

MOMENTUM OF ACHIEVING GOALS

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ANNUAL REPORT 2022





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The foundation built in its inaugural year has propelled INA to achieve success upon success in its second year. This is evidenced by, among other things, the accomplishment of securing investment commitments exceeding Rp400 trillion, which is equivalent to USD27 billion, from both foreign and domestic investors, as well as making strategic sector investments totaling USD503 million or equivalent to Rp7.6 trillion. These achievements signify a notable positive growth from the accomplishments compared to the previous year.

INA has designated the year 2022 as The Year of Closing Deals. INA's investment achievements in 2022 further enhanced its distinguished track record as a reputable institution that adheres to the highest standards of accountability and transparency. INA, with unwavering commitment, consistently integrates the dimensions of Environment, Social, and Governance (ESG) into its operational activities and investments, thereby fostering sustainable growth and development throughout Indonesia.

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WELCOME NOTE FROM THE MANAGEMENT

Over the course of its second year, INA has made continuous progress growing the organization in a sustainable way and implemented business processes professionally. The progress started to show results in INA's performance across various metrics, its growing reputation, and the recognition from investors and stakeholders. This success is a credit to the capability of INA's personnel, from its leaders to every employees, who delivers INA's mandate with integrity. INA strives to ensure its strategic investments contribute to the development of the nation and the well-being of all Indonesians.

INA, INVESTING FOR **THE FUTURE OF INDONESIA**



WELCOME NOTE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD



Sri Mulyani Indrawati
Chairman of the Supervisory Board

WELCOME NOTE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

DEAR RESPECTED STAKEHOLDERS,

We wish to express our praises and gratitude to the God Almighty for the blessings and kindness bestowed upon us. Despite the weakening global environment, Indonesia has been resilient and was able to maintain its momentum for economic recovery and delivered stable growth for 2022.

Moving in harmony with Indonesia's positive conditions and trajectory, INA continued to make good progress in executing its development plans for the organization, finances, and investments in 2022. The progress was hard fought given the challenging circumstance globally, and the Supervisory Board highly appreciates both the effort and the results delivered. INA has successfully leveraged the governance and foundations established, along with the lessons learned in its first year, to realize its investment goals in its second year. Hence, we designate 2022 as the Year of Closing Deals.

Representing the Supervisory Board, I would like to present our welcome note regarding INA's Annual Report for the fiscal year 2022.

INDONESIA'S ECONOMIC & INVESTMENT CONDITIONS AND BUSINESS PROSPECTS

The Covid-19 pandemic has been effectively contained collectively through multiple

control measures, which have created opportunities for economic growth at the international, regional, and national levels. Nonetheless, geo-political tensions continue to present obstacles, including fluctuations in energy and food prices and rising inflation. These risks and uncertainties have the potential to undermine the global economy.

Indonesia has nevertheless managed to remain resilient in spite of the circumstances, and has shown strong cumulative growth of 5.3% from the first to fourth quarters of 2022. This growth rate has allowed Indonesia to return to its pre-pandemic levels of 5.0%, even recording the highest growth since 2013. The national trade balance also demonstrated a robust performance with a surplus of USD54.5 billion, representing a growth of 54.0% from 2021.

The Indonesia inflation rate in December 2022 year-on-year went beyond the intended 3%+1.0% target and reached 5.5% as of December 2022, mainly due to oil price adjustments. To counteract the negative effects of inflation on people's purchasing power, the government has implemented multiple instruments such as subsidies and assistance programs to stabilize the cost of essential commodities and protect low-income groups' incomes. Household consumption kept growing positively, contributing over half of Indonesia's gross domestic product, at 4.9% year-on-year, as per the Central Statistics Agency's data on 6 February 2023.

Indonesia, with its abundant and varied resources, becomes an attractive investment destination. The Ministry of Investment/Investment Coordinating Board

As a new organization, in its second year, INA has been forging a solid track record, strong reputation, and credibility.

WELCOME NOTE FROM THE CHAIRMAN
OF THE SUPERVISORY BOARD

(BKPM) has reported a 30.3% annual growth in investment realization, reaching Rp314.8 trillion in the fourth quarter of 2022. Although foreign direct investment (FDI) constitutes a more significant portion of the total investment at 54.2%, domestic investment is also vital and contributes 45.8% of the total.

Indonesia requires investment in the form of domestic investment and foreign direct investment to attain development targets and ensure sufficient prosperity for future generations. The establishment of INA as a Sovereign Wealth Fund (SWF) aims to maximize investment value and become a strategic partner for both foreign and domestic investors. According to the Global Sovereign Wealth Funds report, 2022 has been a challenging year for SWF institutions globally, resulting in a decrease in total investment value to USD1.0 trillion. However, Indonesia is viewed differently as it consistently records increased in investment inflows. The presence of INA will further assist the management of foreign investment in strategic and critical sectors such as infrastructure development, pharmaceuticals, and the digital ecosystem.

INA's journey has recently started and its investments in strategic sectors will attract foreign investor partners, leading to a flow of capital and expertise into Indonesia. Improving operational alpha and skills to increase productivity, asset recycling, and improving the capital structure will directly impact the structural transformation that the Indonesian Government aims to achieve. Thereby, it will create a multiplier effect on the economy as a whole.

The commitment obtained and the deployment of INA's investment with investor partners are anticipated to send a strong signal to the global community that Indonesia is a viable and prospective place as a long-term investment destination.

INA IN ITS SECOND
YEAR OF OPERATION

Establishing a strong reputation and credibility is crucial in the investment industry. Despite being a new organization in its second year, INA has been forging a solid track record by collaborating with highly respected investors including Government of Singapore Investment Corporation (GIC), Abu Dhabi Investment Authority (ADIA), Algemene Pensioen Groep (APG), BlackRock, and Silk Road Fund (SRF). In September 2022, INA was granted full membership status in the International Forum of SWF after only 16 months of being an associate member. This membership not only adds to INA's reputation but also guarantees that the organization has a globally accepted governance system, the Santiago Principles.

Drawing from the experiences gained in the first year, INA is trying to enhance its investment procedure's efficiency. The investment projects initiated in the previous year are being carried forward toward their final implementation stage.

INA identifies investment schemes and structures that are mutually favourable and beneficial to both asset owners and investors. INA strives to keep a harmonious balance between the impact of economic development and the optimal level of return on investment for all of its investments, which reflects its dual mandate in evaluating investment potential. INA may take corporate action while taking into account the potential risks and its governance framework to bridge the interests of investors and asset owners. This may involve the use of various financial instruments, such as bridging investments/loans, to prepare assets and achieve the risk-adjusted return level that investors find acceptable.

INA is dedicated to achieving responsible organizational and investment practices by integrating Environmental, Social, and Governance (ESG) factors into the investment process and operation of institution. At present, INA has ESG frameworks, policies, and operational guidelines in place and has performed ESG due diligence on various investment initiatives. INA also measured its CO2 emissions in 2022 to establish a reference point for tracking its progress in reducing carbon emissions. Global SWF also acknowledged INA for attaining the fourth-highest position in improving the GSR (Governance, Sustainability, and Resilience) scoreboard by 28%.

Challenges were inevitable for INA in organizing and investing during 2022, particularly in the investment aspect which always required efforts to be

managed and addressed for optimal solutions. Some of the main hindrances include the nature and circumstances of the targeted investment assets, discrepancies in the appetite of asset owners and buyers, and the dynamics involved in negotiations.

THE ROLE OF THE
SUPERVISORY BOARD

The Supervisory Board, with the authority it holds, aims to assist the Board of Directors of INA in fulfilling its responsibilities, particularly in the start-up phase of INA's functioning. By the end of 2022, the Supervisory Board had fulfilled all of its responsibilities and authority, including setting decisions, providing guidelines, and offering consultations within the scope of overseeing the operations of INA.

In general, the Supervisory Board directs and approves INA's strategic plans while also thoroughly monitoring and evaluating multiple management areas, such as governance, investment, finance, organization, operations, to reporting and accountability. The Board pays particular attention to some matters, such as aligning with asset owners, particularly state-owned enterprises, managing investor relations, human resources, legal compliance, advancing information technology systems, and conducting internal and external audits and risk management.

The Supervisory Board made improvements to the Supervisory Board Regulation (PDP) as the INA ground governance, by considering the changing nature of the organization and the need for supervision, while still adhering to the relevant laws and regulations governing INA, specifically Law No.11/2020 that has been revoked and replaced with the Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation into Law, and Government Regulation No. 74/2020. PDP is considered a living document that is updated continuously to ensure that the duties and authority of the Supervisory Board remain relevant, progressive, and supportive in keeping with the operational developments of INA.

In 2022, the Supervisory Board authorizes INA to perform bridging investments with its consent. This policy is enforced situationally and will be revisited as INA evolves in the coming years.

The Supervisory Board renders its accountability by presenting a report to the President, which details the performance and management of INA as well as the oversight activities carried out by The Supervisory Board along the year.

BOARD OF DIRECTORS
PERFORMANCE

During its second year, INA has made significant progress in advancing its structure, operations, and governance to facilitate the realization of investments. This progress has been notably fast.

By appointing highly capable individuals to key positions, INA has reinforced its organizational structure without compromising its agility as an organization. INA's growth as an organization is delivered with strong governance that adheres to best practice and international standards.

INA has secured investment commitments exceeding Rp400 trillion or equivalent to USD27 billion by the end of 2022, a remarkable achievement for a 2 year-old organization. This is also a validation that INA's reputation and credibility have been acknowledged domestically and internationally.

INA collaborates with selected groups of investors with global reputation and deep knowledge of the relevant industry to ensure that substantial value is created in the investment project. INA's investment also directly provides added value to the assets' ecosystem, which includes creditors, operators, and other related parties.

In 2022, INA has allocated USD503 million for investments in three sectors, namely toll road infrastructure, pharmaceuticals, and digital industries. INA invests in assets that have strategic importance for the country's economy and can generate profits for both INA and its investors. To maintain sustainable growth, the Supervisory Board is committed to supporting investment exploration and implementation.

WELCOME NOTE FROM THE CHAIRMAN
OF THE SUPERVISORY BOARD

The Supervisory Board considers INA's financial performance in 2022 to be excellent, with revenue and profits surpassing the targets set in INA's Annual Work Plan and Budget (RKAT) 2022. The success in exceeding the targets was primarily due to dividends from in-kind shares and investment in subsidiaries, as well as interest income surpassing expectations, and operational efficiency.

The Board of Directors has effectively managed the organization and its operations, based on a solid organizational structure, competent human resources, appropriate regulatory measures, and sufficient infrastructure. The Board of Directors also consistently maintains a balance between economic, effectiveness, and efficiency aspects, while adhering to good governance principles. INA also achieved targeted performance indicators related to organizational governance, such as having no weaknesses in the Internal Control System (ICS) according to Internal Audit findings, full membership in the IFSWF, and the implementation of a compensation framework that adheres to good governance standards.

