSED** = Incinerated or Landfilled,

**DIVERTED** = Reused, Recycled or Composted

## Types of Waste Generated and Managed

Our robust waste management policies and SOPs provide guidance on the appropriate collection and disposal methods for each type of waste, in compliance with local laws and regulations. We engage municipal waste services and third-party vendors to regularly collect and dispose of the waste generated in our areas of operation. All our waste management protocols and procedures are aligned with government regulations. In 2023, TMD spent around Rp 4.3 billion on waste management services alone, as well as another Rp 1.6 billion in permits and other compliance costs.

Non-hazardous waste is typically collected and sorted onsite by our property managers before it is picked up by a vendor and transferred to a local temporary waste collection site (TPS). For our townships and integrated developments, TMD engages authorized vendors to collect domestic waste from our residents, whereby these vendors will recycle what they can before disposing the rest of the waste at the respective landfills. To minimize our environmental impact, we collaborate with local communities to enhance waste management practices at the TPS, offering financial assistance and infrastructural support as needed.

Hazardous waste is also a by-product of our business operations, and needs to be carefully managed as part of our risk management controls and remediation of negative environmental impacts. We have implemented strict protocols and guidelines to ensure the safe and proper management of hazardous waste, as the improper handling of hazardous waste has an adverse impact on health and safety as well as the environment.

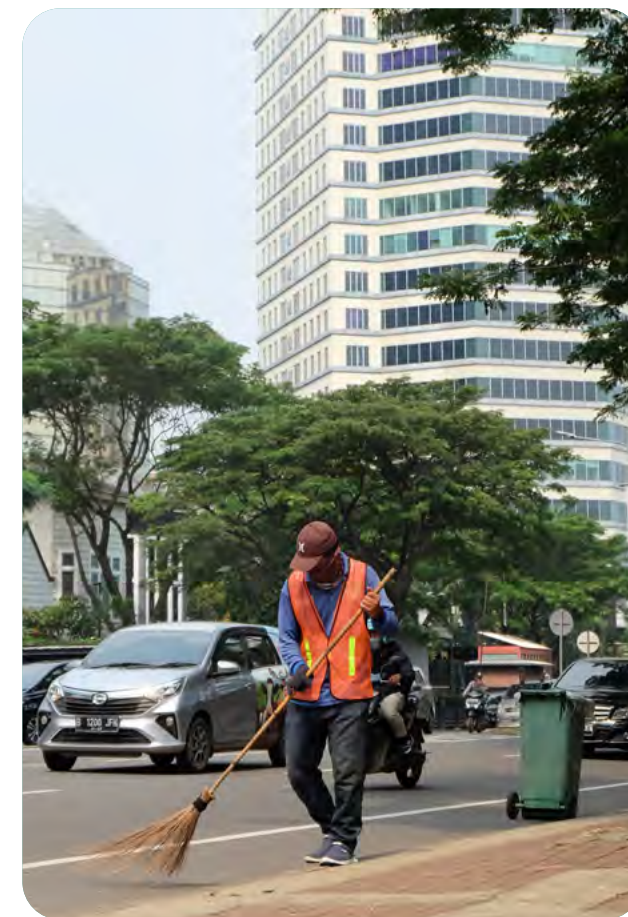
This includes establishing our own temporary storage facilities for hazardous waste where necessary. We partner with licensed vendors who are responsible for the transportation, treatment, and disposal of our hazardous waste.

In 2023, our healthcare business generated 1,355 tons of medical waste. Monthly inspections are carried out to ensure that hazardous waste is being managed in line with regulations and operational SOPs. All hazardous waste collection is documented using a logbook and an integrated digital reporting system in compliance with government regulations, whereby any hazardous waste exceeding normal thresholds is investigated.

Type of Medical Waste	Weight (Tonne)
Sharp Box (Infectious, Pathological, Sharp Objects)	1,085
Pharmacy, Hazardous Chemicals	234
Cytotoxic	11
Sludge from Wastewater Treatment Plant (IPAL)	7
Liquid Hazardous Waste (B3)	18

During 2023, Lippo Malls conducted several audits related to the environment, including waste audits. The purpose of conducting this audit was to identify a more sustainable approach to waste management, including to improve sanitary standards and increase waste diversion. As a result of the audit findings, Lippo Malls took the opportunity to revise its Standard Operating Procedures (SOP) for waste management across all malls.

The updated SOP provides the operational teams with an understanding of best practices to improve the waste collection process, as well as streamlines the process flow of waste collection from tenants to Temporary Storage Points (TPS) and onward to the waste vendors. We will continue to work closely with our vendors to improve the waste reporting processes and data quality, which will enable us to systematically track our waste and identify areas for improvement.



## REDUCE, REUSE, RECYCLE

We are committed to minimizing the amount of waste disposed by stepping up our efforts to reduce, reuse and recycle (3Rs). This involves the active engagement of the various stakeholders in our ecosystem, such as our staff, visitors, tenants, and residents. In 2023, we were able to divert 3,200 tons of waste across our business units. We are on track to doubling the total amount of diverted waste to 2,800 tons by 2030, but we can accelerate our waste recycling efforts through more systematic engagement with the various stakeholders across our value chain. For instance, since we began our partnership with Rekosistem in November 2021 to recycle inorganic waste in our Lippo Village township, we have managed to work with a growing number of building managers to recycle over 24 tons of inorganic waste as of December 2023.

We place a strong emphasis on waste prevention and reduction throughout our operations. In several business units, waste generation is monitored and investigated if there are any instances of excess waste being generated beyond the normal threshold. We support and enforce regulations that prohibit the use of single-use plastic bags in provinces such as Jakarta and Bali, in collaboration with our tenants and visitors. Similarly, we recognize the importance of reducing our reliance on single-use plastics, and have made significant strides to minimize its usage in our operations. For example, all hotels have switched from single-use plastic containers used for soaps, shampoos, and conditioners to a refillable system. We also reuse non-disposable plastic containers and packaging in our hospitals after thorough disinfection.

### Recycling Initiatives

#### Inorganic waste

- At many of our managed properties, we work with our domestic waste vendors to separate recyclable waste such as plastics, paper, cardboard, aluminum, and glass bottles.
- We have commenced a study to measure used cooking oil (UCO) waste at several properties, to be collected for UCO recycling vendors.
- Electronic waste is traded in where possible.

#### Organic waste

- Our townships and SDH conduct composting for landscape waste to produce fertilizers that can be used in plant nurseries and other landscaping activities.
- Several business units are piloting small-scale composting initiatives to process food waste onsite. We are also looking into composting other organic waste using black soldier flies.

#### Medical waste

- Siloam recycles medical waste such as syringes, chemical bottles, infusion bags, and disinfectant packaging. All recycled medical waste is first sterilized in line with regulatory standards.
- Siloam returns expired medication to pharmaceutical vendors.

Throughout the year, we conduct waste campaigns by putting up posters, hosting events, and producing social media content. By providing education and raising awareness, we aim to inspire our stakeholders and members of the public to play their part in the 3Rs. For example, Aryaduta is piloting a recycling program in its hotels where discounts are provided to guests who contribute towards recycling efforts.

### LIPPO MALLS STRIVES TOWARDS “ZERO WASTE”

In 2023, Lippo Malls launched the “Towards Zero Waste Indonesia” campaign, employing both active events and social media outreach to raise awareness. The campaign includes poster displays in malls and digital billboards, along with social media promotion. Individual malls are also encouraged to conduct their own waste-related activities. For example, Lippo Mall Kuta conducted a beach clean-up in Kuta that involved over 80 participants from various groups, including employees and mall tenants of Lippo Mall Kuta and Lippo Plaza Sunset, Udayana University students, the Bali Inline Skate Community, the Segara neighborhood community, and PlasticPay staff.





## MATERIAL USAGE

Apart from operational waste, we acknowledge that the utilization of construction materials significantly contributes to our embodied carbon footprint. Demonstrating our commitment to sustainability, we are actively striving for greater efficiency in material use and seeking environmentally friendly alternatives whenever feasible. In the Real Estate segment alone, we generated approximately 183 kilotons of construction materials, including concrete, steel, glass, and timber. To mitigate the environmental impact, we are exploring initiatives like prefabrication, recycling of leftover materials, and promoting home renovations instead of demolition and new construction. Additionally, we are delving into sustainable design practices to enhance material usage efficiency in project development. Our aspiration is to obtain more green certifications for new build projects, reflecting our commitment to environmentally responsible construction practices.

Construction Materials in 2023 (Tons)	LPKR	LPCK	GMTD	TOTAL
Concrete	99,355	62,659	4,081	166,095
Steel	5,508	1,624	337	7,469
Glass	627	96	12	735
Timber	5,101	4,159	31	9,291



# INVESTING IN OUR PEOPLE

As an employer of over 16,000 staff and manifold more across our value chain, our people are our most valuable resource and the driving force behind our business success. We are committed to being a workplace of choice for our employees by upholding fair employment practices, prioritizing their health, safety, and well-being, supporting their development and aspirations, and empowering them to be a force for good.

Employment & Rights

Occupational Health & Safety

Training & Development



# EMPLOYMENT & RIGHTS

## EMPLOYMENT

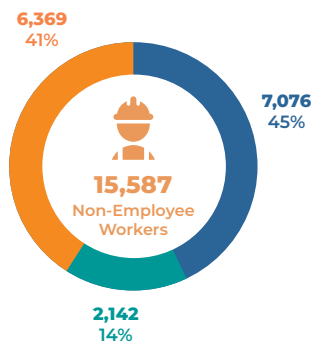
Our goal is to attract and nurture a diverse and dedicated pool of people that adds value and drives organizational growth. A stable workforce reduces turnover costs and business interruptions, ensuring business continuity and fostering a stable, collaborative work environment founded on enduring relationships. This approach enables us to concentrate on enhancing productivity, achieving operational excellence, and promoting employee satisfaction and well-being.

As of 31 December 2023, we have a total of 17,130 employees, all of whom work on a full-time basis. The Healthcare segment makes up 83% of our employees, followed by the Lifestyle segment (11%) and Real Estate segment (6%) respectively. The majority of our employees are permanent staff (91%). We oversee a collective workforce of 15,587 non-employee workers across all our business units.<sup>13</sup> Together, our workforce totals 32,717 individuals, with employees representing 52%. For a detailed demographic breakdown, please consult the "Appendix - Workforce Data" located on pages 93 to 96.

EMPLOYEES BY BUSINESS SEGMENT



NON-EMPLOYEE WORKERS BY BUSINESS SEGMENT



EMPLOYMENT BY STATUS



<sup>13</sup> Non-employee workers include administration, building maintenance, cleaning and janitorial service, security, housekeeping, customer service, gardening, parking attendants, and call center operators. Segment-specific workers include construction and landscaping workers (Real Estate); ambulance drivers, laboratory technicians, pharmacist assistants, mortuary staff, ward clerks, and caregivers (Healthcare); as well as F&B staff and golf course operators (Lifestyle).



### Employee Benefits

All our permanent and contract employees receive similar benefits, encompassing annual leave, special leave, counselling, wellness programs, medical insurance coverage, along with exclusive discounts on products and services linked to the Group. Some of our business units provide additional benefits depending on the nature of their work and the job scope involved. For example, our hotels provide duty meals for property-based employees, while our hospitals provide regular medical check-ups and day care services. As regulated by Indonesian law, we make monthly contributions for BPJS Kesehatan (health insurance) and BPJS Ketenagakerjaan (social security) towards our staff accounts based on the prescribed contribution rates. In addition, we provide post-employment benefits in accordance with prevailing regulations.

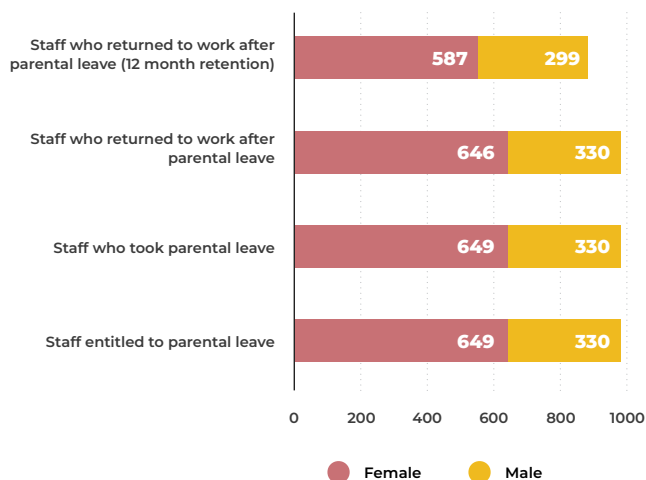
- BPJS Pension Guarantee, a mandatory program from the government, with employee contribution of 1% and company contribution of 2%.
  - BPJS Employment Old Age Security, a mandatory program from the government, with employee contribution of 2% and company contribution of 3.7%.
- In total, our post-employment benefit liabilities stand at Rp 326 billion as of 31 December 2023, based on calculations by an independent actuary.

### Employee Engagement & Retention

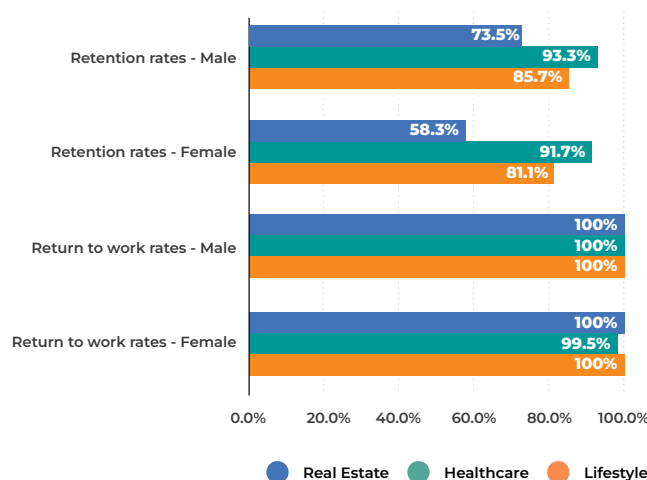
We believe that a positive and nurturing work environment is essential to attract, motivate and retain talent. Apart from the benefits we provide, we involve our employees in year-round engagement events, training sessions and town halls to enhance their workplace well-being and strengthen our corporate culture.

