

# Ethical Conduct & Business Respect for **Human Rights & Social Aspects**

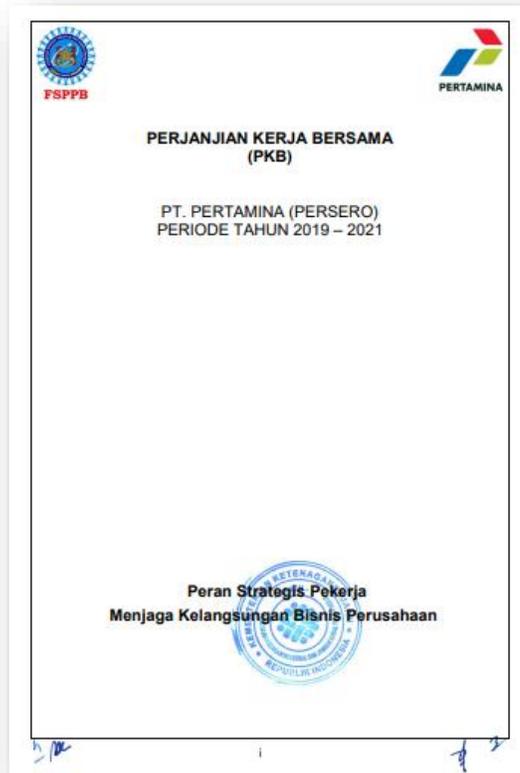
Jakarta, September 2021

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# Collective Bargaining Agreement

The aims and objectives of the Collective Bargaining Agreement are to regulate and guide the fulfilment of rights and obligations of the Employers, Trade Unions and Workers and strengthen the industrial relations between them.



In Pertamina, 72% of employees are members of trade unions.' [Sustainability Report 2020, 10] and 100% employees are protected by the Collective Bargaining Agreement (CLA).' [Sustainability Report 2020, 164].

Collective Bargaining Agreement regulates the working conditions for workers who have not been regulated in-laws and regulations and helps to maintain, improve and develop cooperation and harmonious working relationship between Employer and Worker.



Pertamina's President Director & CEO Nicke Widyawati together with President of the United Pertamina Workers Union Federation (FSPBB) Arie Gumilar prepare to sign the extension of the Collective Labor Agreement (PKB) between Pertamina and FSPBB for the 2019-2021 period which was held at Pertamina Headquarters, Jakarta on Tuesday, April 6<sup>th</sup> 2021.

<https://www.pertamina.com/id/news-room/energia-news/pertamina-dan-fsppb-perpanjang-perjanjian-kerja-bersama>

## Working Hours

The company regulate working time on Collective Bargaining Agreement (CBA). It has dedicated section for Working Time (Article 22-36) which stipulate, among others:

- Working time is 7 hours per day and 40 hours per week for 6-working-days a week, or 8 hours per day and 40 hours per week for 5-working-days a week (Article 23)
- Overtime is not mandatory and should be avoided as much as possible unless for operational emergency reasons (Article 28)
- Should overtime cannot be avoided, the maximum overtime is 3 hours per day or 14 hours per week (Article 29)
- For the first hour of overtime, the employee will be paid 1.5 times of regular hourly wage, and the subsequent overtime will be paid 2 times of regular hourly wage (Article 30)

## Living Wage

The living wage in Indonesia set by each municipalities government where the company operates. Pertamina committed to provide fair compensation above the minimum living standard as mentioned in our Sustainability Report 2020 (Page 12).

The Collective Bargaining Agreement (CBA) which also called Perjanjian Kerja Bersama as an agreement between the Company and Union, has a dedicated section for Remuneration in Article 16-20 which regulates how the company pay its remuneration such as

- Each employee is entitled for decent living wage (Article 16)
- Remuneration components among others: Basic Salary, Location Allowance, Position Allowance, other allowances and benefits (Article 16)
- Salary is transferred to employee at the end of each month (Article 18)

Internally, the company also participate in annual salary survey conducted by independent party which shows that the company's remuneration package is competitive with the Total Annual Cash (TAC) is at Percentile 75 (P75).

# Personal Data Protection

Pertamina has Data Protection Policy [No. A-007/H00000/2018-S9] which one of the objective of this policy is to detail out the management processes required for handling Personally Identifiable Information (PII) of employees, customers, and suppliers to provide appropriate protection, anonymity, and privacy.