INA has successfully attained the intended outcomes related to establishing a trustworthy and reputable image, which includes receiving favourable media attention and actively engaging in global conferences. This indicates INA's active role in enhancing Indonesia's standing to entice potential investors.

Undoubtedly, these factors have a beneficial influence on INA's overall performance, as indicated by the Key Performance Indicators for 2022, and will also aid in accomplishing INA's strategic objectives in the future. The Supervisory Board acknowledges and commends INA's accomplishments in 2022 and encourages further advancements to enhance INA's future performance to achieve its establishment mandates.

OVERSIGHT OF
INSTITUTIONAL
GOVERNANCE

The Supervisory Board provides oversight to the Board of Directors to ensure adherence to good corporate governance. Aside of implementing Santiago Principles, INA also conducts self-assessment which complies to market best practices in both investment and operational matters. The Internal Audit Division reviews the outcome of the self-assessment, which is then reported to the Audit Committee.

The Supervisory Board provides guidance and feedback to the Board of Directors to ensure alignment of INA's direction with the established mandate and targets. During the year, the Supervisory Board provides its oversight and advisory responsibilities to the Board of Directors through written correspondences and the Board meetings, including 9 (nine) joint meetings with the Board of Directors.

EFFECTIVENESS OF THE
INTERNAL CONTROL
SYSTEM

Maintaining INA's accountability relies heavily on the presence of an efficient Internal Control System (ICS). It is the responsibility of the Board of Directors to implement the ICS to safeguard assets, prevent losses caused by misuse, improve cost-effectiveness, and enforce all of INA's policies.

The implementation of ICS extends to all operational aspects of INA. The process of implementing ICS is layered with reporting, where the Board of Directors reports to both the Audit Committee and the Supervisory Board. Among its various responsibilities, the Audit Committee reviews financial reports on a quarterly basis and provides clearance before submitting them to the Supervisory Board. As for management reports, the Supervisory Board holds discussion meetings with the Board of Directors for each report.

In 2022, the Supervisory Board provided consultation on several preliminary Board of Directors regulations (PDD). These regulations serve as critical guidelines for INA to preserve its integrity. INA has also established a Gratification Control Unit that falls under the purview of the Compliance Division.

INA's internal monitoring is reinforced by external monitoring processes involving audits carried out by public accounting firms (KAP). With the endorsement of the Supervisory Board, INA designated KAP Purwantono, Sungkoro & Surya (Ernst & Young) to perform an overall audit of INA's financial statements for the year 2022.

EFFECTIVENESS OF
RISK MANAGEMENT
IMPLEMENTATION &
SUPERVISORY BOARD
COMMITTEE

The Board of Directors has instituted Risk Appetite Statements to serve as a reference for the degree of risk INA is prepared to assume. INA's risk management relies on the established risk aware culture, robust risk control and monitoring, especially from the second line of defense, and guidance from the Risk Management Committee.

INA's risk governance includes setting the standards for monitoring the investment portfolio, setting the loss threshold, and enhancing the infrastructure to deliver this efficiently. To prevent hacking and data breaches, INA has also developed its cyber security defense capability.

The Audit Committee, Ethics Committee, and Remuneration and HR Committee, which operate under the Supervisory Board, provide thorough oversight and guidance at

both strategic and technical levels. In 2022, these committees conducted 13 Audit Committee meetings, 7 Ethics Committee meetings, and 30 Remuneration and HR Committee meetings to carry out their oversight responsibilities. The results of their monitoring activities were reported to the Supervisory Board as a basis for their oversight and advisory roles to the Board of Directors, as well as the Supervisory Board policy-making.

APPRECIATION

The Supervisory Board acknowledges the difficulties encountered by the institution in 2022 and their influence on its results. The lessons learned from this year can be utilized as valuable insights for INA's ongoing betterment. Going forward, INA is anticipated to be more agile in creating new business opportunities and to adopt a more receptive, adaptable, and efficient approach. The organization is also urged to pursue new investment propositions and promote the merging of value chains throughout assets to enhance investment value.

The accomplishments of INA in 2022 were the result of the dedication and effort put forth by both the management and employees. The Supervisory Board wishes to extend our heartfelt gratitude to all involved parties, including investors, asset owners, and other stakeholders, for the unwavering support of INA. With excellent collaboration and trust from all parties, there is no doubt that INA is well-prepared to confront the upcoming years with a heightened sense of determination, striving towards the goal of achieving sustainable growth for Indonesia.

Jakarta, 19 May 2023
On Behalf of the Supervisory Board

Sri Mulyani Indrawati
Chairman of the Supervisory Board

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

MESSAGE
FROM THE CHIEF
EXECUTIVE
OFFICER



Dr. Ridha D. M. Wirakusumah
Chief Executive Officer

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

**DEAR DISTINGUISHED
STAKEHOLDERS,**

Indonesia Investment Authority (INA) has successfully completed 2022 with excellent accomplishments and has become a more well-known and trusted Indonesian Sovereign Wealth Fund (SWF) on the global sphere, for which we express our gratitude to God Almighty for His blessings and grace.

In 2022, INA entered its second year of operation with an emphasis on improving its investment deployment mandate, following a successful foundation established in the previous year.

In its second year of operation, INA has accomplished at least three primary forms of achievement that have been continuously developed in a progressive and sustainable manner.

First, INA's capacity to establish a positive reputation and foster global confidence through its adherence to internationally accepted governance practices, as evidenced by its acceptance as a full member of the International Forum of Sovereign Wealth Funds (IFSWF).

Second, INA's capability to secure investment commitments from global investors as a sign of confidence from prominent investment partners.

Third, INA's ability to deploy investment in priority sector relevant to national strategic sectors in supporting sustainable national development.

INA has had obstacles in accomplishing its purpose, and a multitude of factors has impacted the deployment of investments. Despite this, INA has accomplished the expectations and objectives established at its founding primarily because of the efforts of many individuals and organizations. As such, please allow me to represent the Board of Directors in presenting INA management report for the fiscal year 2022, outlined in this Board of Directors Report.

**GLOBAL AND
NATIONAL
ECONOMIC REVIEW**

The primary issues in the macroeconomic landscape of 2022 were centered around high inflation, the US Federal Reserve's interest rate increase, the Russia-Ukraine conflict, China's weakened economy caused by long-term lockdowns, currency fluctuations, and the global impact of Covid-19 resulting in a global economic slowdown, from 6.0% in 2021 to 3.4% in 2022.

According to the International Monetary Fund (IMF) report, approximately one-third of countries worldwide had two consecutive quarters of negative growth, partly due to global inflation estimated to increase from 4.7% in 2021 to 8.8% in 2022.

With rapid increase of inflation rates, many central banks around the world have opted to raise interest rates. The Federal Reserve (Fed) increased interest rates to 4.25% - 4.50%, marking the highest benchmark interest rate since early 2008. Authorities from the

As of September 20, 2022, INA was accepted and became a full member of the IFSWF and has committed to upholding the Santiago Principles in its governance, investment, and risk management practices.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Fed reiterated that we had not reached the terminal level yet and will see more hikes in 2023, reaching the terminal rate at 5.10% in 2023. This decision would drive impact of monetary policy on inflation, economic activity and financial market conditions.

The global economy has been significantly affected by various geopolitical events such as the conflict between Russia and Ukraine, as well as tensions between the US and China. The Russia-Ukraine conflict has caused disruptions in supply chains, an increase in commodity prices, and a global energy supply crisis. Similarly, the tensions between the US and China have led to import/export bans and higher tariffs. Additionally, the global technology supply chain has also been disrupted.

To ensure that the national economic recovery stays on track and stable, Bank Indonesia as the central bank increased the benchmark interest rate five times during 2022, resulting in an overall increase of 2.0%. By the end of December 2022, the BI 7-Day Reverse Repo Rate (BI7DRR) had reached 5.5%, the deposit facility stood at 4.8%, and the lending facility reached 6.3%.

Bank Indonesia has also been working to preserve the stability of the Rupiah exchange rate. Despite a decline of 8.6% against the US dollar by the end of December 2022, its performance is relatively more favourable than other nations in the region. For instance, China witnessed a depreciation of 9.0%, while India suffered a depreciation of 10.2%.

The Investment Coordinating Board (BKPM) has reported that investment in the final quarter of 2022 grew significantly, with an annual increase of 30.3%. This resulted in a total investment value of Rp314.8 trillion and created employment opportunities for 339,879 workers in Indonesia. Throughout the entire year of 2022, the investment realisation amounted to Rp1,207.2 trillion and provided employment for 1.3 million individuals. Of this amount, Rp654.4 trillion, or 54.2%, came from foreign direct investment (FDI), while Rp552.8 trillion came from domestic direct investment (DDI). This accomplishment demonstrates the confidence that both local and foreign investors have in Indonesia.

ANALYSIS OF INSTITUTIONAL PERFORMANCE

Throughout 2022, INA has remained committed to its investment strategy based on key principles. This year has been dedicated to achieving the investment deployment mandate, with a focus on prioritising Indonesian sectors that offer financial benefits and sustainable national development. The strategy also involves creating value-added opportunities, particularly with foreign and local investors who are willing to play an active role in participating in Indonesia growth story. A long-term perspective is adopted to ensure optimal risk-adjusted

returns, and active and passive investment opportunities are pursued to balance return and economic growth. INA remains flexible regarding return levels, as long as they exceed the minimum hurdle rate, especially for investments that align with national development. Lastly, various investment methods, such as direct investment, fund managers, and platforms, are utilised to achieve INA's strategic objectives.

By adhering to the aforementioned investment strategies and principles, and with a continued emphasis on four priority sectors; transportation and logistics, green energy and transformation, digitalization and digital infrastructure, and healthcare services; INA was able to achieve a successful investment deployment of USD503 million in 2022, or equivalent to Rp7.6 trillion.

In 2022, the toll road sector saw a successful first investment of USD400 million through the acquisition of two toll road assets belonging to PT Waskita Karya. These toll road sections are situated along the Trans-Java corridor (Kanci-Pejagan Toll and Pejagan-Pemalang Toll) and span almost 100 km in total.

Overall, the strategy of recycling infrastructure assets in Indonesia can see significant progress by incorporating a toll road platform. The acceleration of toll road asset recycling can have several positive outcomes in the short and long term. These include: 1) increase Foreign Direct Investment (FDI),

2) strengthen the finances of related toll road companies/ SOEs, 3) reduce the need for fiscal support from the government, 4) support investment in infrastructure development which has a positive impact on GDP growth and job creation.