We organize various commemorative events and friendly sports tournaments throughout the year to foster connections within and among our business units. The monthly newsletter, Infinity, serves as a source of updates on key company activities and business performance for our employees. We place an emphasis on attracting and retaining the best talent. In 2023, we hired a total of 832 new employees. The majority of our new hires were male (60%), and aged 30 and below (57%) in our lifestyle sector. On the other hand, 1,632 of our employees left the organization. For additional details on activities promoting employee well-being, please refer to the “Health and Safety” section on pages 72 to 74.

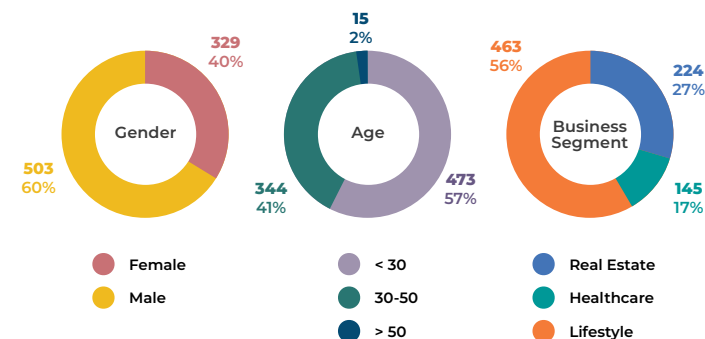
**PARENTAL LEAVE**



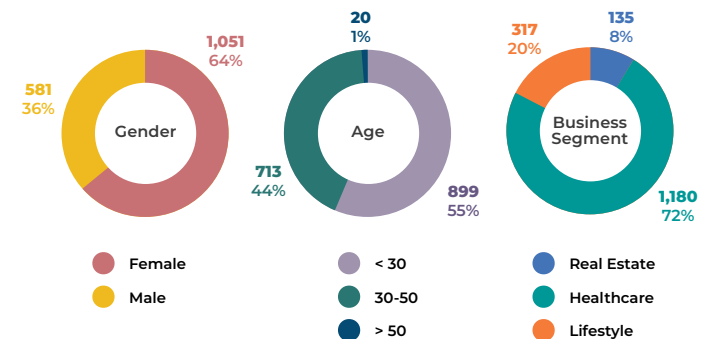
**RETURN TO WORK & RETENTION RATES**



**NEW HIRES IN 2023**



**EMPLOYEE TURNOVER IN 2023**



### STRENGTHENING ENGAGEMENT & SUSTAINABILITY AWARENESS

In 2023, our Company hosted two Town Hall Meetings in May and December respectively, demonstrating our commitment to transparency and employee engagement. Anchored by our Group CEO John Riady, these gatherings brought together more than 1,800 employees across various business units. The agenda included an overview of business performance, new strategies, and insights on our ESG efforts, particularly our 2030 Sustainability Agenda.

Complementing our town hall meetings, we continue to engage our employees throughout the year via our virtual monthly newsletter "Infinity". We introduced quizzes in the newsletter to enhance knowledge sharing and engagement. Furthermore, we have also expanded readership to other business units such as Lippo Cikarang to keep them apprised of various highlights and company events.



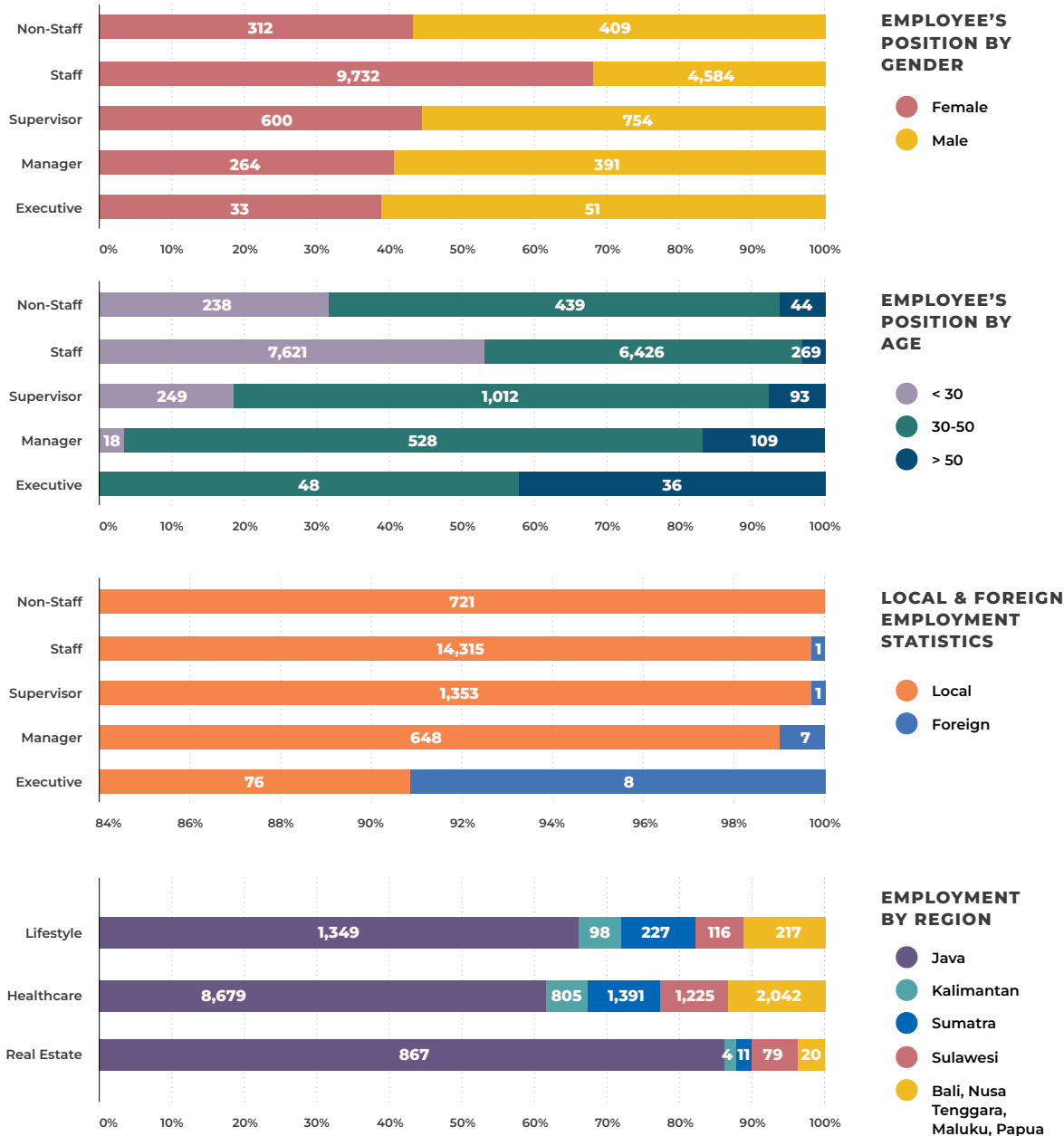
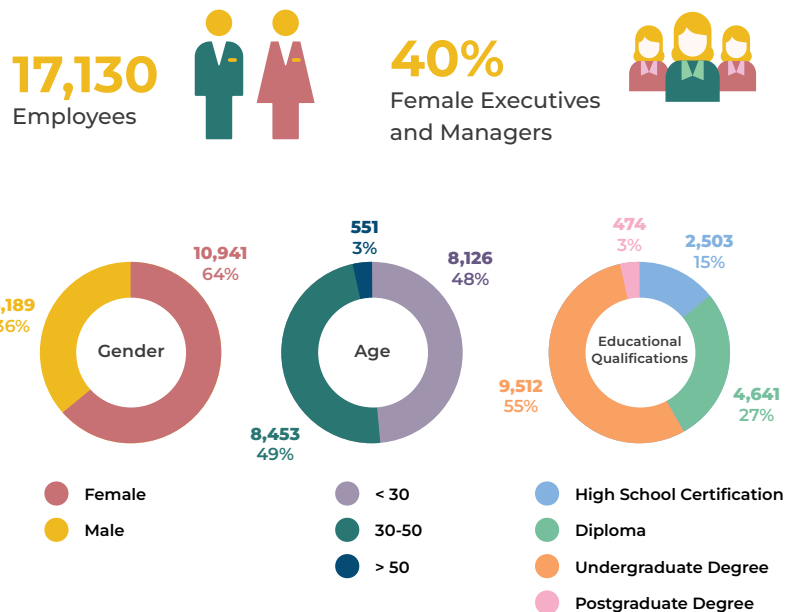
### LIPPO FUN CLUB

We seek to support our employees in leading active and healthy lifestyles. In 2022, we launched Lippo Fun Club to encourage regular physical exercise and bonding, whereby employees gather at Aryaduta Country Club on a weekly basis to utilize its sports facilities and compete in friendly tournaments. In 2023, we expanded the range of sports activities and classes offered to employees. We also made sporting facilities accessible during work breaks or after office hours.



## DIVERSITY & EQUAL OPPORTUNITY

Diversity, equity, and inclusion (DEI) are fundamental aspects of our culture and identity. We embrace a rich diversity of perspectives. Employees from various business units collaborate, leveraging their diverse skills, backgrounds, and experiences, resulting in exponential growth through organizational synergy. While acknowledging the progress made, we remain committed to fostering diversity and inclusivity within our leadership structures, actively working towards achieving a more equitable and representative gender balance at all levels of our organization. Our female employees make up 64% of our total workforce. We deliberately strive to maintain gender diversity to the best extent possible, taking into account these industry specific gender distributions. Our hiring policy ensures that we maintain a gender balance, even in our shortlisting of job candidates. There were no reported incidents of discrimination in 2023.



Within our leadership ranks, females represent 16.7% of our Board of Commissioners (one out of six members), and 11.1% of our Board of Directors (one out of nine members). Notably, 40% of our employees who hold managerial positions and above are female. While we promote employees strictly based on performance, leadership ability, and experience for comparable roles across the organisation's hierarchy, we are committed to gender diversity and will strive for gender balance within our senior and middle management, especially in our succession planning. In addition to gender diversity, we also value age diversity within our organization. We employ professionals based on their qualifications, ranging from fresh graduates to industry veterans. Our employees under the age of 30 make up a significantly larger portion of our workforce. Furthermore, we take pride in the fact that 85% of our employees hold tertiary qualifications and above. To maintain our competitive edge, we actively recruit fresh graduates and professionals from diverse educational backgrounds and areas of expertise. We recognize the importance of a strong educational background for skilled professionals, such as healthcare workers, in delivering quality service.

We also believe that investing in local talent can help to build a strong pipeline of skillful and capable workforce in Indonesia. In 2023, 99.9% of our employees are Indonesian citizens. Where possible, we prioritize the hiring and placement of employees in their region of origin, to ensure that our teams on the ground have a good grasp of the local socio-political and cultural sensitivities to operate effectively as well to support the local area empowerment. The commitment to local empowerment extends to our preferential engagement of local vendors and contractors.

This dedication underscores our support for the local community and our contribution to the national economy through local employment opportunities.

### NON-DISCRIMINATION

We ensure that our employees are compensated fairly, taking into account employment status, job scope, and qualifications, among other relevant factors. As a matter of policy, there is no difference in the salary range between male and female employees across all employee categories and levels. Any differences in compensation are strictly due to the individual's qualifications and are irrespective of gender. We strive to narrow any compensation gap between our female and male employees. In addition, our entry-level wages are always equal to or above local minimum wages throughout our locations of operation across Indonesia, demonstrating our commitment to fair compensation for our people. There are no reported cases of discrimination during this period.

### FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING

The rights and obligations of our employees are regulated in the Company Regulations. To minimize business disruption, we maintain two-way communication channels between the organization and employees, and any significant operational changes within our business which have the potential to affect our employees are communicated beforehand. We respect workers' rights to exercise freedom of association or collective bargaining. As of 2023, none of our employees are covered under collective bargaining agreements.

### CHILD LABOR, FORCED OR COMPULSORY LABOR

We adopt a zero-tolerance stance towards child, forced, or compulsory labor, which is highlighted in our HR policy and Code of Conduct. We ensure that all employees understand these human rights principles through annual mandatory refreshment courses of our Code of Conduct. Our operations and the suppliers we engage with have been categorized as low-risk in terms of potential involvement in child and forced labor. In 2023, there were no reported incidents relating to discrimination, child labor, forced labor, or any major employment case.



# OCCUPATIONAL HEALTH & SAFETY

We are committed to providing a safe and conducive environment for all our stakeholders to thrive. A healthy workforce is vital for business continuity, which is why we have put in place robust health and safety protocols in line with best practices and guidelines. We have implemented an occupational health and safety (OHS) management system that covers all employees, as well as non-employee workers at our operational sites. Our objective is to foster a workplace culture where our employees deeply understand the significance of OHS.

## STAFF WELL-BEING

We adopt a comprehensive approach in prioritizing the well-being of our staff, as we recognize that this contributes to improved health outcomes and a more content workforce. In addition to the government-mandated health and insurance benefits (BPJS Kesehatan and BPJS Ketenagakerjaan), we promote worker health through enhanced coverage of third-party health benefits administered by private health insurance providers. This ensures that our employees have access to high-quality healthcare and receive financial support for various health services, including inpatient and outpatient care, dental treatments, and medical checkups. We also regularly organize vaccination drives for our employees and their families in a timely manner. We integrate health and safety training into our orientation program. Employees can access relevant materials and resources through our learning platform to ensure they are equipped with essential knowledge from the start.