In the policy we value information as one of the Company's strategic assets. Therefore, companies need to protect company information from various forms of threats, both from within and from outside the company, intentionally or unintentionally. The company must be able to guarantee the availability, integrity and confidentiality of company information to support the company's business continuity.

In this context, ensuring that company data is protected when it is managed from the time it is created or collected, when it is stored, when it is processed or utilized, to when it is destroyed by workers or certain applications is important. Improper data management processes can threaten the availability, integrity and confidentiality of company information.

# Health and Safety Fundamentals

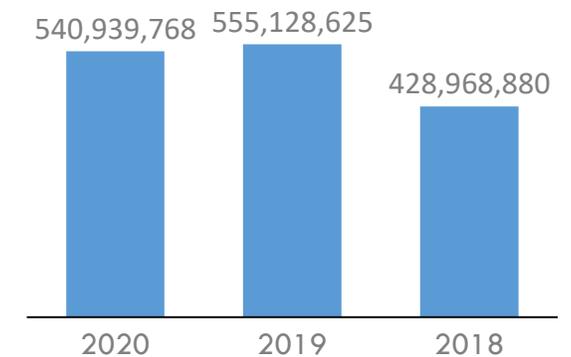
Based on the Classification and Incident Recording Guidelines No. A-0010-S00100-2018-S9 Rev-0, the calculation of work accident incidents is based on the consequence/loss. LTIR Performance Achievement is one of the Board of Directors' KPI components, which shows their seriousness and commitment to OHS performance. Pertamina has disclose the number and rate of high-consequence work related injuries, such as Lost Time Incident that result in a disability or an employee missing work due to an injury on Pertamina Sustainability Report 2020 (Page 179). In addition, the number of hours worked implied in Pertamina Sustainability Report 2020 by considering the number of injury and the injury rate that has been disclosed.

Tingkat Kecelakaan pada Karyawan Tetap dan Kontraktor [403-9][OG-13] Workplace Accident Rate of Permanent Employees and Contractors						
Kategori Category	2020		2019		2018	
	Karyawan Employee	Kontraktor Contractor	Karyawan Employee	Kontraktor Contractor	Karyawan Employee	Kontraktor Contractor
Fatalitas Fatality	0	4	0	3	1	6
LTI - Lost Time Incident DAFW - Days Away from Work	0	7	0	16	0	19
Restricted Work Days	0	19	0	24	0	9
Medical Treatment	0	49	0	60	0	32
Jumlah Kasus Recordable Incident Total Recordable Incidents	0	79	0	103	1	66

Tingkat Kecelakaan pada Karyawan Tetap dan Kontraktor [403-9][OG13] Workplace Accident Rate of Permanent Employees and Contractors					
Kategori Category	Realisasi Realization				
	2020	2019	2018		
Fatal Accident Rate (FAR) - per 100,000,000 Work Hour	0.73	0.54	1.63		
Lost Time Incident Rate (LTIR) - per 1,000,000 Work Hour	0.02	0.03	0.06		
Total Recordable Incident Rate (TRIR) - per 1,000,000 Work Hour	0.15	0.18	0.16		

Mengacu kepada International Association of Oil & Gas Procedures  
Referring to International Association of Oil & Gas Procedures

The number of hours worked (employee & contractor) can be seen as follows :



## Target & Impact of Investment to Stakeholders

Pertamina plans to invest around ~USD 90 Billion until 2024, including for Clean & Renewable Energy and other critical projects. We believe that such investment would yield potential impact to social and economy as identified below:

- Pertamina's Investment on Macroeconomic and Social Parameters in 2024, Pertamina's investment can increase the value of Indonesia's GDP by IDR 329 trillion and is equivalent to the cost to build more than 15,000 elementary schools (SD) with a minimum of four study rooms in one level.
- Pertamina can also contribute IDR 196 trillion for household income in 2024. This amount is enough to send 2.7 million students in high school (high school level for 3 years).
- Pertamina's investment has the potential to generate additional Indonesian government revenues of around IDR 214 trillion in 5 years for the 2020-2024 period. This value is sufficient to build 572 km of toll roads in Indonesia.
- Pertamina's investment in 2024 has the potential to generate 4.3 million workers. This amount is sufficient to absorb national unemployment (unemployment) aged 20-29 years on a 2020 basis.

# THANK YOU