As part of global consortium, INA successfully deployed a total of USD300 million in private credit as its second investment allocation to Traveloka, with INA's investment portion of USD44 million, aiming to accelerate the digital ecosystem growth of the travel industry. As a pioneer in digital transformation of travel sector in Indonesia, Traveloka holds the majority market share in Indonesia and Southeast Asia. It is the leading Online Travel Agencies (OTA) in Southeast Asia, Indonesia, and Vietnam. Moreover, Traveloka is the second-largest tech company in Indonesia and the only Indonesian tech company that dominates the regional market. This funding will allow Traveloka to continue expanding, with a particular focus on Indonesia, where most of the investment will be directed.

Towards the end of 2022, INA completed the investment process in the healthcare industry after a long period of negotiations. INA joined forces with Silk Road Fund (SRF) to invest in PT Kimia Farma Apotek (KFA) with an investment total of approximately Rp1.9 trillion (with INA portion of Rp930 billion or ~USD60 million) representing 40% ownership in KFA). The investment aims to support KFA's strategic business expansion, working capital requirements, and operational efficiency enhancement initiatives.

INA's investment disbursement in 2022 demonstrated a positive trend, with a significant increase from USD282 million in 2021 to USD503 million in 2022, which amounts to an 85% increase (excluding the implementation of commercially agreed deals that are yet to take effect). This brings INA's total investment disbursement since its inception to USD785 million, which is equivalent to Rp11.7 trillion.

PT Dayamitra Telekomunikasi (MTEL/Mitratel), Indonesia's largest telecommunications tower company, saw the realization of INA's investment in 2021 through an IPO mechanism. This long-term investment has been highly advantageous for both Mitratel and investors as it helps to maintain a stable investor base and optimise value creation. Mitratel had a successful year in 2022 with notable accomplishments. Mitratel exhibited robust financial performance, with EBITDA amounting to Rp6.1 trillion in 2022, reflecting a year-on-year (yoy) growth rate of 17.8% compared to the previous year. Moreover, Mitratel's Profit After Tax (PAT) increased by 29.3% (yoy), reaching Rp1.8 trillion. This suggests that there is a strong possibility of profitable returns in the upcoming year.

INA's investment disbursement in 2022 was greatly impacted by the dynamic variations that occur in each investment project. Such conditions have led to a notable decrease in some investment disbursements as some projects have been delayed or cancelled.

By the end of 2022, certain agreements had progressed to the final stages of investment. These agreements pertained to toll road investments in assets owned by PT Hutama Karya, as well as investments in the renewable energy sector alongside Masdar as a co-investor. While initially aimed to be realised in 2022, the investment process dynamics have caused a delay, pushing their realization to 2023.

As we enter the first quarter of 2023, INA has completed 2 (two) investment deployments with total investment value of USD127 million or equivalent to Rp1.97 trillion, in healthcare industry and green energy and transformation sector. In the healthcare sector, INA and SRF made further investments in PT Kimia Farma in February 2023, with total investment value of Rp295 billion (~USD19 million) and INA portion of Rp155 billion (~USD10 million), while in the green energy and transformation sector, INA and Masdar invested in PT Pertamina Geothermal Energy (PGE) in the same month through the purchase of IPO shares worth Rp7.3 trillion (~USD470 million), with INA portion of Rp1.8 trillion (~USD117 million).

In 2022, INA has also successfully obtained several investment commitments, including: 1) Joint investments with the Education Fund Management Agency (LPDP) in the green energy, health, digitisation, and financial services sectors, 2) An investment Framework Agreement with the Investment Fund for Developing Countries (IFU) from the Kingdom of Denmark, worth USD500

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

million, 3) Commitment from the Silk Road Fund (SRF) to invest in various projects, including the health sector, with a total commitment value exceeding USD3 billion, and 4) Formation of a fund and other cooperation in the field of green energy with a potential fund value reaching USD2 billion, through joint commitments with Contemporary Amperex Technology Co., Limited (CATL), and CMB International Capital Corporation Limited (CMBI).

INA places a strong emphasis on optimising returns, capital preservation, and liquidity management in its fund management and treasury asset management. As of December 2022, total treasury assets had increased to Rp86.2 trillion, with asset composition consisting of 74.5% or Rp64.2 trillion in in-kind share ownership, 16.8% or Rp14.4 trillion in government bonds, and 8.7% or Rp7.5 trillion in cash and deposits.

INA has established funding infrastructure to support its funding strategies, which takes the form of loan facilities in six banks (Himbara, local banks, and foreign banks) totalling Rp15 trillion. These loan facilities can be utilised by INA and its subsidiary/ sub-holding companies, where INA maintains a minimum ownership and management control of 51%.

INA has not only established loan facilities but also bank guarantee facilities to support its investment activities, such as project tenders and other guarantees, as well as hedging facilities to meet its hedging requirements.

From a financial perspective, the actual results of INA's financial conditions as of 31 December 2022 are consistent with the annual targets set, and it has exceeded the target by posting a net profit of Rp2.6 trillion.

INA posted total revenue of Rp3.4 trillion in 2022, consisting of dividend income from in-kind shares and dividend from investment of subsidiaries as well as interest income. Interest income was derived from a combination of government bond coupon income, interest income from time deposits and savings accounts, and investments in other debt instruments. INA was able to achieve this revenue through an optimisation of yield and capital preservation, while applying good governance within measurable risk limits, all in line with its asset management strategy.

GOVERNANCE STANDARDS

INA's success in 2022 can be attributed to the key foundational enablers established from its inception, namely INA's solid risk and governance framework that adheres to international standards. In keeping with its pledge to uphold these global governance standards, INA was accepted and became a full member of the International Forum of Sovereign Wealth Fund (IFS WF) on 20 September 2022. As a full member, INA strictly adheres to the Santiago Principles in its investment, governance, and risk management practices, highlighting its dedication to professional and independent investment management while fulfilling its duties and responsibilities.

Furthermore, INA has been recognised as the fourth-highest sovereign wealth fund in enhancing its score on the GSR (Governance, Sustainability, and Resilience) scoreboard by Global SWF in 2022, with 28% increase. This accomplishment is a testament to INA's impressive performance in establishing global credibility and reinforces its reputation as a trustworthy entity.

To ensure effective and governance, INA actively communicates its internal policies (Board of Directors Regulation - PDD) and develops detailed standard procedures to support policy implementation. In addition to enforcing these internal regulations, INA conducts periodic reviews and revisions proactively to maintain and enhance their efficiency and effectiveness.

All levels in INA are signees to INA's Integrity Pact and are dedicated to implementing the code of ethics and fostering a culture of integrity. INA Board of Directors and employees sign onto the Integrity Pact upon joining and renew their commitment annually to ensure compliance with the code of ethics.

Since 2021, INA has established the INA Integrity Line, a Whistleblowing System (WBS). The system is designed to receive reports of any violations, which are managed by an independent third party. The results of monitoring reports submitted through the INA Integrity Line are reported to the Compliance Division on a monthly basis.

RISK MANAGEMENT AND INTERNAL AUDIT IMPLEMENTATION

INA actively measures, monitors, and manages various risk arising from its activities, both controllable and uncontrollable, within its Risk Appetite limits.

Previously, INA has established a comprehensive risk management framework that adopts the three lines of defense model approach. In 2022, this framework has been implemented to manage both the investment and enterprise-wide risks.

INA's Risk Appetite Statement provides guidance to the level of risk that INA is willing to assume to achieve its mandate and meet investors' expectations. These statements also help INA maintain a risk-controlled environment by overseeing the sufficiency of INA's risk control and optimizing the Risk Management Committee's role. INA planned to implement risk appetite and supervise risk control sufficiency in 2022 in two areas: investment risk and enterprise-wide risk.

On investment risk, INA deploys the second line of defense, which includes risk management, compliance, and legal, to provide oversight and challenge on the analysis and due diligence activities done for the investment transaction. The due diligence and challenge result is embedded into the Investment Memo, which outlines the transaction rationale, risk assessment and mitigation, projection and valuation assumptions, and the expected returns. For the enterprise-wide risk, INA Risk Register maps out all its risk activities and its controls. For good governance practices, INA conducts an annual self-assessment to validate, enhance, and improve the effectiveness of the risk controls through a yearly iterative process.

To optimize Risk Management Committee's role in guiding and monitoring the development of INA risk-taking activities, INA is hiring additional headcount, developing new policies, building its technology infrastructure, and growing its organizational structure. Additionally, INA fosters a risk-aware culture through its annual self-assessment process to evaluate the effectiveness of the controls in place in the Risk Register and identify areas for improvements to enhance the Risk Register for the next iteration.

As one of the highly important functions to support the success of its investment, INA has taken steps in 2022 to establish an internal audit function with skilled and talented professionals to create as well as execute the audit plan for the year. During the development of this function, INA engaged in benchmarking with other SWFs to identify the most fitting audit approach and focus that align with its specific requirements and characteristics.

FOCUSING ON ENVIRONMENT, SOCIAL, AND GOVERNANCE ASPECTS

INA's commitment to constructing responsible investments is translated in its prioritisation of Environmental, Social, and Governance (ESG) aspects. INA believes that responsible investments which seriously take into account ESG factors will create greater benefits for our investment partners, stakeholders, and future generations of Indonesia.

INA integrates ESG factors into its investment and operational processes by considering global sustainability practices, the Indonesian government's ESG commitments, Indonesia as a developing country, and the company's transition phase.



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

INA integrates ESG principles into its investment process by applying its ESG framework and principles to assess potential investment opportunities. INA conducts a comprehensive review of all investment opportunities at the outset to ensure that no investments possess any ESG-related issues that could potentially cancel the transactions. Additionally, through due diligence, INA examines ESG risks and opportunities to establish better investment returns and values.

In our operational activities, ESG implementation is carried out through the monitoring of various ESG factors, including greenhouse gas emissions, employee diversity, total employee training hours, and the adherence to good ESG governance.

To fulfil its commitment to environmental, social, and good governance responsibilities, INA ensures that its investment and operational policies are designed with ESG factors in mind. In order to accomplish this, INA has established and put into action ESG policies and frameworks to guide the identification and evaluation of ESG risks and opportunities. Additionally, INA has publicly shared its ESG policy on its website as part of its pledge to transparency.

In line with its level of investment ownership and control, INA is dedicated to closely monitoring investee companies to enhance ESG-related aspects and generate added value. To formalise this commitment, INA develops ESG roadmaps with the portfolio companies following an investment transaction. This roadmap includes INA's ESG metrics to guide monitoring areas and track the performance of portfolio companies.

In 2022, INA played an active role in identifying and engaging local and international stakeholders in the green energy and transformation sectors that are anticipated to provide more significant environmental and socio-economic impact in Indonesia. INA has signed several memorandums of understanding (MoU) in green energy and transformation sectors, including the energy transition mechanism (ETM), the electric vehicle (EV), and the geothermal, signalling INA's commitment to promote sustainable investments.