This year, we conducted 90 OHS training sessions including first aid, handling power tools, personal hygiene, fire safety and emergency response training.

## OHS MANAGEMENT & TRAINING

Every business unit has established an OHS system in accordance with government regulations. Comprehensive coverage is guaranteed under these occupational health services for our entire workforce, encompassing both permanent and contract employees.

### WATER TREATMENT DIVISION: OHS PREVENTION & MITIGATION MEASURES

Our Water Treatment Division has enforced these measures to improve OHS standards:

- PPE as required
  - Safety shoes and helmet when working in dangerous areas
  - Earplugs when entering the pump room
  - Masks, goggles, outercoat for laboratory examinations
- Eye and hand washing stations in chemical storage areas
- Gas indicator to ensure the manhole is safe from dangerous gases before carrying out maintenance on the wastewater network
- Infrared thermal indicator to measure engine/equipment temperatures

Each business unit appoints officers and/or committees dedicated to overseeing the implementation of OHS policies within their respective workplaces. These OHS officers bear the responsibility of hazard identification, conducting risk assessments, performing safety checks, and reporting incidents. In the event of any incident, immediate escalation to the respective head offices is required for reporting and investigation. In cases of injuries or accidents, corrective actions will be promptly implemented to prevent any recurrence.



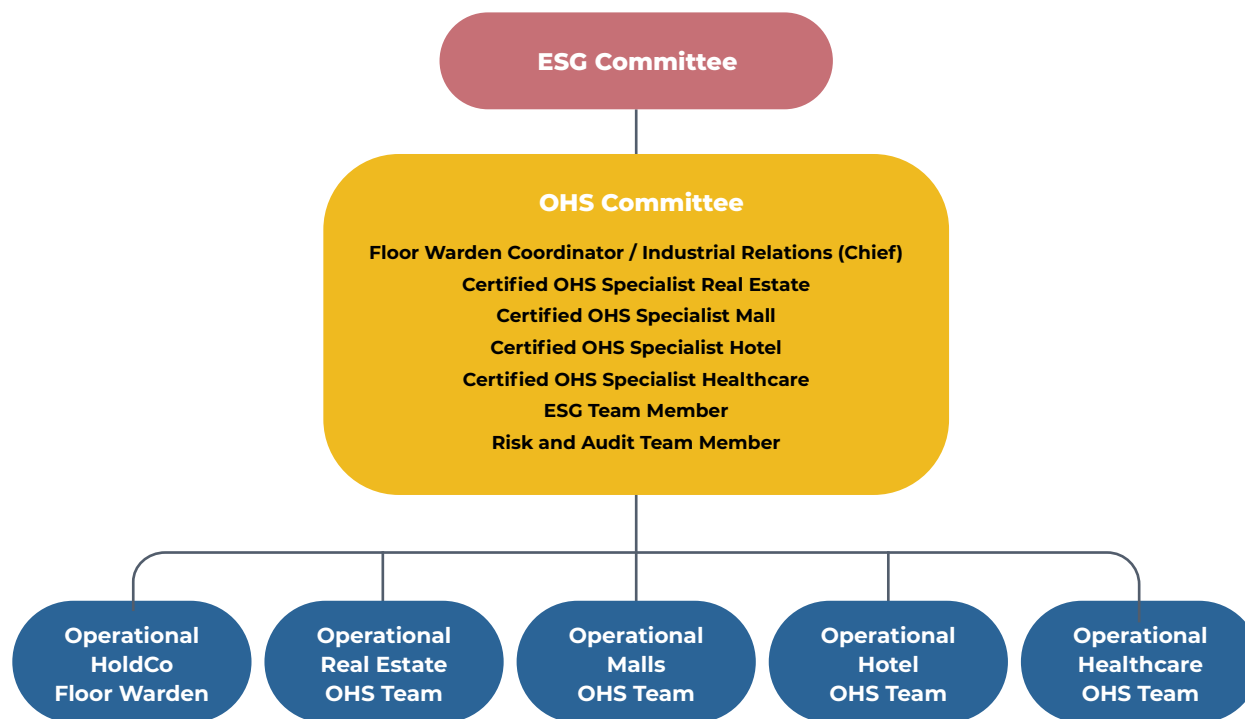


This year, our organization focused on enhancing Occupational Health and Safety (OHS) practices through formal training curriculum. Our employees participated in a total of 5,196 training hours for OHS-related trainings. We reviewed the OHS training programs for specific job scopes, integrated health and safety into the orientation process, and conducted regular fire drill exercises across our various operations. In addition, we established an Emergency Response Team within our office work environments to address potential safety concerns through employee participation, consultation and communication. Our commitment to maintaining incident reporting and investigation procedures underscores our dedication to prioritizing the health and safety of our workforce and continually improving OHS practices.

At the Group level, we have established an OHS committee comprising of representatives from each unit. This committee serves as a centralized body to drive coordination and performance management regarding OHS standards and practices across the organization. Responsibilities include conducting assessments on OHS standards and performance, ensuring the establishment of OHS governance structures (P2K3), supervising OHS reporting, standardizing OHS policies and procedures, the implementation of new OHS initiatives and practices across the group, and carrying out other tasks as directed by the BoD and ESG Committee in relation to OHS.

In 2023, there were zero high consequence injuries, but we recorded 1 employee fatality and 1 non-employee worker fatality<sup>14</sup>. There were 6 recordable injuries among our employees and 45 recordable injuries among our non-employee workers. Common injuries included burns,

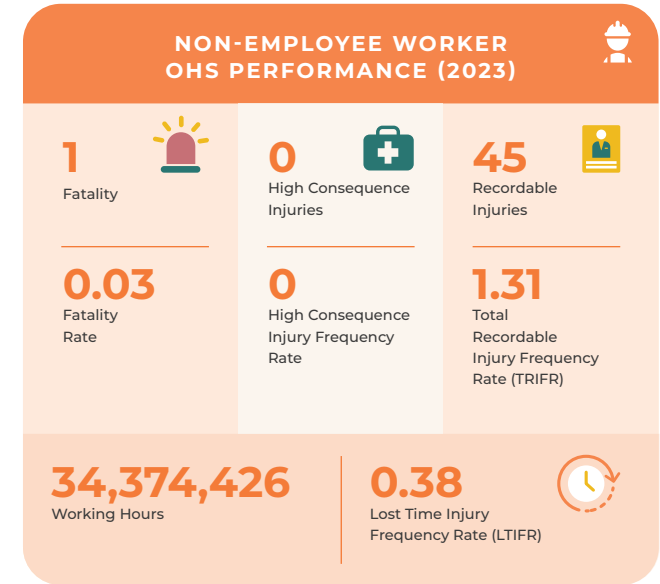
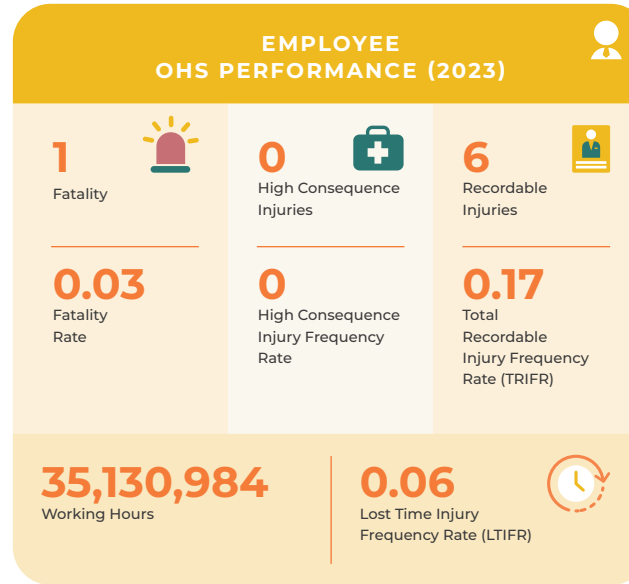
Job Specific OHS Training		
Real Estate	Healthcare	Lifestyle
<ul style="list-style-type: none"> <li>Electrical engineering personnel certification</li> <li>Electrical safety</li> <li>First aid certification</li> <li>Floor warden safety training</li> <li>Handling power tools</li> </ul>	<ul style="list-style-type: none"> <li>Emergency medical technical certification (clinical and non-clinical)</li> <li>General ward and emergency nursing (clinical and non-clinical)</li> <li>Pharmacy warehouse</li> <li>Infection prevention and control</li> <li>Hospital accreditation standards</li> </ul>	<ul style="list-style-type: none"> <li>Food safety &amp; hygiene management</li> <li>First aid certification</li> <li>Preventive maintenance</li> <li>Personal hygiene &amp; sanitation</li> <li>Pest control management</li> </ul>



<sup>14</sup> The employee fatality occurred due to slipping in extreme weather conditions. Our corrective actions include ensuring all workers operate within safe environments to mitigate severe weather conditions, ensuring every worker wears appropriate attire according to company regulations, and reminding all workers to be more cautious during extreme weather events. The non-employee fatality was due to a fall from height. Our corrective actions include conducting pre-checks on all equipment before use, utilizing proper Personal Protective Equipment (PPE) such as helmets and safety harnesses, maintaining a tidy operational area around the formwork, and ensuring all employees always communicate with the relevant supervisor before undertaking any work.

being hit by a falling object, and falls/slips/trips. We remain committed to achieving our OHS targets of zero fatalities, zero high consequence injuries, and a Total Recordable Injury Frequency Rate (TRIFR) of less than 1. For 2024, we will place greater emphasis on improving OHS performance and accountability, especially those working in higher risk environments. This will be driven by the new Group OHS Committee.

Please refer to “Appendix – Workforce Data” on pages 93 to 96 for a full breakdown of our OHS performance, and “Appendix – Reporting Methodology” on pages 88 to 89 for the injury definitions and calculation formulas used in our disclosures.



# TRAINING & DEVELOPMENT

We strive to be a talent-driven organization that nurtures the personal growth of our employees, providing them with the essential skills and knowledge to excel in their roles. Continuous training and development initiatives are crucial in cultivating a high-performing and productive workforce.

We take a holistic view of staff training by providing courses on key technical and soft skills required for each position, as well as refresher sessions on internal policies and procedures to promote good corporate governance. Throughout the year, we offer training and capacity-building programs to improve the functional and technical capabilities of our staff. Training is conducted both internally and through third-party training providers to give employees broader exposure to market practices. In addition, we offer digital learning platforms to support self-paced learning, and to introduce our employees to new ideas. The utilization of digital platforms allows us to offer more customized modules that supports targeted training to enhance the specific capabilities of individual employees. We also encourage our employees to sign up for external training and conferences on their own, and even provide educational assistance and sponsorship for those who seek to further their studies.

Aside from developing core competencies, our business units are actively involved in shaping their own training curriculum to meet their specific business and organizational needs. In the Real Estate segment,

emphasis has been placed on health and safety training, adherence to work standards for delivering high-quality products, with soft skills development primarily facilitated through our digital platform. In the Healthcare segment, there is a broad range of training programs ranging from patient care to clinical expertise, with training materials tailored to keep employees updated with the evolving healthcare landscape. The Lifestyle segment prioritized training programs aimed at enhancing service excellence and customer satisfaction, as well as improving building management and operations.

As part of our continued commitment to foster a high-performing organizational culture, we firmly believe in the importance of fair performance ratings and constructive feedback for our employees. Our comprehensive performance management system, which encourages superiors to provide feedback to their teams as an integral part of the performance cycle throughout the year, underscores our dedication to employee development and retention. This emphasis on continuous improvement not only cultivates a positive sentiment among our workforce but also ensures sustained growth and success for our businesses. This year, the Group has rolled out Individual Development Plans for identified talent at all levels. Tailored training and development schemes have been meticulously designed to address competency gaps across various functions, proving effective in enhancing both soft and hard skills and empowering individuals to excel in their roles. 100% of permanent employees receive regular performance and career development reviews.



In order to strengthen our leadership pipeline, the Group also conducts a search for Young Talents throughout the year to ensure that the Group acquires the best talents. The Group provides opportunities for young talents to join the Management Development Program, which can help them achieve their full potential. The Management Development Program is specifically designed to address our organizational needs and to give young talents exposure to various aspects of our business. In 2023, 10 employees graduated from our Management Development Program.

In 2023, our employees collectively engaged in 702,071 hours of training, equating to an average of 41 hours per employee across business segments. We spent Rp 6.93 billion on training expenses in total. Notably, healthcare staff underwent an average of 47 hours of training, which is comparatively higher than the number of training hours received by employees in the Real Estate and Lifestyle segments. This is due to the nature of healthcare work, where frontline workers require comprehensive training in not just medical procedures but also service excellence and OHS protocols.

**1,156**

ESG training hours



**5,196**

Total OHS training hours



Furthermore, we continued to roll out our Group-wide sustainability training curriculum to generate greater awareness of sustainability and to equip our people with the essential knowledge to actively contribute towards the Group's ESG journey. The training includes internal sharing of ESG best practices and trends, familiarization with the Group's priorities and standards, and participation in external conferences and webinars organized by IDX, financial institutions, and accounting firms. Our employees attended 1,156 ESG hours of training courses and external engagements. Internally, we delivered over 900 hours of training across various ESG topics. We are committed to doubling our annual ESG training hours, aiming for a total of 1,600 hours annually by the year 2030. In 2024, our focus is on expanding the online ESG training curriculum and rolling out internal campaigns to raise greater awareness of our ESG priorities.