Jakarta, May 2023
On behalf of Board of Directors

Dr. Ridha D. M. Wirakusumah
Chief Executive Officer (CEO)

APPRECIATION

For all of INA's achievements in 2022, please allow me to represent the Board of Directors in extending our deepest appreciation and gratitude to all the stakeholders, investor partners, asset owners, and government institutions who have provided unwavering support to INA in carrying out its mandate and have kindly granted immense trust in INA as we build our credibility since its establishment.

We would also like to extend our utmost appreciation to the Supervisory Board for their professional input and guidance throughout 2022, which has been instrumental in supporting better and more progressive management of INA. Additionally, we deeply and sincerely appreciate all INA employees who have made significant contributions by showing up everyday with strong work ethics, high level of dedication and integrity.

INA will use all these accomplishments as a basis to maximise its potential and achieve the best and sustainable performance in the future.



STATEMENTS OF ACCOUNTABILITY
FOR THE 2022 ANNUAL REPORT BY
THE SUPERVISORY BOARD
OF INDONESIA INVESTMENT AUTHORITY (INA)

We, the signatories, hereby state that all information contained in the 2022 Annual Report of Indonesia Investment Authority (INA) has been comprehensively presented and the accuracy of the contents of INA's Annual Report is fully accountable.

This statement is truthfully made.
Jakarta, 19 May 2023

SUPERVISORY BOARD



Sri Mulyani Indrawati
Chairman of Supervisory Board



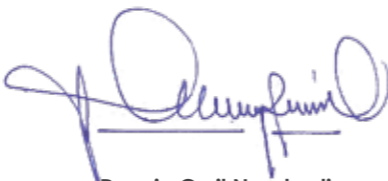
Erick Thohir
Member of Supervisory Board



Haryanto Sahari
Member of Supervisory Board Professional



Yozua Makes
Member of Supervisory Board Professional



Darwin Cyril Noerhadi
Member of Supervisory Board Professional

STATEMENTS OF ACCOUNTABILITY
FOR THE 2022 ANNUAL REPORT BY
THE BOARD OF DIRECTORS OF
INDONESIA INVESTMENT AUTHORITY (INA)

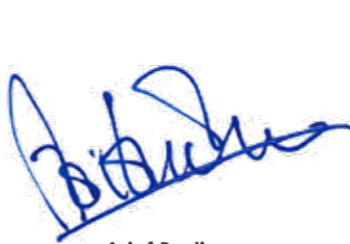
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Jakarta, May 2023

BOARD OF DIRECTORS



Dr. Ridha D. M. Wirakusumah
Chief Executive Officer (CEO)



Arief Budiman
Deputy Chief Executive Officer (Deputy CEO)/Chief Investment Officer



Stefanus Ade Hadiwidjaja
Chief Investment Officer



Marita Alisjahbana
Chief Risk Officer



Eddy Porwanto Poo
Chief Financial Officer



ABOUT INA

Throughout 2022, INA actively exercised its mandate and authority through fundraising, developing new partnership, and realized various investment commitments. As a result, INA successfully deployed investment in various strategic sectors.

EXERCISING INA'S MANDATE TO **FOSTER INDONESIA'S DEVELOPMENT**

INA AT A GLANCE



INA is Indonesia's Sovereign Wealth Fund established by the Government of Indonesia based on a strong legal foundation of Law No. 11 of 2020 that has been revoked and replaced with Law No. 6 of 2023 regarding the Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation into Law, and is supported by several derivative regulations, including Government Regulation No. 74 of 2020 on Indonesia Investment Authority.

As an institution, INA acts as a strategic partner for investors. INA has a strong legal and institutional foundation, applies international practices and standards, and can be a bridge for investors to place their funds and participate in Indonesia's development.

INA is responsible to the President of Indonesia and has special authority (sui generis) that is aimed at maintaining independence and professionalism in managing assets and/or attracting Foreign Direct Investment (FDI). INA has flexibility in making investments while prioritizing the principles of accountability.



Mandate of INA

INA aims to grow and optimize assets under management in the long term and to contribute to Indonesia's sustainable development.



Authority of INA

INA has comprehensive authority to carry out its mandate:




- investing in financial instruments
- conducting asset management activities
- partnering with other parties including trust funds
- selecting potential investment partners
- obtaining and providing loans
- administering assets




INA may cooperate with investment partners, investment managers, SOEs, government agencies or institutions, and/or other entities, both domestic and from abroad. INA may directly appoint investment partners by considering, among others, internationally accepted business practices, while still maintaining good governance.

UNIQUE CHARACTERISTICS OF INA




As a sui generis institution, INA has unique features.


HIGHLIGHTS OF INA'S UNIQUE FEATURES




01. Full authority in investment decision-making to achieve optimal risk-adjusted returns




04. Flexibility and the ability to adopt international best practices in investment



02. Run by a professional management team to ensure independence




05. A Robust legal foundation, including bankruptcy protection




03. Commercial focus aligned with an economic development agenda


CAPITAL OF INA




INA's capital of Rp75 trillion is entirely derived from State Equity Participation (SEP), carried out in stages in 2021.



cash amounted Rp15 trillion as the initial capital injection through Government Regulation No. 73 of 2020, received on 26 February 2021.



a second injection of cash amounted Rp15 trillion through Government Regulation No. 110 of 2021 dated 29 October 2021 was received by INA on 12 November 2021.



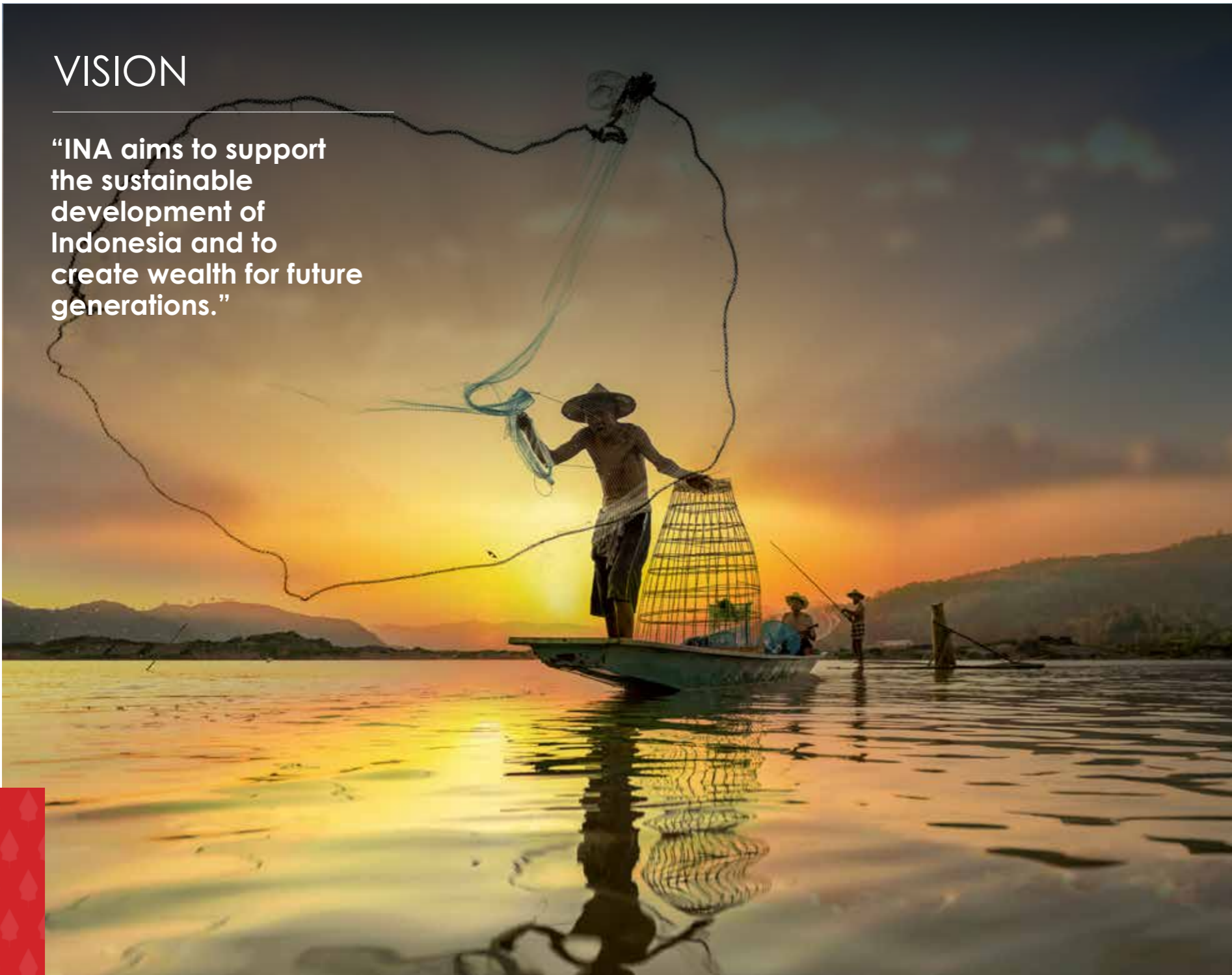
conversion of state-owned B-series shares in PT Bank Rakyat Indonesia Tbk (Persero) and PT Bank Mandiri Tbk (Persero) with a total amount of Rp45 trillion stipulated through Government Regulation No. 111 of 2021 dated 29 October 2021. The capital injection in in-kind (inbreng) shares was received through an in-kind (inbreng) deed signed on 23 December 2021.

VISION, MISSION, AND VALUES

VISION, MISSION, AND VALUES

VISION

“INA aims to support the sustainable development of Indonesia and to create wealth for future generations.”



MISSION



Delivering optimal returns
Investing in the right assets to deliver optimal risk-adjusted returns, by:

- Adopting a long-term perspective to ensure we grow wealth for future generations
- Prioritizing key growth sectors and building capabilities to add value to investments



Collaborating with credible investors
Collaborating with credible investors to advance the development of Indonesia by way of:

- Building operational capabilities based on global best practice standards
- Building our reputation as a credible and world class institution



Creating value
Creating added value through the application of global best practices, by:

- Unlocking and strengthening the long-term value of investment assets
- Supporting local champions to grow into regional and global champions



Advancing Indonesia's competitiveness
Advancing Indonesia's competitiveness through strategic investment policy by unleashing the economic potential of Indonesia in a sustainable way, leveraging Indonesia's advantages such as its young demography and rich resources.



Developing people
Building a world-class organization that comprises Indonesia's best talents:

- Building a working culture that attracts top talent
- Developing future leaders to spearhead Indonesia's national development

VISION, MISSION, AND VALUES

VISION, MISSION, AND VALUES

VALUES



I-RISE
Indonesia Rise

INA upholds 5 (five) basic values that reflect a solid and professional culture.



Integrity

Every INA employee will always speak and act honestly, have high moral quality and values, comply with prevailing laws and regulations, act independently in accordance with the code of conduct, and prioritize INA's interests.



Responsibility

Every INA employee will always be responsible for every action taken, consider all key aspects in making decisions, and have the courage to make decision with measured risk.



Innovation

Every INA employee will always be able to generate ideas and breakthroughs that can improve performance and achieve performance targets.



Symbiotic Collaboration

Every INA employee will always uphold the principles of cooperation and mutual benefit, as well as provide added value for INA, INA's partners, and other parties.



Excellence

Every INA employee will always strive for the best results by setting high standards and carrying out innovation and continuous improvement.

THE SUPERVISORY BOARD



.03

.05

.01



.04

.02

.01
Sri Mulyani Indrawati
Chairman of Supervisory Board

.02
Erick Thohir
Member of Supervisory Board

.03
Haryanto Sahari
Member of Supervisory Board - Professional

.04
Yozua Makes
Member of Supervisory Board - Professional

.05
Darwin Cyril Noerhadi
Member of Supervisory Board - Professional

THE SUPERVISORY BOARD

MANAGEMENT OF INA

PROFILES OF THE SUPERVISORY BOARD

INA HAS A TWO-TIER BOARD STRUCTURE
OF **SUPERVISORY BOARD AND BOARD OF DIRECTORS**

SUPERVISORY BOARD

The Supervisory Board is in charge of supervising the management of INA conducted by the Board of Directors, with the authority to:

- Approve the annual work plans and budget with the key performance indicators proposed by the Board of Directors;
- Evaluate the achievement of key performance indicators;
- Accept and evaluate the Board of Directors' accountability report;
- Submit the Supervisory Board's accountability report and the Board of Directors' accountability report to the President of Indonesia;
- Appoint and dismiss members of the Advisory Board;
- Appoint and dismiss members of the Board of Directors;
- Determine the remuneration for the Supervisory Board and Board of Directors;
- Propose changes to INA's capital to the President of Indonesia;
- Approve INA's annual financial statements,
- Suspend members of the Board of Directors, and appoint acting members of the Board of Directors; and
- Approve the appointment of INA's auditor.

The Composition of Supervisory Board comprises:
a. The Minister of Finance as the Chairman and member;
b. The Minister of State-Owned Enterprise as member; and
c. Three (3) professionals as members.

Members of the Supervisory Board are appointed and dismissed by the President of Indonesia. The term of office of members of the Supervisory Board is five (5) years (except for the first year of the establishment of INA) and can be reappointed only once for another consecutive term.

SUPERVISORY BOARD COMPOSITION

Chairman of Supervisory Board	Sri Mulyani Indrawati
Member of Supervisory Board	Erick Thohir
Member of Supervisory Board - Professional	Haryanto Sahari
Member of Supervisory Board - Professional	Yozua Makes
Member of Supervisory Board - Professional	Darwin Cyril Noerhadi



L

She currently serves as the Minister of Finance of Indonesia since 2016, after previously serving as Minister of Finance in the period of 2005-2010.

During her tenure, she received several international awards. She was named the best Minister of Finance in Asia in 2006, the best Minister of Finance in Asia Pacific for 3 (three) consecutive years from 2017-2019, the best Minister of Finance in East Asia and the Pacific in 2018 and 2020, and the best Minister of Finance in the World in 2018.

She also held strategic positions in international organizations, as Executive Director of the International Monetary Fund (IMF) representing 12 countries in Southeast Asia (SEA Group) from 2002 to 2004, and Managing Director of the World Bank from 2010 to 2016.

She earned her bachelor's degree in Economics from the University of Indonesia (UI) in 1986. She continued her studies at the University of Illinois Urbana Champaign, United States and earned her Master of Science of Policy Economics (1990). Subsequently, in 1992, she obtained her Ph.D in Economics. She is a specialist of public finance, monetary policy, and labor economics.

Sri Mulyani Indrawati
Chairman of Supervisory Board

PROFILES OF THE SUPERVISORY BOARD



He currently serves as Minister of State-Owned Enterprises since October 23, 2019 and was appointed as a member of INA Supervisory Board in 2021.

Prior to serving as Minister of State-Owned Enterprises (2019), he was a Director of TVOne (2007), Director of ANTV (2014), Chairman of Mahaka Group (1992-2019), Chairman of the INASGOC Asian Games Management Board (2018), and Chairman of the Joko Widodo and Ma'ruf Amin Winning Team in the 2019 Presidential and Vice Presidential Elections.

He was entrusted to hold important positions in various sports organizations, with a particular focus on basketball both domestically and internationally.

He earned his Bachelor of Arts degree from American College, California-USA (1991) and obtained his Master of Business Administration degree after completing his studies at National University, California-USA in 1993.

Erick Thohir
Member of Supervisory Board

PROFILES OF THE SUPERVISORY BOARD



He is a senior public accountant in Indonesia with more than 30 years of experience and currently serves as an Independent Commissioner at PT Bank Permata Tbk, Chairman of the Audit Committee and Risk Monitoring Committee, as well as a Member of the Remuneration and Nomination Committee.

He also serves as the Audit Committee of several public companies and in 2022 was appointed as a member of the Audit Committee at the Ministry of Health. He has served as Country Senior Partner of PricewaterhouseCoopers Indonesia for 10 years and led a number of audit initiatives in major Indonesian companies. He has also had experience in corporate restructuring since the Asian financial crisis. He has a strong reputation in the fields of corporate governance and risk management nationally and internationally.

He holds a bachelor's degree in Economics, Department of Accounting, University of Indonesia and a holder of a CPA license (Certified Public Accountant) and is a CA (Chartered Accountant).

Haryanto Sahari
Member of Supervisory Board -
Professional

PROFILES OF THE SUPERVISORY BOARD



He is the founder and Managing Partner of law firm Makes & Partners (Best Southeast Asia Capital Market Law Firm 2023 by Legal 500), with more than 35 years of experience in merger and acquisition transactions, capital market, corporate finance, foreign investment and various commercial transactions with other countries.

As one of the leading legal practitioners in Indonesia, he has also received international awards from various publications as the best capital market law practitioner since 1990. His most recent achievements include being featured in the first ever Who's Who Legal: South East Asia 2021 for its chapter on Capital Markets and the Best Managing Partner of 2022 from Asian Legal Business. He is also a Member of the Advisory Board of the Indonesian Chamber of Commerce (Kadin 2021 - 2026), a Member of the Supervisory Board of the Indonesian Association of Hotel and Restaurant (PHRI 2020 - 2025) and lecturing at the Faculty of Law of the University of Indonesia and University of Pelita Harapan.

He has a Bachelor's degree and Doctorate in law with distinctions from the University of Indonesia, a Master of Law degree from the University of California, Berkeley, and a Master of Management degree at the Asian Institute of Management. He completed the Advanced Management Program at Harvard Business School.

Yozua Makes
Member of Supervisory Board - Professional



He is one of the leading investors in Indonesia and the founder of financial firm Creador Indonesia.

He has been involved in various investment transactions across South and Southeast Asia including Indonesia, Malaysia, India and Vietnam. He has held executive board positions including CEO of the Indonesia Stock Exchange, CFO of Medco Energi International Tbk, and Partner in the field of corporate finance at PricewaterhouseCoopers Indonesia.

He currently serves as Commissioner of PT Medikaloka Hermina Tbk, Independent Commissioner of PT Austindo Nusantara Jaya Tbk, and previously served as President Commissioner (Independent) of PT Mandiri Sekuritas.

He holds a Bachelor's degree in Petroleum Geology from Bandung Institute of Technology, an MBA in Finance and Economics from the University of Houston, and a PhD in Strategic Management from the University of Indonesia with cum laude distinction.

Darwin Cyril Noerhadi
Member of Supervisory Board - Professional

BOARD OF DIRECTORS

BOARD OF DIRECTORS



.01
Dr. Ridha D. M. Wirakusumah
Chief Executive Officer

.02
Arief Budiman
Deputy Chief Executive Officer/
Chief Investment Officer

.03
Stefanus Ade Hadiwidjaja
Chief Investment Officer

.04
Marita Alisjahbana
Chief Risk Officer

.05
Eddy Porwanto Poo
Chief Financial Officer

BOARD OF DIRECTORS

PROFILES OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS

The Board of Directors is in charge of leading the day-to-day operations at INA. The authority of the Board of Directors includes:

- To formulate and define INA's policies;
- To implement policies and manage INA's operations;
- To prepare and propose remuneration for the Supervisory Board and the Board of Directors to the Supervisory Board;
- To prepare and propose annual work plans and budgets with key performance indicators to the Supervisory Board;
- To develop the organizational structure and carry out personnel management, including appointments, dismissals, payroll systems, reward remuneration, pension programs, golden-age benefits, and other benefits for INA's employees; and
- To represent INA inside and outside of the courts.

The Board of Directors consists of five (5) professionals, appointed and dismissed by the Supervisory Board. One member of the Board of Directors is appointed to be the Chairman of the Board of Directors. The term of office of members of the Board of Directors is five (5) years (except for the first year of the establishment of INA) and can be reappointed only once for another consecutive term. The implementation of duties and authority of the Board of Directors, including segregation of duties and authority of members of the Board of Directors, are stipulated in the Board of Directors Policies.

BOARD OF DIRECTORS COMPOSITION

Chief Executive Officer	Ridha D. M. Wirakusumah
Deputy Chief Executive Officer/Chief Investment Officer	Arief Budiman
Chief Investment Officer	Stefanus Hadiwidjaja
Chief Risk Officer	Marita Alisjahbana
Chief Financial Officer	Eddy Porwanto Poo



Dr. Ridha D. M. Wirakusumah
Chief Executive Officer

L He is one of Indonesia's top executives in banking, financial services, and investment with more than 30 years of experience at leading global and Indonesian institutions.

Prior to joining INA, he served as Chief Executive Officer of Bank Permata, Head of Indonesia at KKR & CO., and Chief Executive Officer of Bank Maybank Indonesia.

He previously has served in several multinational corporations including as CEO of Asia Pacific AIG Consumer Finance, CEO of Asia Pacific GE Capital Consumer Finance and Banking, CEO of GE Capital Thailand, CEO of GE Capital Indonesia, as well as Head of Corporate Finance of Bankers Trust, and Public Sector of Citibank Indonesia.

He obtained his Doctorate in Business Administration from City University Hong Kong, an MBA in Finance and International Business from Ohio University, and a Bachelor in Electrical Engineering and Science from Ohio University. He completed the Advanced Management Program at University California, Berkeley.

PROFILES OF THE BOARD OF DIRECTORS



He is an experienced senior executive and advisor in financial services and investment, with more than 20 years of global and domestic experience including with leading Indonesian state-owned enterprises.