Total Training Hours by Employment Level					Total Training Hours by Gender		Grand Total	
Non-Staff	Staff	Supervisor	Manager	Executive	Female	Male	Training Hours	Training Expenditure
22,440	579,430	57,129	42,775	297	495,264	206,807	702,071	Rp6,933,272,682

Average Trainings Hour by Employment Level					Average Training Hours by Gender		Average	
Non-Staff	Staff	Supervisor	Manager	Executive	Female	Male	Training Hours	Training Expenditure
31.1	40.5	42.2	65.3	3.5	45.3	33.4	41.0	Rp404,744

### ARYADUTA'S SUSTAINABLE TALENT DEVELOPMENT INITIATIVE

In collaboration with the Universitas Pelita Harapan (UPH), Aryaduta has launched a scholarship program as part of its commitment to education and sustainable talent development. Specifically targeting individuals aged 20 to 25 from eastern Indonesia, the 3.5-year scholarship offers a pathway for personal and professional growth in the hospitality industry. There are 15 students currently benefiting from the program. This initiative extends beyond mere financial support, as Aryaduta offers 5-year contracts post-scholarship completion, ensuring long-term opportunities for the beneficiaries. Moreover, the participation of five Aryaduta hotels across various locations amplifies the program's impact, supporting regional development and inclusivity. As Aryaduta continues to champion sustainability in the hospitality sector, initiatives like the UPH Scholarship Program stand as a testament to its dedication to cultivating talent and driving positive change in communities.

### EDGE GREEN BUILDING TRAINING & CERTIFICATION

In 2023, two new buildings in our portfolio have obtained EDGE (Excellence in Design for Greater Efficiencies) green building certification, demonstrating our commitment to sustainable design and resource efficiency. As part of this initiative, we have prioritized educating our staff on EDGE training and certification, providing EDGE Expert Training to a select group of talents. The goal is to train a selected number of staff to become EDGE experts and auditors. We also invited the International Finance Corporation (IFC) to engage our real estate division on EDGE. Going forward, we will continue to explore the integration of EDGE requirements into our new pipeline products, including both landed housing and high-end apartment offerings.





### INTRODUCING “E-LEARNING RUANG BELAJAR LIPPO”

Lippo Karawaci has launched “E-Learning Ruang Belajar Lippo”, a cutting-edge digital training platform aimed at accelerating employee development and meeting evolving learning needs. Leveraging an upgraded learning management system, this platform provides a dynamic avenue for skill enhancement, boasting an intuitive interface and gamified features that make learning engaging and enjoyable.

“E-Learning Ruang Belajar Lippo” offers tailored curriculum modules catering to diverse competencies, including creative problem-solving, effective communication, and team leadership. This personalized approach empowers employees to enhance their skills at their own pace, enabling them to thrive in their roles and contribute effectively to the Group’s objectives. Accessible via mobile apps and desktop browsers, this initiative underscores Lippo’s commitment to sustainability and continuous employee development, shaping a culture of ongoing learning and growth within the organization.

In 2023, we introduced mandatory modules focusing on Environmental, Social, and Governance (ESG) principles and Occupational Health and Safety (OHS) standards. These modules were designed to ensure participative compliance among employees, thereby fostering a safe working environment and sustainable business processes to benefit future generations.

### ENHANCING COLLECTIVE KNOWLEDGE OF EXECUTIVE LEADERS

In 2023, we organized a Leadership Workshop as part of our comprehensive development program for our Governance Bodies and Management teams. The primary objective of the Leadership Workshop was to provide our leadership with the latest insights into current economic trends and effective leadership strategies, leveraging external industry experts from various business fields. Through a series of interactive sessions, leaders were equipped with the tools and mindset necessary to not only adapt to change but also to thrive in an environment characterized by constant flux. In addition, the Leadership Workshop also provided a platform for strategic alignment and cohesion among executive leaders across the Group, including through knowledge sharing, culture building, and strategic discussions on new opportunities.

# CHAMPIONING BEST PRACTICES

We constantly strive to uphold the highest standards of corporate governance and accountability, ensure strict compliance with regulations and company policies, as well as promote sustainable practices across our value chain.

Governance & Accountability

Ethics & Compliance

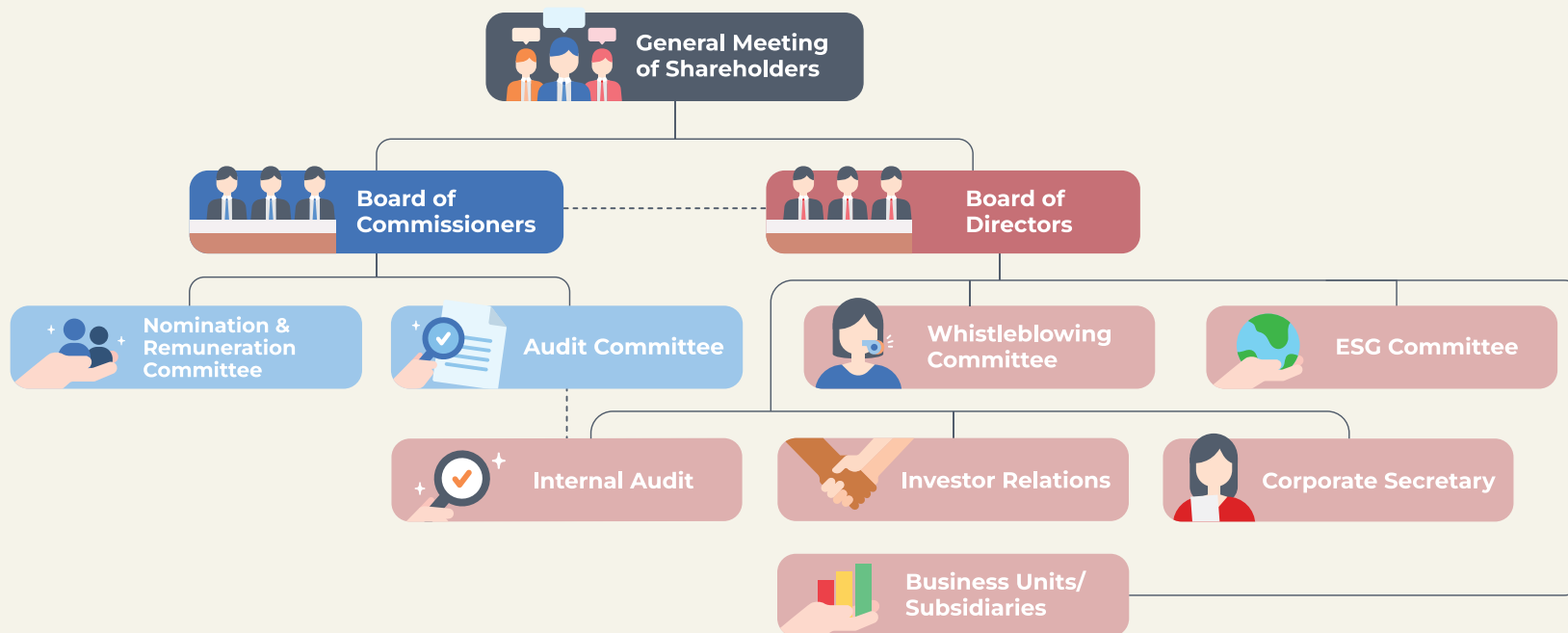


# GOVERNANCE & ACCOUNTABILITY

## CORPORATE GOVERNANCE

We believe that Good Corporate Governance (GCG) is the convergence of three essential elements: Corporate Governance, Risk Governance, and Sustainability Governance. Effective oversight and management of these three aspects of governance are critical to achieving stable and sustainable growth. A crucial element of effective corporate governance involves the integration of sustainability into our business strategy and operations. Accomplishing this goal necessitates the establishment of a strong sustainability governance framework that engages key decision-makers at all levels of the organization. This engagement should span vertically, from the Board level down to the operational level, and horizontally across various business units and corporate functions responsible for driving different aspects of Environmental, Social, and Governance (ESG) considerations.

Our corporate governance structure consists of the General Meeting of Shareholders (GMS), the Board of Commissioners (BoC), the Board of Directors (BoD), and their respective standing committees, namely the Audit Committee and the Nomination & Remuneration Committee. This structure serves to promote responsible business practices and accountability in decision-making while safeguarding the interests of shareholders and other stakeholders. This section complements the Corporate Governance Report, which can be found in the 2023 Annual Report on pages 135 to 256.





Committee	Description, Role & Responsibility
<b>Board of Directors &amp; Board of Commissioners</b>	<p>The Board of Directors (BoD) and the Board of Commissioners (BoC) are the highest governing roles in Lippo Karawaci, guiding the group's strategic direction to ensure alignment of material ESG issues and the interests of both the business and stakeholders. The BoD holds ultimate responsibility for the group's performance, while the BoC serves as a supervisory and advisory body to the BoD. Together, these Boards assess the Group's targets and performance, approving public disclosures, including the Annual Report and the Sustainability Report. The BoD and BoC also review the effectiveness of the risk management process through approval of our ERM framework.</p>
<b>Audit Committee</b>	<p>The Audit Committee (AC) assists the BoC to oversee our financial reporting, monitor and evaluate audit plans and implementation, assess the effectiveness of our risk management and internal control systems, and supervise our compliance with prevailing regulations and accounting standards, among other duties. The AC carries out their duties and responsibilities according to their charters. As an additional measure to incorporate sustainability into our framework, the audit focus for 2023 now includes business interruption and ESG considerations.</p> <p>Throughout 2023, the AC prioritized the following activities as part of its duties and responsibilities:</p> <ul style="list-style-type: none"> <li>· Reviewed the independence, objectivity, the scope of the audit, the audit methodology of the Public Accountant, the Public Accounting Firm who will audit the Company's books;</li> <li>· Reviewed the Financial Statements of the Company and provided recommendations to the Company's Board of Commissioners;</li> <li>· Reviewed and provided recommendations to the Company's Board of Commissioners in connection with the Company's plans for transactions with affiliated parties, material transactions, and others, including significant corporate action plans;</li> <li>· Reviewed the governance related to the Company's compliance with the laws and regulations in the Capital Market and other laws and regulations related to the Company's activities.</li> </ul>
<b>Internal Audit Unit</b>	<p>The Internal Audit Unit (IAU) supports the AC by monitoring, evaluating, and improving the implementation of internal control, risk management, and corporate governance processes in line with company policies. The IAU provides objective assurance and independent advice that aims to improve the operational activities of Lippo Karawaci. The IAU reports directly to the President Director, as well as to the BoC, through the AC. The IAU carries out their duties and responsibilities according to their charters. Starting from 2023, an ESG Audit has been incorporated into the annual internal audit plan and will be conducted each year.</p>
<b>Whistleblowing Committee</b>	<p>The Whistleblowing Committee is a dedicated body within the Group that serves as a crucial component of the company's ethics and compliance framework. Its primary role is to facilitate and oversee the reporting and investigation of concerns or complaints raised by employees or other stakeholders regarding potential misconduct, unethical behavior, or violations of company policies.</p>
<b>Nomination &amp; Remuneration Committee</b>	<p>The Nomination &amp; Remuneration Committee (NRC) develops and maintains a transparent and formal process for the appointment of new Directors to the Board and makes recommendations to the Board on a general framework of remuneration. The nomination and selection process for the highest governance body is based on several parameters. The appointment of the Board of Directors and the Board of Commissioners is carried out through the mechanism of the General Meeting of Shareholders (GMS), where the nomination process takes into account recommendations from the NRC and requirements based on the provisions of applicable regulations, such as:</p> <ul style="list-style-type: none"> <li>· The Company's Articles of Association and applicable laws and regulations;</li> <li>· Personal qualifications of candidates; and</li> <li>· Knowledge and/or expertise in the sectors needed by the Company.</li> </ul>
<b>ESG Committee</b>	<p>The ESG Committee, comprising 3 BoD directors including the Group CEO, is appointed by the BoD to assist in setting the direction for the Group's ESG strategy, policies and initiatives. The ESG Committees main role is to have oversight on all ESG matters, this includes setting and monitor ESG targets, spearheading new ESG initiatives, reviewing ESG disclosures and undertaking any other ESG-related tasks set out by the BoD. The ESG Committee meets at least four times a year and reports periodically to the BoD and BoC on its activities and recommendations.</p>

## SUSTAINABILITY GOVERNANCE

We have established a robust sustainability governance structure that provides oversight and drives the implementation of environmental, social and governance (ESG) initiatives at all levels of the organization. Our sustainability governance is led by the ESG Committee, overseen by the ESG Steering Group, and supported by the Group Sustainability Function. Please refer to “Sustainability Governance” on page 20 for an overview of the roles and responsibilities within our sustainability governance structure.

In 2023, we focused on strengthening our sustainability governance, starting with the cascading of our Sustainability Agenda to the respective business units. We also developed and socialized Group-wide Standard Operating Procedures (SOPs) on ESG reporting. The key processes outlined in the SOP include identification of responsible personnel, data collection, monitoring, review, and report preparation for internal reporting and regulatory purposes. In addition, we performed an internal audit of our ESG reporting processes and 2023 environmental disclosures as a preparatory measure for assurance readiness. The objective of this audit was to test and validate that the current internal control system and reporting processes were properly designed, implemented, and complied with reporting standards. Another priority was the implementation of a Group-wide data management system to improve ESG data integrity and streamline reporting flows.

Under the new system, we will be able to make data consolidation and validation more efficient, standardize data submissions via fixed templates, flag data discrepancies, and provide transparency in the audit trail. This Group data management system will be fully operational in 2024.