Prior to joining INA, he was the CEO of Danareksa, Indonesia's first securities and brokerage company, where he was in charge of fund raising and partnerships with international investors in fintech, financial services, and infrastructure. He was also CFO of Pertamina, Indonesia's only Fortune 500 company where he was involved in its turnaround, fund raising, complex project finance, and public listing of its subsidiary. He was a senior global consultant with experience in North America, North Asia, and South and Southeast Asia. He was Partner of McKinsey & Co and the President Director of PT McKinsey Indonesia, and before that, a consultant with Booz Allen Hamilton in the USA and Asia. He was the leader of the Indonesian Sovereign Wealth Fund development team from the Ministry of SOE.

He earned an MBA in Finance from the Wharton School, the University of Pennsylvania, graduating as a Palmer Scholar, and a Bachelor's degree from the Institute of Technology Bandung as the school's best graduate.

Arief Budiman
Deputy Chief Executive Officer/
Chief Investment Officer



He is one of Indonesia's leading investment executives with regional investing experience. Prior to joining INA, he was with Creador, a leading Southeast Asian private equity firm, where he was the Managing Director and Country Head of Indonesia and Singapore and a member of the firm's Investment Committee.

He spent a few years working at a global consulting firm, the Boston Consulting Group (BCG), serving clients in financial services and telecommunications industries, across both private and state-owned enterprises. Prior to that, he worked at management consulting firms, Arghajata and Skha Consulting, and spent a year with IBM Indonesia as Territory Services Leader.

He earned an MBA in Finance from Wharton School, the University of Pennsylvania as a Fulbright-Sampoerna Scholar and a Bachelor's degree in Industrial Engineering from the University of Pelita Harapan.

Stefanus Ade Hadiwidjaja
Chief Investment Officer

PROFILES OF THE BOARD OF DIRECTORS

PROFILES OF THE BOARD OF DIRECTORS



She is one of the most senior risk management leaders in Indonesia with more than 30 years of experience.

Prior to joining INA, she served as Country and Corporate Risk Manager of Citibank Indonesia for more than 15 years and the first Indonesian to hold the role.

She has extensive experience in risk management and has served as Country Risk Manager in Indonesia, Thailand, Vietnam, and the Philippines. She has gone through many economic cycles in her capacity as the Country Risk Manager among others the Asian financial crisis and the global financial crisis.

She earned a Bachelor's degree from the Institute of Technology Bandung, and a Master's degree from the University of California, Los Angeles.

Marita Alisjahbana
Chief Risk Officer

PROFILES OF THE BOARD OF DIRECTORS



He is one of Indonesia's leading finance professionals with 30 years of experience specializing in company turnaround and investment.

Prior to joining INA, for almost a decade, he was a senior expert at Northstar Group (a leading Indonesian private equity firm) as the Board of Commissioners and/or Board of Directors in the portfolio companies.

He has longstanding experience as CFO in leading companies in various sectors including: mining (CFO of Delta Dunia Makmur, Deputy CEO of Archipelago Resources), airlines and transportation (CFO of Garuda Indonesia), automotive (CFO of General Motors Indonesia), and consumer goods (CFO of Reckitt Benckiser Indonesia).

He earned an MBA in Corporate Finance & Banking from the University of Illinois at Urbana Champaign and a Bachelor in Accounting & Finance from Lewis & Clark College, USA.

Eddy Porwanto
Chief Financial Officer



INA'S ACHIEVEMENTS

INA has made noteworthy achievements in its second year of operation, and successfully entered into agreements with various global institutions and deployed investments in strategic projects that foster Indonesia's development. INA has also focused on building a strong foundation of corporate governance and robust stakeholder engagement.

With its reputation and credibility established, INA has been winning investor's confidence.

CULTIVATING REPUTATION, BUILDING INVESTORS' TRUST



INA ACHIEVEMENTS

INA ACHIEVEMENTS



As an institution that has only been operating for 2 (two) years, INA has achieved several significant milestones in 2022 that are progressively and continuously pursued and developed.



CREDIBILITY

INA has made stride progress in establishing partnerships with prominent global institutional investors such as DPWorld, BlackRock, Silk Road Fund (SRF), Abu Dhabi Investment Authority (ADIA), Government of Singapore Investment Corporation (GIC), and Algemene Pensioen Groep (APG) as investment

partners in Indonesia. The partnerships enabled INA to develop good track record and gain the trust of investors.

The partnerships demonstrated INA's commitment to carry its fiduciary responsibility and to gain trust from investors to invest in Indonesia's future.



FUNDING

INA has gained tangible evidence of trust from stakeholders through investment commitments from global investors and by establishing loan facilities from its banking partners.

Total investment commitments from INA's partners reached more than Rp400 trillion or equivalent to USD27 billion, which includes:

- INA and the Indonesia Endowment Fund for Education (LPDP) have signed a Memorandum of Understanding to establish an investment framework that facilitates investment and partnerships in Indonesia between LPDP and INA and/or their respective affiliates.
- INA and the Investment Fund for Developing Countries (IFU) from Denmark have entered into an Investment Framework Agreement to explore investment opportunities aimed at advancing Indonesia's transition to green energy and promoting inclusive social development. The agreement encompasses joint investment prospects in renewable energy, water, waste management, and other circular economy sectors. The total target investment of both parties, and potential co-investors, is anticipated to reach USD500 million.

- With a total commitment value exceeding USD3 billion, the Silk Road Fund (SRF), a Chinese government-owned investment fund, has pledged to invest in numerous projects, including the healthcare industry.
- A Memorandum of Understanding has been signed by INA, Contemporary Amperex Technology Co., Limited (CATL), and CMB International Capital Corporation Limited (CMBI), with the objective of investing, establishing a fund, and collaborating in the renewable energy sector, with the potential fund reaching USD2 billion.
- In 2021, DP World has expressed its commitment to invest USD7.5 billion in in port projects for the next few decades.
- Abu Dhabi Growth Fund (ADG) has made a commitment to invest USD10 billion in INA for various investment projects in 2021.
- In 2021, alongside INA, ADIA and APG have made a commitment to create a USD3.75 billion toll road platform.

INA ACHIEVEMENTS



INVESTMENT

- INA has accomplished investment implementations valued at USD503 million across 3 (three) investment projects, as follows:
 - In the toll road sector, INA acquired 2 (two) toll road assets previously owned by Waskita Karya, with a total deployment of USD400 million.
 - Together with investment partners BlackRock, Allianz Global Investors, and Orion Capital Asia, an investment has been made in the travel industry's digital ecosystem through funding for Traveloka, with a total facility of USD300 million (INA's contribution amounts to USD50 million, of which approximately USD44 million has been withdrawn until December 2022).
 - Collaborating with Silk Road Fund (SRF) as investment partner, an investment of USD120 million has been allocated to finance the strategic business expansion of PT Kimia Farma Apotek (KFA) in the healthcare services sector. INA's portion of the investment is approximately USD60 million.
- INA has set up the following subsidiaries or sub-holding companies to implement investment structures at the level of INA or projects:
 - PT Abhinaya Investasi Indonesia, a minority shareholder to meet the requirement of having at least 2 (two) shareholders as stipulated by the Company Law.
 - PT Maleo Investasi Indonesia, holding an investment in Mitratel and other public companies.
 - PT Rafflesia Investasi Indonesia, holding two toll road companies and focus on other opportunities in toll sector.
 - PT INA DPWorld Investment, a joint venture with DPWorld to invest in the seaport sector.
 - PT Tanam Investasi Indonesia, an entity that entered into a long-term collaboration agreement with co-investors in various energy sectors.
 - PT Akar Investasi Indonesia, an entity that entered into a long-term collaboration agreement with co-investors in healthcare sector.
 - PT Tumbuh Investasi Indonesia, established to hold potential investments in logistic sector.

INA ACHIEVEMENTS



GOVERNANCE, RISK MANAGEMENT, ESG, AND INTERNAL AUDIT

- As of 20 September 2022, INA was accepted and became a full member of the IFSWF and has committed to upholding the Santiago Principles in its governance, investment, and risk management practices.
- According to Global SWF, INA is the fourth-highest SWF that achieved a 28% improvement in the GSR (Governance, Sustainability, and Resilience) scoreboard in 2022.
- INA has put in place a risk management framework that aligns with the predetermined Risk Appetite.
- The second line of INA, consisting of the Risk Management, Compliance, and Legal Divisions, is deeply involved in the execution process
- of INA's investments as well as in overseeing and maintaining INA's risk exposure after the acquisition occurs.
- INA has established an ESG framework and policy that encompasses various ESG policies and frameworks that are distributed to all INA employees. The purpose of this framework is to recognize ESG-related risks and opportunities in order to increase the value of INA's investments. In addition, INA has developed Standard Operating Procedures (SOPs) to provide further instruction on how to incorporate ESG factors into its investment and operational procedures.
- The Board of Directors has strengthened INA's governance by assigning an Internal Audit function within the organization as of July 2022.



ORGANIZATION & OPERATIONS

- As of December 2022, INA has hired 15 new employees, which has increased the total number of employees (excluding the Board of Directors) to 35. INA has selected highly skilled individuals with the potential to support a robust and enduring organization, including for key roles such as Internal Audit, Human Resources, Public Relations, and various positions within the Investment, Treasury, Finance, and Legal divisions. This hiring process was aimed at strengthening the organizational and human resources aspects of INA.
- As of December 2022, INA has taken part in 14 international forums as a means of engaging in communication and marketing efforts. In terms of branding awareness, INA has carried out 22 media engagements and 29 public engagement programs, resulting in 67 media coverages. An analysis of INA's media coverage indicates that 99.9% of the coverage was either neutral or positive news. These efforts are part of INA's proactive approach to managing its communication and marketing aspects.



MANAGEMENT ANALYSIS

Indonesia's resilient growth performance in 2022 showcased the country's ample potential as long-term investment destination in various strategic sectors. As Indonesia's sovereign wealth fund, INA is well-positioned to capitalize on opportunities for growth in the years ahead for Indonesia's sustainable development.



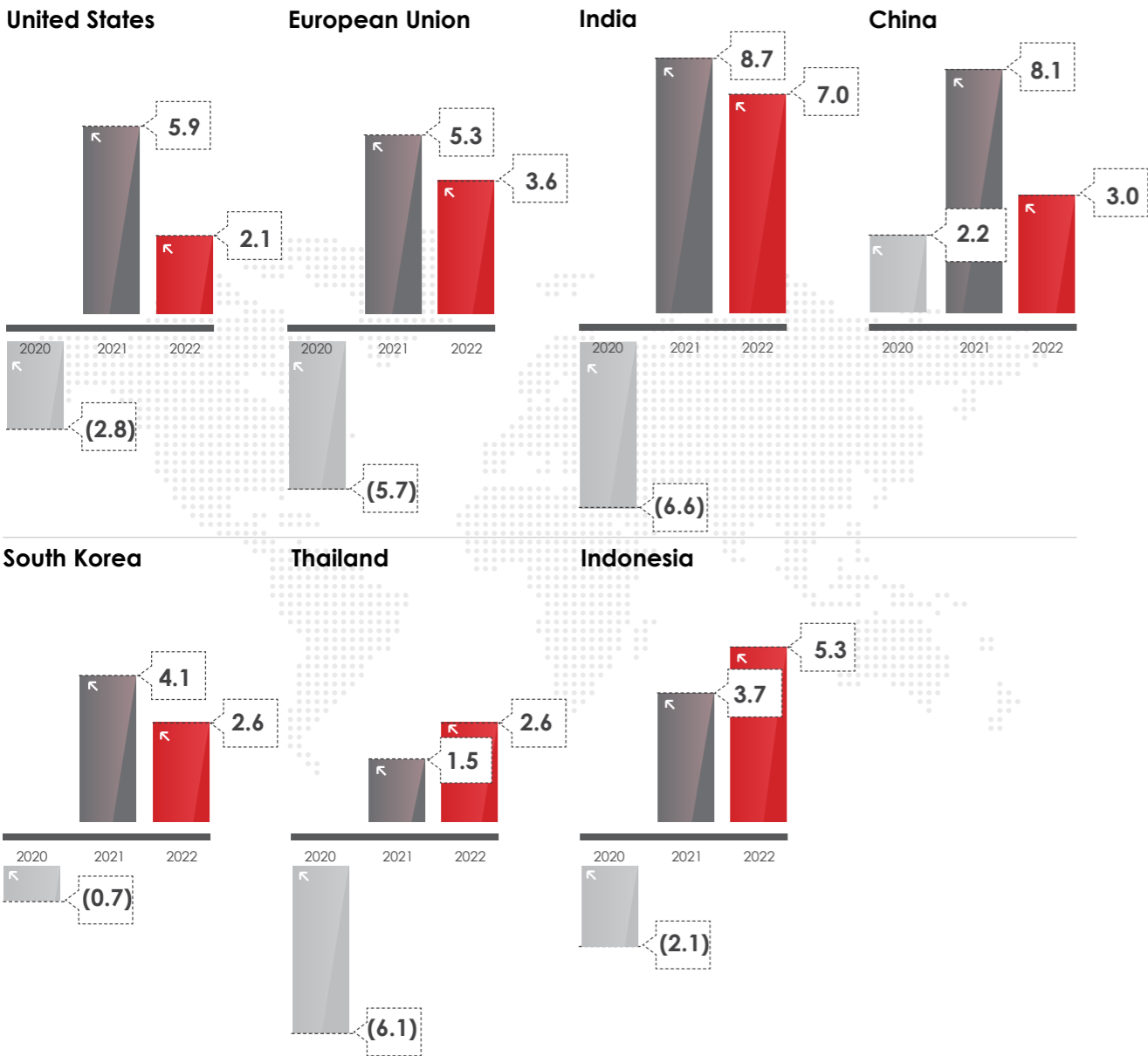
**SUSTAINING THE
ECONOMIC RECOVERY
AND GROWTH
MOMENTUM**

MANAGEMENT ANALYSIS

MACRO OVERVIEW

The impact of the prolonged geo-political conflict caused by Russia's invasion of Ukraine and the weakening of the Chinese economy have led to the sluggish global economic growth in 2022, with a growth rate of 3.4% compared to 6.0% in 2021. These dynamics hampered food and energy supplies, leading to increased prices and inflation. The International Monetary Fund (IMF) report stated that one-third of the world's economy experienced negative growth for two consecutive quarters. Global inflation also rose from 4.7% in 2021 to 8.8% in 2022.

Economic Growth
(in percentage (%))



Source: - 2021 & 2022 data from BPS, 6 February 2023
- 2020 data of USA, China, India, and Soute Korea is excerpted from <https://www.macrotrends.net/countries/ranking/gdp-growth-rate>
- 2020 data of European Union is excerpted from <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=EU>
- Thailand: https://www.nesdc.go.th/ewt_dl_link.php?nid=13449&filename=QGDP_report#:~:text=The%20tha%20economy%20in%202022,both%20private%20consumption%20and%20investment

MANAGEMENT ANALYSIS

Despite the unfavourable global circumstances, Indonesia proved its economic resilience by posting 5.3% cumulative gross domestic product (GDP) as of the fourth quarter of 2022. Growth in quarter IV-2022 alone was positive at 5.0%, albeit lower than the growth level of quarter III-2022 of 5.7% year-on-year.

In terms of spending, exports and imports had the highest growth rates of 16.3% and 14.8%, respectively. Superior commodity windfalls enhanced export performance, while increasing imports of capital goods and raw materials drove import performance.

By region, the highest GDP growth was delivered by Maluku and Papua with 8.7%, followed by Sulawesi at 7.1%, and Java at 5.3%. However, Indonesia's economy remained concentrated in Java and Sumatera, each respectively accounting for 56.5% and 22.0% of Indonesia's GDP. Meanwhile, Indonesia's Trade Balance from January to December 2022 posted a surplus of USD54.5 billion, a substantial increase from USD35.4 billion in the same period in 2021.

The central bank, Bank Indonesia (BI), is also responsible for the stability of Indonesia's economic performance. To maintain

the economic stability and recovery momentum, BI raised the benchmark interest rate a total of 5 (five) times throughout 2022 with a cumulative increase of 2.0%. As of December 2022, the BI 7-Day Reverse Repo Rate (BI7DRR) stood at 5.5%, deposit facility rate at 4.75%, and lending facility rate at 6.25%.

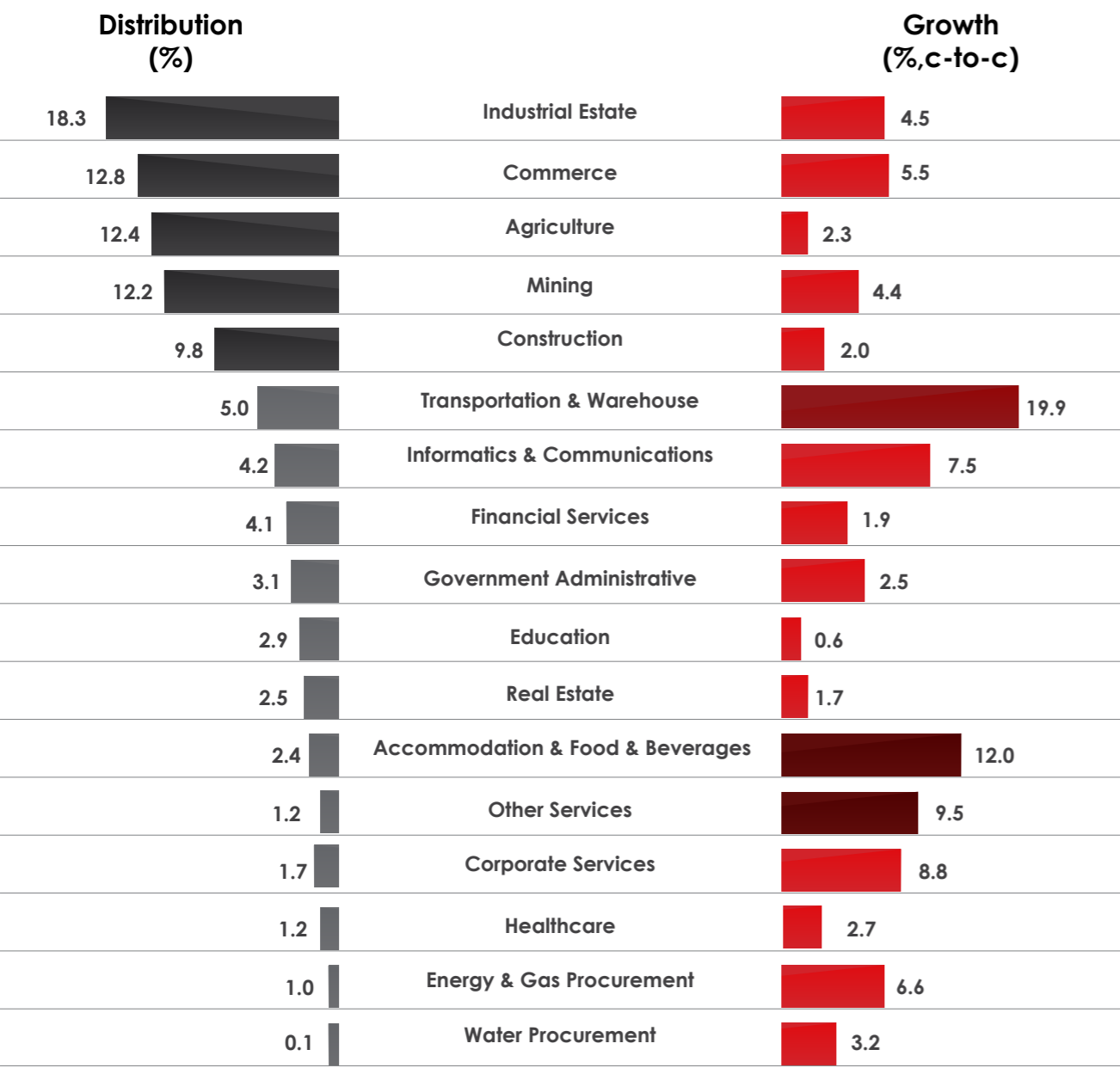
Bank Indonesia also took measures to maintain rupiah exchange rate stability. The Rupiah depreciated against the US dollar by 8.7% as of 21 December 2022. Despite this, Indonesia performed better than other economies in the region, such as China, which depreciated by 9.0%, and India by 10.2%.