### ESG Committee Agenda

In 2023, the ESG Committee convened a total of 5 meetings, and carried out a number of activities as part of its duties and responsibilities as follows:

- Endorsed the Group’s decarbonization roadmap
- Provided guidance and approvals on enhancements to the 2023 Sustainability Report, including a Group-wide materiality refresh
- Approved the implementation of a Group-wide integrated ESG data management system for improved and more transparent data reporting
- Formalized Group ESG reporting SOPs and made preparations for the internal audit of ESG data, commencing with environmental metrics
- Established a Group Occupational Health and Safety (OHS) Committee to oversee business units’ OHS performance and reporting, and the implementation of OHS best practices
- Reviewed the findings and recommendations from the climate scenario analysis exercise
- Explored potential collaborations with external partners to support the Group’s community engagement and sustainability initiatives

## FOSTERING A SUSTAINABLE LEADERSHIP MINDSET ESG CAPACITY-BUILDING & PEER SHARING

In 2023, our focus was on empowering our governance bodies and senior leadership with a deeper understanding of ESG principles, underscoring our unwavering commitment to sustainability. Through tailored ESG training sessions for senior executives, we prioritized the exploration of climate risks, opportunities, and decarbonization strategies. These targeted efforts were aimed at equipping our leadership with the necessary knowledge to navigate the dynamic ESG landscape, ensuring compliance with ISSB and TCFD requirements. Collaborative dialogues with external consultants facilitated robust discussions within our ESG Committee, while ongoing engagements with senior management ensured alignment with our ambitious 2030 Sustainability Agenda and garnered enthusiastic support for implementation plans. Furthermore, we actively engaged our Boards in a fruitful dialogue on various sustainability fronts. We shared insights on our progress, challenges, and achievements in aligning with ESG standards and reporting requirements. These interactive sessions fostered transparency and facilitated strategic decision-making, reaffirming our steadfast commitment to embedding ESG considerations within our corporate governance framework and advancing our long-term sustainability aspirations.

# ETHICS & COMPLIANCE

## CODE OF CONDUCT

We prioritize sustainability and ethical business practices. The Group consistently ensures that the Group's Code of Conduct is aligned with best practice and the latest business conditions. The last update to the Group's Code of Conduct was undertaken on December 15 2022 and is readily accessible on the Group's website. Our Code of Conduct covers responsible employment & workplace practices, conflicts of interest, business ethics and relations with external parties. To instill these values within our team, we conduct mandatory annual training covering essential topics such as the code of conduct, company rules, good corporate governance, the whistleblowing system, and non-disclosure agreements. In 2023, this mandatory training has been socialized to all employees and is facilitated through our digital learning platform for easy accessibility, enabling all employees to conveniently participate and refresh their understanding each year. At the conclusion of the training, employees are required to acknowledge that they have read and comprehended the provisions outlined in the Group regulations, GCG, NDA, whistleblowing system, and code of conduct.

As part of our HR policy, we have a grievance mechanism, and we also maintain a publicly accessible whistleblowing channel. Our organization has established a robust whistleblowing system to enable employees to report concerns related to human rights, labor rights, or anticorruption issues. Employees can choose to report directly to our dedicated whistleblowing committee or use our designated email address. This system ensures confidentiality and anonymity, promoting an environment where employees can voice concerns without fear of retaliation. The reports received are thoroughly investigated by our whistleblowing committee, and appropriate actions are taken to address any identified violations. There were 0 reported cases of whistle blowing through our whistle blowing channel.

In 2023, there were no administrative sanctions imposed on the Company, members of the Board of Commissioners and members of the Board of Directors, by the Financial Services Authority or other relevant authorities. We have not engaged in any activities that violate regulations governing anti-bribery, anti-competitive behavior, anti-trust, or monopoly practices throughout our business operations.

## ANTI CORRUPTION

Anti-corruption policies have been incorporated into our Code of Conduct since 2022. We ensure anti-corruption policies are socialized and reviewed annually and Maker-Checker-Approver procedures, particularly in financial expenditures, are to be carried out by different employees. At Lippo Karawaci, 100% of our operations are assessed for risks relating to corruption by our Risk and Internal Control Team as part of an annual risk assessment cycle. Risks are identified using a business process approach to ensure all processes are covered and the risk identification is comprehensive. In 2023, our risk assessment covers all business processes including Plan to Construct, Inventory Management, Sell to Collect, Procure to Pay, until Information Technology. In 2023, the Company implemented mandatory training on anti-corruption policies for all employees. Accessible through the internal training portal, this program covers crucial topics including Good Corporate Governance (GCG), whistleblowing, compasny regulations, the code of conduct, and non-disclosure agreements. This year, we achieved a 99% completion rate for our annual employee training on Code of Conduct and anti-corruption policies. We also keep our suppliers and business partners informed about our anti-corruption policies and procedures, whereby they will be required to sign a Vendor Integrity Pledge that communicates the Company's zero tolerance towards corruption.

Category	Disclosure	Cases
<b>General</b>	Non-compliance with laws and regulations resulting in monetary fines	0
	Non-compliance with laws and regulations resulting in non-monetary sanctions	0
<b>Corruption</b>	Legal cases regarding corruption and bribery brought against the organization or its employees. (This does not include any employee/vendor corruption cases that were resolved internally)	0
<b>Competition</b>	Legal action (pending or completed) regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the Company has been identified as a participant	0
<b>Social/Economic</b>	Non-compliance with any relevant social and economic laws and regulations, including human rights and labor laws	0
<b>Environmental</b>	Non-compliance with any relevant environmental laws and regulations	0
<b>Health &amp; Safety</b>	Non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	0
<b>Data Privacy</b>	Cases or substantiated complaints concerning breaches of customer privacy and losses of customer data	0
	Legal proceedings associated with data security and privacy	0
<b>Product Info</b>	Non-compliance with regulations and/or voluntary codes concerning product and service information and labelling	0
	Non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	0

## SUSTAINABLE PROCUREMENT POLICY

In line with our 2030 Sustainability Agenda, we have formulated a Group-wide Sustainable Procurement Policy and Supplier Code of Conduct, which outlines our approach to conducting business with a focus on ethics, labor and human rights, health and safety, and environmental sustainability. This policy seeks to enhance governance across our value chain, such as by mitigating legal and reputational risks stemming from supplier misconduct. Every supplier is required to endorse the Supplier Code of Conduct by signing a Supplier Statement of Commitment. This will be done on a one-off basis upon signing a new/renewed contract. Existing suppliers will also need to sign this retrospectively, in phases based on our business units' prioritization. Refusal to sign the Commitment requires reasonable cause in writing.

Our organization continues to make improvements to procurement policies and processes, with a particular focus on supply chain resilience, cost management, and digitization. Several business units have transitioned from a paper-based approval process to utilizing digital SaaS solutions. Additionally, we have incorporated Google Forms to facilitate communication with vendors. In summary, better procurement management and integrating digitalization into our processes have increased transparency and accountability between us and our suppliers. In 2023, there were 2 cases of contract termination when contracts with business partners were terminated or not renewed due to violations related to corruption.

In 2024, we plan to formally publish and communicate our Sustainable Procurement Policy and Supplier Code of Conduct to all our suppliers across the Group. Through regular progress reports, we will monitor supplier commitments and gather feedback. We have started socialization of the new policies to key suppliers.

## SUPPLIER CODE OF CONDUCT



### BUSINESS ETHICS

Suppliers must conduct their business activities in compliance with all relevant local laws and regulations. Additionally, they are encouraged to report any actual breaches or concealment of forbidden acts, such as anti-bribery and corruption, unfair business practices, conflict of interest, gifts and gratuities, and insider trading.



### FAIR COMPETITION

We are committed to promoting fair competition among Suppliers, where they shall promote free and fair competition in the marketplace and avoid business practices that have the purpose or effect of limiting competition.



### INSIDER TRADING

We prohibit suppliers from unlawfully obtaining any kind of confidential information or information and make business decisions based on confidential or non-public information.



### PROHIBITION OF HARASSMENT AND INTIMIDATION

We do not tolerate any unlawful discrimination or harassment in the workplace. Our suppliers are prohibited from unlawful discrimination based on any protected characteristic under applicable law and harassment to provide a safe and inclusive work environment.



### HUMAN AND LABOR RIGHTS

Our suppliers shall comply with the applicable labour laws and regulations, and the existing practice in the industry and local labour market of the jurisdictions in which it operates. We strive for a safe and healthy work environment, supported by a robust health and safety management system that is compliant with all governing health and safety laws and regulations and is aligned with industry best-practice. Our suppliers must prevent workplace injuries, illnesses and diseases by implementing controls to eliminate or mitigate risks from identified hazards and promote healthy workplaces.

We also strictly prohibit the employment of underage workers in accordance with the applicable laws and regulations.



### INFORMATION CONFIDENTIALITY

Our suppliers must handle all our information in a proper way and maintain its confidentiality and comply with the relevant data protection laws and regulations.



### PROHIBITION OF BRIBERY AND CORRUPTION

Bribery and corruption are strictly prohibited in any form. Our suppliers shall avoid any actual and potential conflicts of interest that make it difficult to conduct business objectively and effectively. If there are such cases, Suppliers shall immediately report to us.



### ANTI NEPOTISM

Suppliers should have no family relationship with our employees, including but not limited to spouses, children, parents, siblings, or other family relationships.

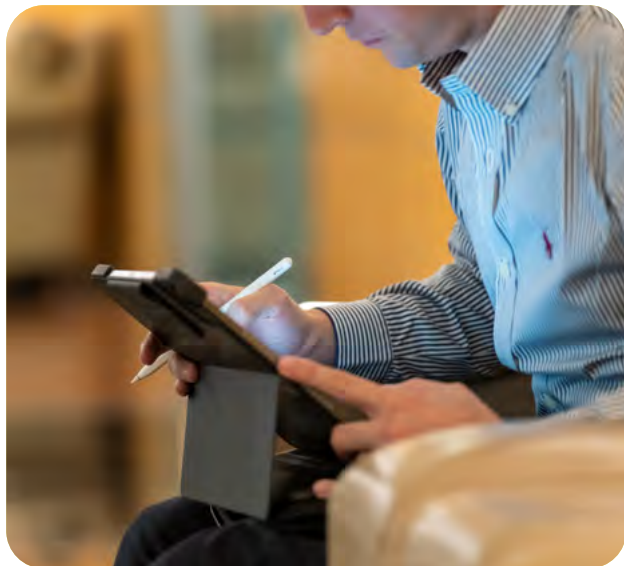


### ENVIRONMENTAL RESPONSIBILITY

- a. Suppliers must comply with local and national environmental laws and regulations. This includes:
  - i. Resource consumption, pollution prevention and waste minimization
  - ii. Mitigate environmental risks and impact
  - iii. Co-operate to measure, track and report the sustainability performance of goods and services supplied
- b. Suppliers must undertake reasonable endeavours to comply with national standards on environmental protection and relevant local laws and regulations.

## DATA PRIVACY & SECURITY

We prioritize data privacy and security, particularly as we expand our digital systems and manage increasing amounts of customer data. Our dedication to safeguarding customer privacy is reflected in our Code of Conduct, which requires all employees to uphold and protect customer data privacy. We have established rigorous frameworks for data governance, including policies, structures, processes, and controls to ensure effective management and oversight of data. We consistently assess our IT protocols and infrastructure to uphold robust cybersecurity measures. This includes system upgrades and patching for improved security and access to the latest features, upgrading antivirus versions, and implementing monitoring to ensure swift responses to unknown threats. In 2023, we did not receive any complaints related to customer privacy.



In response to the evolving landscape of digital threats, we are intensifying our cybersecurity measures to safeguard vital information and bolster system integrity. By ensuring that software and systems remain current, vulnerabilities are minimized and resilience against cyber threats is fortified. Additionally, proactive steps such as upgrading antivirus versions and implementing vigilant monitoring facilitate swift responses to emerging threats, mitigating the risk of data breaches and system compromises.

Moreover, we are actively fostering a culture of IT security awareness among our workforce. Through comprehensive socialization efforts, employees are educated on various cyber threats, with a particular focus on phishing attacks. By equipping employees with knowledge and tools to recognize and address potential security risks, we aim to establish a robust defense mechanism against cyber threats. Furthermore, the Company emphasizes data privacy and protection as core principles embedded in its Code of Conduct. Employees are mandated to comply with data protection laws, maintain the confidentiality of customer data, and obtain explicit consent before disclosing any information. These stringent measures underscore our commitment to upholding the highest standards of data privacy and security while maintaining the trust and confidence of our customers.

## PATIENT DATA MANAGEMENT AT SILOAM HOSPITALS

Siloam recognizes the importance of protecting the privacy and security of personal data. As our healthcare business accelerates its digital transformation, Siloam has implemented robust data privacy protocols to safeguard the rights of all individuals whose data is processed, including patients, employees, customers, healthcare professionals, suppliers, visitors, and other business partners. Siloam is proud to have received ISO-27001 certificate for Data Quality and Management in 2023. Siloam maintained the protection of its patients data throughout 2023, with no incidents of data leakage. The Group also recognizes the importance of protecting its information systems against cyberattacks, information leakage, and misuse of data or systems. The organization's ICT team maintains a range of information security countermeasures based on applied laws and regulations. This includes collaborating with professional firms to assist their IT in data protection, detection, and response and implementing the international cybersecurity framework NIST-CSF. Through these efforts, Siloam ensures that its information systems remain secure and protected against unwanted activities.

# APPENDIX

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[Environmental Data](#)

[Workforce Data](#)

[Scenario Analysis](#)

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# REPORTING METHODOLOGY

## GHG EMISSIONS

Lippo Karawaci's GHG inventory adheres to the World Resources Institute (WRI) and World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas Protocol Initiative (GHG Protocol) for corporate GHG accounting and reporting. Our reporting boundaries are based on the operational control approach, which includes assets that are wholly owned or leased by Lippo Karawaci and our subsidiaries, as well as operations for which we have the full authority to introduce and implement our operating policies.

Given that we have set emissions reduction targets, we have established accounting rules to account for changes in emissions to ensure that our emissions disclosures remain consistent even as our portfolio changes over time. In line with the GHG Protocol, a recalculation shall be performed if any significant qualitative or quantitative change is made to the data, inventory boundary and/or methods. We have adopted the definition of "significant" as a structural change such as a merger, acquisition, or data restatements exceeding 5% of base year Scope 1 and 2, in alignment with common references (WRI/WBCSD 2004). 2019 was chosen as our baseline year as it most accurately reflects our business as-usual emissions prior to the business disruption caused by the COVID-19 pandemic.

## Additional Notes

- Our reporting scope comprises high-rise residences, hospitals, malls, hotels, and other real estate operations, including water treatment plants and managed residential/commercial/industrial areas within our townships. We have excluded tenanted areas and managed properties for which we do not have operational control, such as franchise operations and strata-titled assets for which we do not have a controlling stake.
- Energy intensity is calculated by dividing the total consumption of fuel and electricity by the operational GFA for the following building types: high-rise residences, hospitals, malls, and hotels.
- GHG emissions intensity is calculated by dividing the total Scope 1 and 2 emissions by the operational GFA for each building type.
- Operational GFA may change from year to year due to the development of new properties, expansion of operations within a built area, and transfer of ownership and/or operational control. Notable exclusions:
  - o The tenanted areas in our high-rise residential buildings and malls are excluded from our operational GFA, as the emissions from these areas are classified under Scope 3.
  - o The operational GFA of our hotel portfolio excludes leisure properties such as Aryaduta Country Club and Imperial Klub Golf, which have significantly

different profiles in terms of energy consumption and operational GFA compared to hotels.

- o With the exception of high-rise residential buildings, we do not calculate the operational GFA for our other real estate operations because these operations are not confined within built up areas and the intensity data cannot be accurately derived based on land area.
- Base year emissions and any historic data are not recalculated for organic growth or decline. Organic growth/decline refers to increases or decreases in production output, changes in product mix, and closures and openings of assets that are owned or controlled by the Group.
- 2023 conversion factors for calculating emissions and energy are from DEFRA (The UK Department for Environment Food and Rural Affairs) environmental reporting guidelines; GWP (global warming potential)<sup>15</sup> used for calculating emissions from refrigerants are from GHG Protocol and IPCC Assessment Report, 2014 (AR5); and province-specific grid emission factors as published by the Ministry of Energy and Mineral Resources of Indonesia (MEMR). For Scope 2 emissions, a market-based method is adopted to highlight supply choices and future renewable energy procurement. In addition we utilize the Inventory of Carbon and Energy (ICE) database to account for embodied carbon in building materials and US EPA (United States Environmental Protection Agency)<sup>16</sup> Industry Emission Factors within our Scope 3 emissions.

<sup>15</sup> GWP (Global-warming potential) is a term used to describe the relative potency, molecule for molecule, of a greenhouse gas, taking account of how long it remains active in the atmosphere.

<sup>16</sup> US EPA (United States Environmental Protection Agency) is an independent agency of the United States government tasked to protect human health and the environment.



- Refrigerants - specifically classified under GRI as Ozone Depleting Substances (ODS) - are included within our Scope 1 emissions calculations. This means that the impact of refrigerants on our overall emissions, particularly those with ozone-depleting properties, is considered in our comprehensive emissions assessment.

## WATER AND WASTEWATER

### Water Consumption

Our water consumption data is consistent with the way our inventory for energy and GHG emissions is compiled: the operational control approach. Given the same boundaries, we have excluded water consumption by residents/tenants.

### Water Withdrawal

In addition to the water consumption by our business units, we report on water withdrawal by our WTD, which supports some of our township management operations. As water withdrawal is tied to the demand for treated water, which includes residents, tenants and other businesses located in our townships (i.e. not only the water consumption for our own business operations), but we have also clearly separated this water withdrawal data from our water consumption data on page 59. Data collected consists of recorded water withdrawal and production data at the water treatment plant level.

### Wastewater Discharge

Our wastewater discharge data is inclusive of both our internal and tenants' discharge, as we do not currently sub-meter our tenants' wastewater discharge. This method of reporting is aligned with reporting standards and peers. Some assets report data on actual wastewater discharge as recorded by their meters. For those which are unable to disclose metered data, we take the approach of estimating wastewater discharge as 80% of water consumption.

## WASTE

### Non-Hazardous Waste

Our non-hazardous waste data reflects waste collected from both our business operations and residents/tenants. We collate the data from the third-party vendors whom we engage to collect and manage non-hazardous waste at our assets and townships.

### Hazardous Waste

Our hazardous waste data only reflects waste collected from our business operations. We collate the data from the third-party vendors whom we engage to collect and manage hazardous waste at our assets and townships. Tenants that produce hazardous waste (e.g. industrial tenants at Delta Silicon Industrial Park) separately arrange for hazardous waste collection by their own vendors.

## OCCUPATIONAL HEALTH & SAFETY

### Medical Treatment Case (MTC)

Work-related injury which requires the treatment beyond first-aid by, or under the specific order of, a medical

practitioner, but can return to work within 1x24 hours after the incident.

### Lost Time Injury (LTI)

Work-related injury which results in an employee being away from work for more than 1x24 hours after the day on which the injury occurred.

### High Consequence Injury

Work-related injury that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months (exclude fatality).

### Recordable Injury

Medical Treatment Case (MTC) and Lost Time Injury (LTI) are jointly classified as Recordable Injury.

### Total Recordable Injury Frequency Rate (TRIFR)

$TRIFR = \frac{[\text{No. of MTC} + \text{LTI}] \times 1,000,000}{[\text{No. of Manhours}]}$

### Lost Time Injury Frequency Rate (LTIFR)

$LTIFR = \frac{[\text{No. of LTI}] \times 1,000,000}{[\text{No. of Manhours}]}$

### High Consequence Injury Frequency Rate

$\text{High Consequence Injury Frequency Rate} = \frac{[\text{No. of High Consequence Injury}] \times 1,000,000}{[\text{No. of Manhours}]}$

### Fatality Rate

$\text{Fatality Rate} = \frac{[\text{No. of Fatality}] \times 1,000,000}{[\text{No. of Manhours}]}$

# ENVIRONMENTAL DATA

## ENERGY CONSUMPTION

Energy Consumption (10 <sup>3</sup> GJ)	2019	2020	2021	2022*	2023
<b>Electricity</b>	<b>1,398</b>	<b>1,039</b>	<b>1,073</b>	<b>1,194*</b>	<b>1,253</b>
Real Estate	88	84	104	145*	148
Healthcare	334	383	399	399	417
Lifestyle	976	571	569	650*	687
<b>Petrol</b>	<b>7.3</b>	<b>8.4</b>	<b>9.2</b>	<b>18</b>	<b>16</b>
Real Estate	4.5	5.2	5.9	7.2	6.3
Healthcare	2.0	2.4	2.2	8.6	7.2
Lifestyle	0.9	0.8	1.1	2.5	2.2
<b>Biodiesel</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.6</b>	<b>19</b>
Real Estate	-	-	-	1.6	3.2
Healthcare	-	-	-	0	8.2
Lifestyle	-	-	-	-	7.5
<b>Diesel</b>	<b>14.9</b>	<b>8.9</b>	<b>7.5</b>	<b>19</b>	<b>-</b>
Real Estate	1.9	2.7	2.6	2.8	-
Healthcare	-	-	-	10	-
Lifestyle	13	6.2	4.9	6.2	-
<b>CNG</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.4</b>
Real Estate	-	-	-	-	-
Healthcare	-	-	-	-	-
Lifestyle	-	-	-	-	1.4
<b>LPG</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18*</b>	<b>16</b>
Real Estate	-	-	-	0.4*	0.4
Healthcare	-	-	-	4.1*	11
Lifestyle	-	-	-	14*	4.6
<b>Natural Gas</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>
Real Estate	-	-	-	-	-
Healthcare	-	-	-	-	8.9
Lifestyle	-	-	-	-	3.9

## RESTATEMENTS (\*)

- Restatement of 2022 energy and emissions data for the Real Estate and Lifestyle segments due to clarifications on the boundaries between common areas and tenanted areas; and updated conversion factors to align across all business units.
- Restatement of 2019-2021 water consumption data for Healthcare segment, and 2022 water consumption data for Real Estate and Lifestyle segments, following further data validations conducted in 2023.

## ENERGY INTENSITY BY BUILDING TYPE

Building Energy Intensity (GJ/m <sup>2</sup> )	2019	2020	2021	2022*	2023
<b>High-rise Residential</b>	0.224	0.174	0.167	0.196*	0.160
<b>Hospitals</b>	0.712	0.730	0.755	0.793*	0.850
<b>Malls</b>	0.935	0.547	0.538	0.545	0.573
<b>Hotels</b>	0.511	0.294	0.317	0.418*	0.439
<b>Average</b>	0.724	0.503	0.487	0.519*	0.534

## GHG EMISSIONS INTENSITY BY BUILDING TYPE

Building GHG Intensity (TCO <sub>2e</sub> /m <sup>2</sup> )	2019	2020	2021	2022*	2023
<b>High-rise Residential</b>	0.049	0.038	0.037	0.043	0.036
<b>Hospitals</b>	0.160	0.164	0.170	0.171	0.184
<b>Malls</b>	0.213	0.127	0.122	0.124*	0.128
<b>Hotels</b>	0.114	0.066	0.071	0.087	0.100
<b>Average</b>	0.164	0.115	0.110	0.115*	0.118

## GHG EMISSIONS

GHG Emissions (ktCO <sub>2</sub> e)	2019	2020	2021	2022*	2023
<b>Scope 1</b>	<b>4.56</b>	<b>5.00</b>	<b>2.65</b>	<b>12.27</b>	<b>18.59</b>
<b>Mobile Combustion</b>	<b>0.51</b>	<b>0.58</b>	<b>0.63</b>	<b>1.36</b>	<b>1.22</b>
Real Estate	0.30	0.36	0.40	0.60	0.56
Healthcare	0.13	0.16	0.14	0.59	0.54
Lifestyle	0.08	0.07	0.08	0.17	0.13
<b>Stationary Combustion</b>	<b>1.10</b>	<b>0.64</b>	<b>0.55</b>	<b>2.47</b>	<b>2.72</b>
Real Estate	0.14	0.18	0.19	0.21	0.09
Healthcare	-	-	-	1.00	1.61
Lifestyle	0.96	0.46	0.36	1.27	1.03
<b>Fugitive</b>	<b>2.95</b>	<b>3.78</b>	<b>1.47</b>	<b>8.44</b>	<b>14.65</b>
Real Estate	-	-	-	0.27	0.22
Healthcare	-	-	-	1.15	4.20
Lifestyle	2.95	3.78	1.47	7.01	10.2
<b>Scope 2</b>	<b>316</b>	<b>235</b>	<b>243</b>	<b>262</b>	<b>274</b>
<b>Electricity</b>	<b>316</b>	<b>235</b>	<b>243</b>	<b>262*</b>	<b>274</b>
Real Estate	20	19	24	32*	33
Healthcare	75	87	90	88	92
Lifestyle	221	129	129	142*	150
<b>Scope 3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167</b>	<b>316</b>
Purchased Goods & Services	-	-	-	49	49
Fuel & Energy Related Activity - T&D Electricity Losses	-	-	-	-	64
Waste Generated in Operations	-	-	-	-	23
Business Travel - Airplane	-	-	-	0.6	0.8
Downstream Leased Asset - Tenanted Area	-	-	-	117	110
Use of Sold Product - Managed Fee Building	-	-	-	-	69

## WATER CONSUMPTION BY BUSINESS SEGMENT

Water Consumption (10 <sup>3</sup> m <sup>3</sup> )	2019	2020	2021	2022*	2023
<b>Purchased Water</b>	<b>3,567*</b>	<b>2,470*</b>	<b>2,621*</b>	<b>3,457*</b>	<b>3,489</b>
Real Estate	271	238	256	520*	465
Healthcare	1,051*	1,023*	1,074*	1,508	1,360
Lifestyle	2,246	1,209	1,291	1,429*	1,664
<b>Rainwater</b>	<b>14</b>	<b>11</b>	<b>22</b>	<b>94*</b>	<b>708</b>
Real Estate	14	11	22	18*	588
Healthcare	-	-	-	-	-
Lifestyle	-	-	-	76*	120
<b>Recycled Wastewater</b>	<b>219</b>	<b>301</b>	<b>366</b>	<b>458*</b>	<b>398</b>
Real Estate	55	49	51	78*	101
Healthcare	-	-	-	-	-
Lifestyle	164	252	315	381*	297

## WATER WITHDRAWAL BY SOURCE

Water Withdrawal (10 <sup>3</sup> m <sup>3</sup> )	2019	2020	2021	2022	2023
Recycled Wastewater	226	397	214	209	716
Rainwater	294	223	379	410	530
Purchased Water	19,899	19,840	17,954	18,857	19,327

## WATER CONSUMPTION INTENSITY BY BUILDING TYPE

Building Water Consumption Intensity (m <sup>3</sup> /m <sup>2</sup> )	2019	2020	2021	2022	2023
High-rise Residential	0.56	0.40	0.34	0.44*	0.56
Hospitals	2.23*	1.94*	2.02*	2.84	2.56
Malls	2.08	1.27	1.32	1.29*	1.44
Hotels	1.94	1.14	1.51	2.10*	2.25
Average	1.89*	1.29*	1.31*	1.58*	1.61

## WASTEWATER GENERATED BY BUSINESS SEGMENT

Water Withdrawal (10 <sup>3</sup> m <sup>3</sup> )	2022			2023		
	Discharged	Recycled / Reused	Total	Discharged	Recycled / Reused	Total
Real Estate	393	153	546	419	691	1,110
Healthcare	1,020	41	1,061	770	126	896
Lifestyle	1,128	589	1,717	1,175	640	1,815
Total	2,541	783	3,324	2,364	1,457	3,821

## WASTEWATER TREATED BY WATER TREATMENT DIVISION

Treated Wastewater (10 <sup>3</sup> m <sup>3</sup> )	2022	2023
Recycled/Reused	1,043	2,044
Discharged	3,120	2,167
Total	4,163	4,211

## WASTE MANAGEMENT BY SECTOR

Year	Business Segments	NON-HAZARDOUS (Tons)		HAZARDOUS (Tons)	
		Disposed	Diverted	Disposed	Diverted
2023	Real Estate	33,662	1,775	616	-
	Healthcare	2,697	182	1,342	35
	Lifestyle	7,987	1,202	17	2
	Total	44,346	3,159	1,975	37
2022	Real Estate	36,240	21	516	-
	Healthcare	2,615	51	1,347	11
	Lifestyle	11,865	1,352	1	-
	Total	50,720	1,424	1,864	11

# WORKFORCE DATA

## EMPLOYMENT BY BUSINESS SEGMENT

Year	Real Estate	Healthcare	Lifestyle	Total
2023	981	14,142	2,007	17,130
2022	968	13,461	1,820	16,249
2021	956	13,354	1,762	16,072

## EMPLOYMENT BY EMPLOYEE STATUS

Business Segments	Permanent Employees	Contract Employees
<b>2023</b>	<b>15,549</b>	<b>1,581</b>
Real Estate	823	158
Healthcare	13,851	291
Lifestyle	875	1,132
<b>2022</b>	<b>14,947</b>	<b>1,302</b>
Real Estate	856	112
Healthcare	13,274	187
Lifestyle	817	1,003
<b>2021</b>	<b>13,341</b>	<b>2,731</b>
Real Estate	767	189
Healthcare	11,748	1,606
Lifestyle	826	936

## EMPLOYMENT POSITION BY NATIONALITY

Business Segments	Executive		Manager		Supervisor		Staff		Non-Staff	
	Local	Foreign	Local	Foreign	Local	Foreign	Local	Foreign	Local	Foreign
Real Estate	13	3	171	5	338	0	439	0	12	0
Healthcare	62	4	226	1	666	1	12,570	1	611	0
Lifestyle	1	1	251	1	349	0	1,306	0	98	0
<b>Total</b>	<b>76</b>	<b>8</b>	<b>648</b>	<b>7</b>	<b>1,353</b>	<b>1</b>	<b>14,315</b>	<b>1</b>	<b>721</b>	<b>0</b>

## RESTATEMENTS (\*)

- Restatement of 2022 data on non-employee workers for Real Estate and Lifestyle segments following further data validations conducted in 2023.

## NON-EMPLOYEE WORKER BY BUSINESS SEGMENT

Year	Real Estate	Healthcare	Lifestyle	Total
2023	7,076	2,142	6,369	15,587
2022	7,269*	2,655	5,656*	15,580*

## EMPLOYMENT BY REGION

Business Segment	Java	Kalimantan	Sumatra	Sulawesi	Bali, Nusa Tenggara, Maluku, Papua
Real Estate	867	4	11	79	20
Healthcare	8,679	805	1,391	1,225	2,042
Lifestyle	1,349	98	227	116	217
<b>Total</b>	<b>10,895</b>	<b>907</b>	<b>1,629</b>	<b>1,420</b>	<b>2,279</b>

## EMPLOYMENT BY EDUCATION QUALIFICATIONS

Year	High School Certification	Diploma	Undergraduate Degree	Postgraduate Degree	Total
2023	2,503	4,641	9,512	474	17,130
2022	2,188	4,784	8,880	397	16,249
2021	2,195	4,991	8,489	397	16,072

## EMPLOYEE POSITION BY GENDER

Year	Executive			Manager			Supervisor			Staff			Non-Staff		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
2023	33	51	84	264	391	655	600	754	1,354	9,732	4,584	14,316	312	409	721
2022	31	49	80	250	376	626	546	668	1,214	9,287	4,279	13,566	334	429	763
2021	6	29	35	270	396	666	1,399	1,091	2,490	8,073	3,497	11,570	622	689	1,311

## EMPLOYEE POSITION BY AGE GROUP

Year	Executive				Manager				Supervisor				Staff				Non-Staff			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
2023	0	48	36	84	18	528	109	655	249	1,012	93	1,354	7,621	6,426	269	14,316	238	439	44	721
2022	0	45	35	80	23	496	107	626	219	917	78	1,214	7,414	5,984	258	13,656	258	463	42	763
2021	0	14	21	35	6	521	139	666	737	1,604	149	2,490	7,010	4,389	171	11,570	585	671	55	1,311

## EMPLOYEE BY GENDER

Year	Female	Male	Total
2023	10,941	6,189	17,130
2022	10,418	5,801	16,219
2021	10,370	5,702	16,072

## EMPLOYEE BY AGE GROUP

Year	<30	30-50	>50	Total
2023	8,126	8,453	551	17,130
2022	7,914	7,815	520	16,219
2021	8,338	7,199	535	16,072

## PARENTAL LEAVE

Business Segments	Staff entitled to parental leave		Staff who took to parental leave		Staff who returned to work after parental leave		Staff who returned to work after parental leave (12 month retention)	
	Female	Male	Female	Male	Female	Male	Female	Male
Real Estate	12	34	12	34	12	34	7	25
Lifestyle	600	268	600	268	597	268	550	250
Healthcare	37	28	37	28	37	28	30	24
Total	649	330	649	330	646	330	587	299

## RETURN TO WORK &amp; RETENTION RATES

Business Segments	Return to work rates		Retention rates	
	Female	Male	Female	Male
Real Estate	100.0%	100.0%	58.3%	73.5%
Lifestyle	99.5%	100.0%	91.7%	93.3%
Healthcare	100.0%	100.0%	81.1%	85.7%

## NEW HIRE BY GENDER

Year	Female	Male	Total
2023	329	503	832
2022	1,693	1,166	2,859
2021	925	1,971	2,896

## EMPLOYEE TURNOVER BY GENDER

Year	Female	Male	Total
2023	1,051	581	1,632
2022	1,353	797	2,150
2021	1,209	753	1,962

## NEW HIRE BY AGE GROUP

Year	<30	30-50	>50	Total
2023	473	344	15	832
2022	2,123	698	38	2,859
2021	2,373	487	36	2,896

## EMPLOYEE TURNOVER BY AGE GROUP

Year	<30	30-50	>50	Total
2023	899	713	20	1,632
2022	1,394	697	59	2,150
2021	1,178	679	105	1,962

## NEW HIRE BY BUSINESS SEGMENT

Year	Real Estate	Healthcare	Lifestyle	Total
2023	224	145	463	832
2022	258	2,074	527	2,859
2021	242	2,274	380	2,896

## EMPLOYEE TURNOVER BY BUSINESS SEGMENT

Year	Real Estate	Healthcare	Lifestyle	Total
2023	135	1,180	317	1,632
2022	170	1,689	291	2,150
2021	114	1,518	330	1,962

## NUMBER OF HOURS WORKED

Year	Employees	Non-Employee Workers
2023	35,130,984	34,374,426
2022	34,628,528	31,291,568

## OCCUPATIONAL HEALTH & SAFETY

OHS Metrics	2022		2023	
	Employees	Non-Employee Workers	Employees	Non-Employee Workers
<b>Fatality</b>	0	1	1	1
<b>High Consequence Injuries</b>	0	0	0	0
<b>Number of Recordable Injuries</b>	3	20	6	45
<b>Lost Time Injuries (LTI)</b>	1	6	2	13
<b>Medical Treatment Cases (MTC)</b>	2	14	4	32
<b>Total Recordable Injury Frequency Rate (TRIFR)</b>	0.09	0.64	0.17	1.31
<b>Fatality Rate</b>	0	0.03	0.03	0.03



# SCENARIO ANALYSIS

As part of our high-level scenario analysis, we examined the potential impact of each physical and transition risk in Indonesia under RCP 2.6 and RCP 8.5 scenarios, based on 2030 and 2100 time horizons. Our detailed findings are below, which we will continue to review and refine.

## PHYSICAL RISK IMPACT

**Extreme variability in weather patterns and precipitation patterns:** Indonesia ranks higher than the global average in terms of natural hazards and exposure on the INFORM Risk Scale. This is primarily attributed to the distinctive characteristics of its landscape and geographical location which exposes it to various environmental challenges. These make it susceptible to extreme weather events, including floods, landslides, and coastal flooding. The complex interplay of these geographical factors enhances the country's vulnerability to natural hazards, leading to a higher risk profile compared to the global average on the INFORM Risk Scale. Changes in precipitation patterns, including prolonged rainy seasons and the presence of tornadoes or typhoons, can lead to damage to property and infrastructure, disruption of supply chains, and business interruption. This results in higher costs incurred, as well as posing health and safety risks to our stakeholders.

**Flooding:** It is predicted that in Indonesia, under a high emissions scenario, on average 4,215,700 individuals per year may be impacted by flooding caused by sea level rise by 2100. We have also identified certain property locations affected by 100 year flood zones.

Our properties may face increased occurrences of flooding due to high rainfall events experienced in Indonesia. As a result, this could cause business interruptions and infrastructure damage, leading to higher financial costs. Flooding could also potentially endanger the safety of our stakeholders at our properties.

### Extreme waves & coastal abrasion (rising sea levels):

Rising sea levels can lead to the erosion of our land bank and damage/devaluation of properties near coastal areas, and increased costs from investment in coastal infrastructure adaptation measures. As shown in the figures below, Indonesia is at risk for sea level rise, even in a 2.0°C scenario where light blue areas will be under sea level. The location of our properties suggests that only a limited number of our developments will experience significant impacts from sea level rise.

**Landslides:** Historically, landslides are the third most frequent natural hazard in Indonesia.<sup>17</sup> Heavy torrential rain or earthquakes may lead to decreased asset values and result in costly repairs from damage to property, infrastructure and landbank. Climate change is expected to impact the stability of slopes and bedrock by influencing precipitation patterns and/or temperature variations. While landslides have been infrequent in the past, we anticipate an increase under an RCP 8.5 scenario.

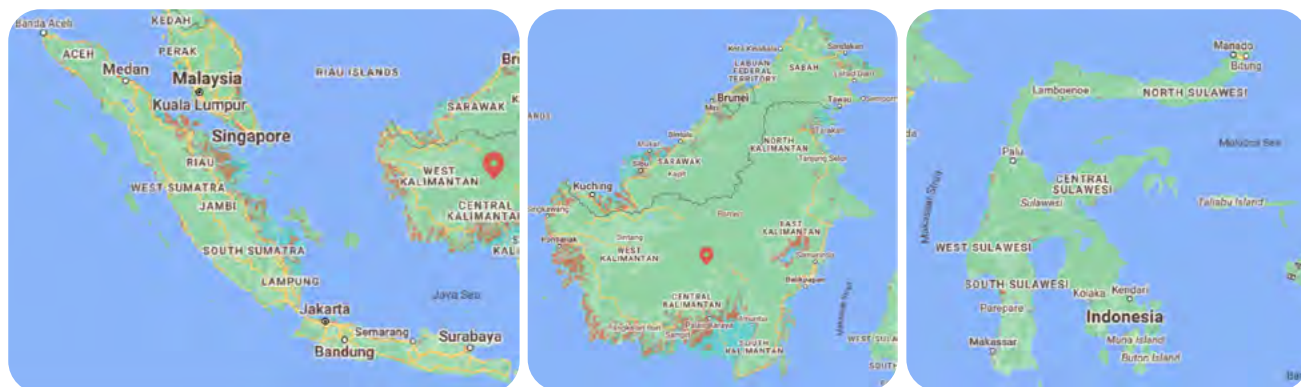
**Droughts:** Indonesia faces significant water stress and a notable risk of drought, as illustrated in the diagram provided. Prolonged periods of abnormally low rainfall may lead to droughts and a shortage of water. This affects our water treatment businesses, and also poses significant social impacts on our stakeholders as disruptions in water supplies can impact their health and safety.

**Heat stress:** We expect an increase in operating costs due to the heightened demand for cooling systems. As temperatures increase, the need for effective climate control within our facilities becomes more pronounced, resulting in increased energy consumption and operational expenses. Moreover, the surge in temperatures could potentially lead to reduced revenue and productivity within our workforce. The link between elevated temperatures and health concerns may contribute to a higher rate of absenteeism among employees. Heat-related illnesses and discomfort may prompt more frequent sick leaves, thereby impacting the overall productivity levels of our workforce.

INFORM RISK		Hazard & Exposure					
Country	Risk Class	Natural	Earthquake	River Flood	Tsunami	Tropical Cyclone	Coastal Flood
		Very Low-Very High		0-10			
Indonesia	Medium	6.7	7.3	8.9	8.3	9.3	1.5
Global Average		3.3	3.9	3.7	4.5	2.7	1.6

<sup>17</sup> <https://climateknowledgeportal.worldbank.org/country/indonesia/vulnerability>

**LONG-TERM SEA LEVEL OUTCOMES +2.0°C VS. +4.0°C**



Below tideline after

● 4.0°C of global warming    ● 2.0°C of global warming

**INDONESIA WATER RISK INDICATOR<sup>18</sup>**



Drought risk



**TRANSITION RISK IMPACT**

**Disruption of new (low emission) technology:**

Technological advancements can accelerate the shift to a low-carbon economy, posing a challenge to businesses relying on outdated fossil-fuel technologies. This may lead to additional costs from switching to more energy-efficient equipment as well as low-carbon processes and materials. With the increasing awareness of green and energy efficient buildings, we need to monitor the emergence of low-emission technologies that may present decarbonization opportunities for us.

**Greater expectations and demand from customers and investors for more sustainable products and services:**

There is an increasing market trend that reveals customers are increasingly aware of ethical and sustainable purchasing practices. This shift is driven by a heightened awareness of environmental and social concerns, coupled with a preference for making purchasing decisions that align with values such as sustainability, social responsibility, and ethical production. Failure to meet industry standards and the expectations of stakeholders could result in weaker demand as well as loss of reputation and investor confidence.

Since the establishment of the Green Building Council Indonesia (GBCI) in 2009, more properties are pursuing voluntary green building certifications such as Greenship certification and EDGE certification. It is observed that the majority of green building certifications are in commercial properties rather than residential properties. Therefore, the present effect of this risk on our real estate business is less pronounced, given our emphasis on residential products.

<sup>18</sup> <https://www.wri.org/applications/aqueduct/country-rankings/?country=IDN&indicator=drr>

# CONTENT INDEX

## GLOBAL REPORTING INITIATIVE (GRI)

<b>Statement of use</b>	Lippo Karawaci has reported in accordance with the GRI Standards for the period 1 Jan 2023 to 31 Dec 2023.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Reason for omission</b>	Not Applicable, Legal Prohibitions, Confidentiality Constraints, Information Unavailable/Incomplete

GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
<b>GENERAL DISCLOSURES</b>				
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details		7-11	
	2-2 Entities included in the organization's sustainability reporting		4-11	
	2-3 Reporting period, frequency and contact point		4-6	
	2-4 Restatements of information		88, 90, 93	
	2-5 External assurance		6	
	2-6 Activities, value chain and other business relationships		8-11	
	2-7 Employees		67-69	
	2-8 Workers who are not employees		67	
	2-9 Governance structure and composition		20, 80-82	PN7.6-3.1
	2-10 Nomination and selection of the highest governance body		2023 Annual Report (p.162-163, 191-192)	
	2-11 Chair of the highest governance body		2023 Annual Report (p.70-80)	
	2-12 Role of the highest governance body in overseeing the management of impacts		20, 80-82	
	2-13 Delegation of responsibility for managing impacts		20, 80-82	
	2-14 Role of the highest governance body in sustainability reporting		20	
	2-15 Conflicts of interest		83	
	2-16 Communication of critical concerns		80-83	
	2-17 Collective knowledge of the highest governance body		2023 Annual Report (p.173-175, 198-200)	
	2-18 Evaluation of the performance of the highest governance body		2023 Annual Report (p.201-202)	
	2-19 Remuneration policies		2023 Annual Report (p.200)	
	2-20 Process to determine remuneration		2023 Annual Report (p.189-190)	
	2-21 Annual total compensation ratio	Confidentiality constraints		
	2-22 Statement on sustainable development strategy		12-13, 19, 28-29, 52	
	2-23 Policy commitments		83-85	
	2-24 Embedding policy commitments		83-85	

GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
<b>GENERAL DISCLOSURES</b>				
<b>GRI 2: General Disclosures 2021</b>	2-25 Processes to remediate negative impacts		20, 80-82	
	2-26 Mechanisms for seeking advice and raising concerns		6, 20, 47-50, 80-83	
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	2-28 Membership associations		11	
	2-29 Approach to stakeholder engagement		22-23	
	2-30 Collective bargaining agreements		71	
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	3-2 List of material topics		22	PN7.6-4.4.1. a
<b>ENHANCING QUALITY OF LIFE</b>				
<b>Material Topics: Economic Performance</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		35-39	PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed		35	
	201-2 Financial implications and other risks and opportunities due to climate change		28-29	
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	201-4 Financial assistance received from government		38	
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<b>Material Topics: Energy</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		52-56	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization		54	
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	302-3 Energy intensity		54	
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	303-5 Reductions in energy requirements of products and services		52-54	

GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
<b>CARING FOR OUR ENVIRONMENT</b>				
<b>Material Topics: Emissions</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		52-56	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions		55-56	
	305-2 Energy indirect (Scope 2) GHG emissions		55-56	
	305-3 Other indirect (Scope 3) GHG emissions		55-56	
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	305-5 Reduction of GHG emissions		55-56	
	305-6 Emissions of ozone-depleting substances (ODS)		55-56, 89	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		We do not currently report this but will consider doing so in the future	
<b>Material Topics: Water and Effluents</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		57-61	PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource		57-61	
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<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts		62-64	
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GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
<b>INVESTING IN OUR PEOPLE</b>				
<b>Material Topics: Employment &amp; Rights</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		67-69	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
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	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		68	
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	405-2 Ratio of basic salary and remuneration of women to men	Confidentiality constraints		
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken		71	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated		71	
<b>GRI 208: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor		71	
<b>GRI 409: Forced or compulsory labor 2016</b>	409-1 Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor		71	
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<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		72-74	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system		72-73	
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	403-5 Worker training on occupational health and safety		73	
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	403-10 Work-related ill health		74	

GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
<b>INVESTING IN OUR PEOPLE</b>				
<b>Material Topics: Training &amp; Education</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		75-78	
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee		76	
	404-2 Programs for upgrading employee skills and transition assistance programs		75-78	
	404-3 Percentage of employees receiving regular performance and career development reviews		75	
<b>CHAMPIONING BEST PRACTICES</b>				
<b>Material topics: Anti-Corruption</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		83-85	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
<b>GRI 205: Anti-corruption 2016</b>	205-1: Operations assessed for risks related to corruption		83	
	205-2: Communication and training about anti-corruption policies and procedures		83	
	205-3: Confirmed incidents of corruption and actions taken		83	
<b>Material Topics: Anti-Competitive Behaviour</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		83-85	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
<b>GRI 206: Anti-competitive Behaviour 2016</b>	206-1: Confirmed incidents of anti-competitive behavior and actions taken		84	

## UNITED NATIONS GLOBAL COMPACT (UNGC)

Principles		Page Reference / Remarks
<b>HUMAN RIGHTS</b>		
<b>Principle 1</b>	Businesses should support and respect the protection of internationally proclaimed human rights	71, 83-85
<b>Principle 2</b>	Make sure that they are not complicit in human rights abuses	83-85
<b>LABOR</b>		
<b>Principle 3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	71
<b>Principle 4</b>	Elimination of all forms of forced and compulsory labor	71, 83-85
<b>Principle 5</b>	Effective abolition of child labor	71, 83-85
<b>Principle 6</b>	Elimination of discrimination in respect of employment and occupation	70-71, 83
<b>ENVIRONMENT</b>		
<b>Principle 7</b>	Businesses should support a precautionary approach to environmental challenges	31-33
<b>Principle 8</b>	Undertake initiatives to promote greater environmental responsibility	29, 52-53, 59-60, 64
<b>Principle 9</b>	Encourage the development and diffusion of environmentally friendly technologies	29, 32-33, 52-53, 58
<b>ANTI-CORRUPTION</b>		
<b>Principle 10</b>	Businesses should work against corruption in all its forms, including extortion and bribery	83-85



## TASK FORCE ON CLIMATE-RELATED DISCLOSURES (TCFD)

TCFD Recommendation	Disclosure	Page Number(s)
Disclose the organization's governance around climate-related risks and opportunities	Describe the board's oversight of climate-related risks and opportunities	28
	Describe management's role in assessing and managing climate-related risks and opportunities	28
Disclose the organization's governance around climate-related risks and opportunities	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	28-31
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	28-31
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	28-31
Disclose how the organization identifies, assesses, and manages climate-related risks	Describe the organization's processes for identifying and assessing climate-related risks	31-33
	Describe the organization's processes for managing climate-related risks	31-33
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	31-33
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	33
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	33
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	33

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) – REAL ESTATE SECTOR DISCLOSURE

SASB Sustainability Disclosure	SASB Code	Accounting Metric	Property Subsector	Page Reference / Remarks	
<b>ENERGY MANAGEMENT</b>	IF-RE-130a.1	Energy consumption data coverage as a percentage of floor area, by property subsector (%)	Real Estate Healthcare Lifestyle	100% 100% 100%	
	IF-RE-130a.2	Total energy consumed by portfolio area with data coverage, by property subsector (GJ)	Real Estate Healthcare Lifestyle	158 x 10 <sup>3</sup> GJ 452 x 10 <sup>3</sup> GJ 707 x 10 <sup>3</sup> GJ	
		Total energy consumed by percentage grid electricity, by property subsector (%)	Real Estate Healthcare Lifestyle	94% 92% 97%	
		Total energy consumed by percentage renewable, by property subsector (%) from biodiesel B30 only	Real Estate Healthcare Lifestyle	0.6% 0.5% 0.3%	
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector (%)	Real Estate Healthcare Lifestyle	+0.6% +7.2% +5.2%	
	IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating, by property subsector (%)	N/A in Indonesia		
		Percentage of eligible portfolio that is certified to ENERGY STAR®, by property subsector (%)	N/A in Indonesia		
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	"Energy Efficiency & Emissions"		Page 52-53	
<b>WATER MANAGEMENT</b>	IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area, by property subsector (%)	Real Estate Healthcare Lifestyle	100% 100% 100%	
		Water withdrawal data coverage as a percentage of total floor area, in regions with High or Extremely High Baseline Water Stress <sup>19</sup> , by property subsector (%)	Real Estate Healthcare Lifestyle	100% 100% 100%	
		Total water withdrawn by portfolio area with data coverage, by property subsector (m <sup>3</sup> )	Real Estate Healthcare Lifestyle	1.15 x 10 <sup>6</sup> m <sup>3</sup> 1.36 x 10 <sup>6</sup> m <sup>3</sup> 2.08 x 10 <sup>6</sup> m <sup>3</sup>	
	IF-RE-140a.2	Total water withdrawn by percentage in regions with High or Extremely High Baseline Water Stress <sup>20</sup> , by property subsector (%)	Real Estate Healthcare Lifestyle	100% 100% 100%	
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector <sup>20</sup> (%)	Real Estate Healthcare Lifestyle	-3% -10% +10%	
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	"Optimizing Water Usage"		Page 58

<sup>19</sup> We operate in regions within Indonesia which are generally assessed to experience "high" to "extremely high" water stress according to the World Resources Institute's Aqueduct Water Risk Atlas.

<sup>20</sup> The like-for-like percentage change excludes San Diego Hill's water withdrawal data, which was only included in 2023.

SASB Sustainability Disclosure	SASB Code	Accounting Metric	Property Subsector	Page Reference / Remarks
<b>MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS</b>	IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvement, by property subsector (%)	Real Estate Healthcare Lifestyle	0% NA 0%
		Associated leased floor area, of new leases that contain a cost recovery clause for resource efficiency related capital improvements, by property subsector (sq. ft)	Real Estate Healthcare Lifestyle	0% NA 0%
	IF-RE-410a.2	Percentage of tenants that are separately metered or sub-metered for grid electricity consumption by property subsector (%)	Real Estate Healthcare Lifestyle	100% 100% 100%
		Percentage of tenants that are separately metered or sub-metered for water withdrawals, by property subsector (%)	Real Estate Healthcare Lifestyle	100% 100% 100%
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	"Energy Efficiency & Emissions"	Page 52-56
	<b>CLIMATE CHANGE AND ADAPTATION</b>	IF-RE-130a.5	Area of properties located in 100-year flood zones, by property subsector	"Scenario Analysis"
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks			"Strategy"	Pages 28-33

### SASB - Real Estate Sector Disclosure (Activity Metrics)

SASB Code	Activity Metric	Property Subsector	2022
IF-RE-000.A	Number of assets, by property subsector	Real Estate <sup>21</sup> Healthcare Lifestyle	28 40 43
IF-RE-000.B	Leasable floor area, by property subsector (sq. ft)	Real Estate <sup>22</sup> Healthcare Lifestyle <sup>23</sup>	10,818,407 sq. ft N/A 18,024,491 sq. ft
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector (%)	Real Estate Healthcare Lifestyle	N/A N/A N/A
IF-RE-000.D	Average occupancy rate, by property subsector (%)	Real Estate Healthcare Lifestyle	Undisclosed Undisclosed Undisclosed

<sup>21</sup> The Real Estate segment comprises high-rise residential buildings, townships, water treatment plants, and corporate offices. Unlike in the Healthcare and Lifestyle segments where each managed "asset" is a distinct property, our Real Estate segment manages multiple assets and public/residential/commercial areas within each township. As such, for ease of reporting, we have consolidated multiple assets/areas within each township and classified them as a single "asset".

<sup>22</sup> Based on residential area within the high-rise residential buildings under our scope of reporting.

<sup>23</sup> Based on net leasable area within the malls under our scope of reporting.

## WORLD ECONOMIC FORUM (WEF) STAKEHOLDER CAPITALISM METRICS

Theme	Core Metrics and Disclosures	Page Reference/Remarks
<b>PRINCIPAL OF GOVERNANCE</b>		
Governing purpose	Setting purpose	7
Quality of governing body	Governance body composition	20, 80
Stakeholder engagement	Material issues impacting stakeholders	21-23
Ethical behaviour	Anti-corruption	83
	Protected ethics advice and reporting mechanisms	83
Risk and opportunity oversight	Integrating risk and opportunity into business process	28-33
<b>PROSPERITY</b>		
Employment and wealth generation	Absolute number and rate of employment	67-68
	Economic contribution	35-39
	Financial investment contribution	36-39
Innovation of better products and services	Total R&D expenses	44-50
Community and social vitality	Total tax paid	15
<b>PEOPLE</b>		
Dignity and equality	Diversity and inclusion	70-71
	Pay equality	71
	Wage level	71
	Risk for incidents of child, forced or compulsory labor	71, 83-85
Health and well-being	Health and safety	72-74
Skills for the future	Training provided	41, 72-78
<b>PLANET</b>		
Climate change	Greenhouse gas emissions	55-56
	TCFD implementation	28-33
Nature loss	Land use and ecological sensitivity	59
Freshwater availability	Water consumption and withdrawal in water-stressed areas	57-61

## FINANCIAL SERVICES AUTHORITY OF INDONESIA (OJK) – POJK NO.51/POJK.03/2017

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