MANAGEMENT ANALYSIS

INDUSTRY OVERVIEW

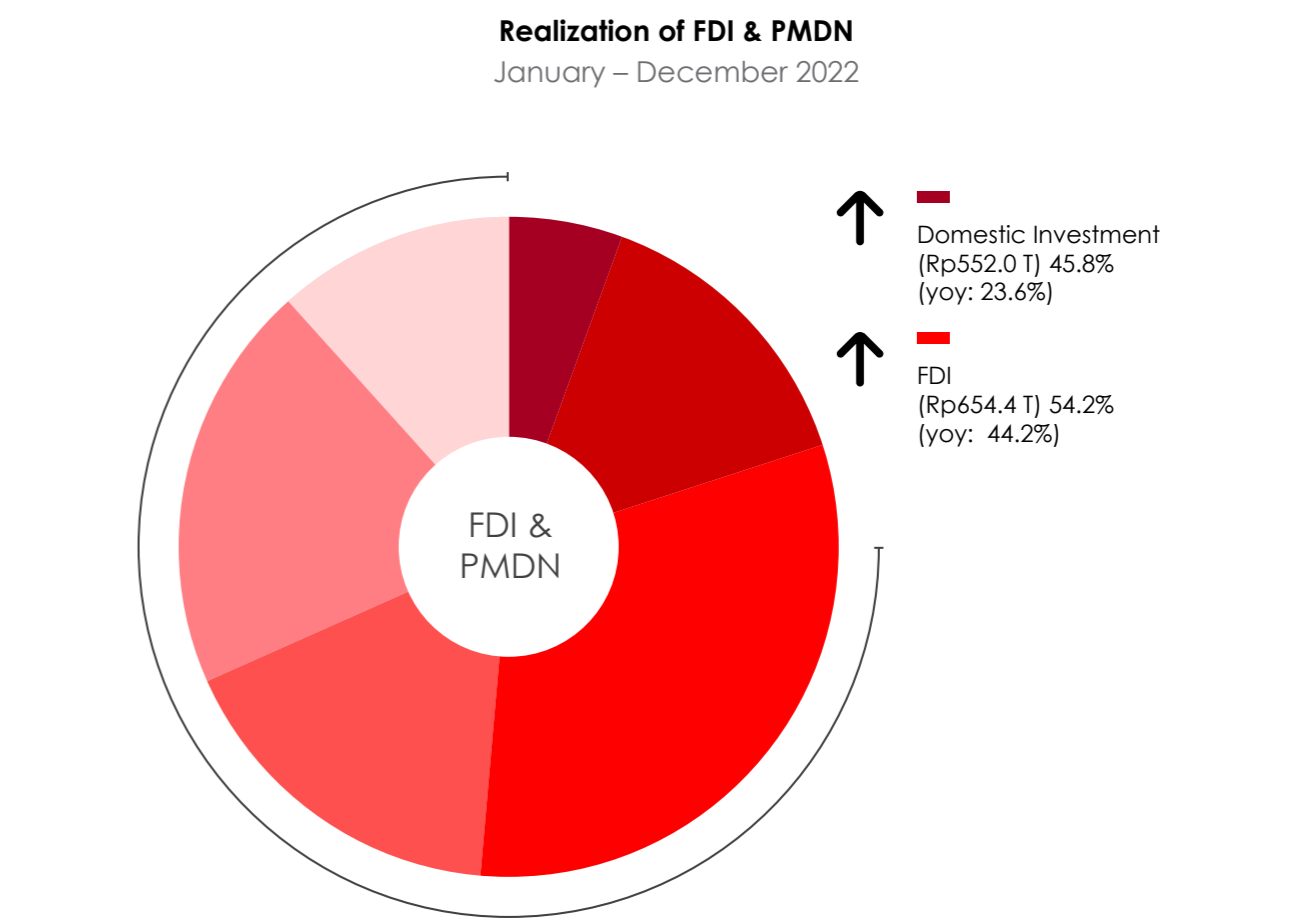
Until quarter IV-2022, Transportation and Warehousing posted the highest cumulative GDP growth by business sector, reaching 19.9%, followed by the Accommodation and Food and Beverages sector at 12.0%, and Other Services at 9.5%. The lifting of travel restrictions was key to driving the growth of the first 2 (two) sectors. BPS stated that the number of foreign travellers visiting Indonesia via international airports was up 2,301.6% (yoy).



On expenditure, household consumption remained the biggest driver of GDP growth. This sector accounted for 51.9% of GDP, followed by Gross Fixed Capital Formation (PMTB) at 29.1% and exports at 24.5%.

MANAGEMENT ANALYSIS

On investment, the Ministry of Investment/Investment Coordinating Board (BKPM) reported a notable increase of 30.3% (yoy) in investment realization in the fourth quarter of 2022, with a total investment value of Rp307.8 trillion. The total investment in this quarter translated to jobs for 339,879 Indonesians. The cumulative value of investment from January to December 2022 stood at Rp1,207.2 trillion, which created jobs for 1.3 million workers. Of this value, 54.2% or Rp654,4 trillion, was derived from foreign direct investment (FDI) and Rp552.8 trillion from domestic investment. This outstanding achievement highlighted the confidence level of both domestic and foreign investors in Indonesia.



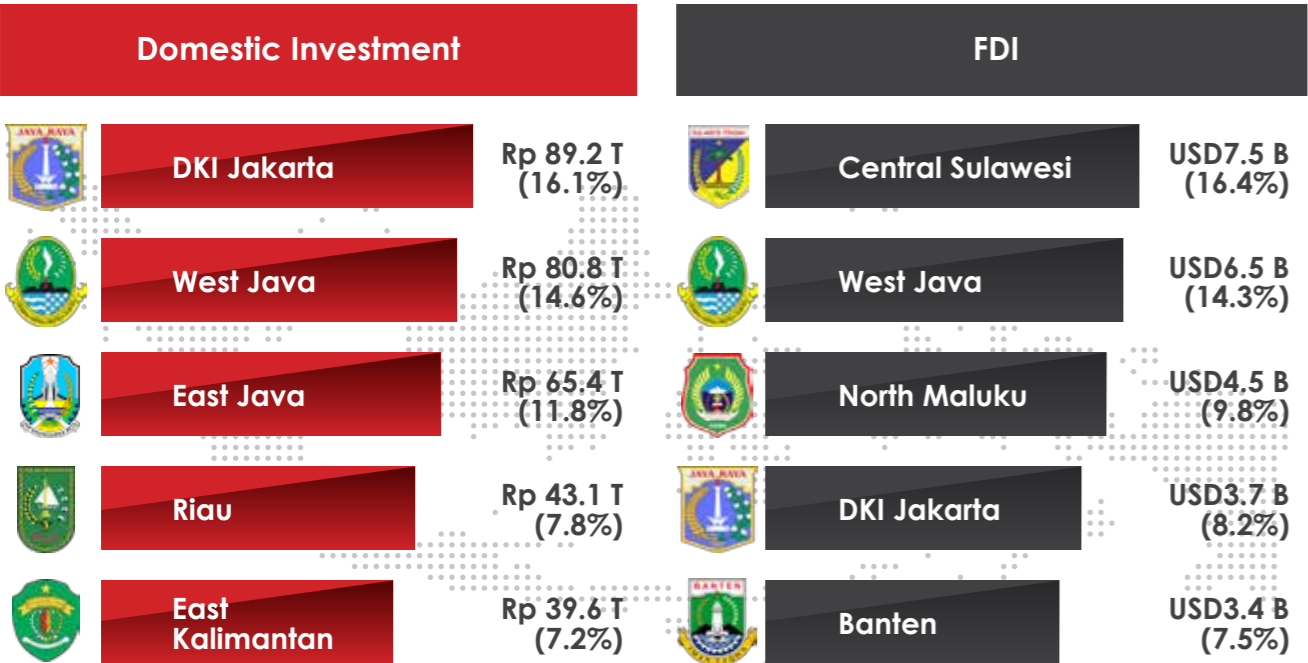
By sectors, the largest FDI in 2022 amounting to USD11.0 billion was posted in the Basic Metals, Metal Goods, Non-Machinery, and Equipment industry. Meanwhile, domestic investment was most notable in the Transportation, Warehouse, and Telecommunications sector with a realization of Rp75.1 trillion.

By geographical regions, the highest FDI and domestic investment realization in 2022 was in the West Java region, amounting to Rp174.6 trillion. In terms of investing countries, Singapore was the top contributor with USD13.3 billion (29.1%). Singapore shared the top 5 (five) FDI origins with China, Hong Kong, Japan, and Malaysia with investments amounting to USD8.2 billion, USD5.5 billion, USD3.6 billion, and USD3.3 billion, respectively.

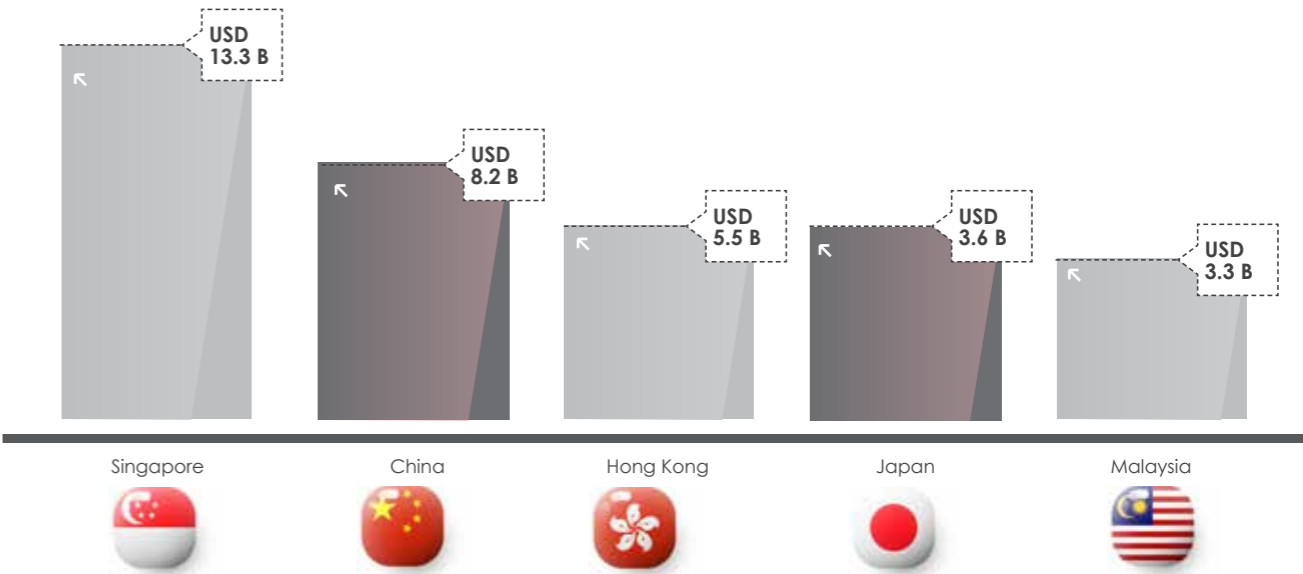
MANAGEMENT ANALYSIS

MANAGEMENT ANALYSIS

5 Largest PMDN and FDI Realizations by Location
(January - December 2022)



5 Countries with the Largest Investment Realization
(January - December 2022)



Top 5 Locations (FDI & PMDN), January – December 2022





STRATEGIC AND OPERATIONAL REVIEW

INA is committed to Indonesia's growth through quality investment deployment in strategic sectors. Formulating the right investment strategy and investment process with high commitment to good governance are key drivers to achieve them. Reliable support from INA enterprise functions to develop its funding source and to manage risks, governance, and stakeholders, is another key driver for INA's success in fulfilling its mandate and strategic objectives.

ENABLING INDONESIA'S GROWTH THROUGH QUALITY INVESTMENT DEPLOYMENT



STRATEGY AND OPERATIONAL REVIEW

STRATEGY AND OPERATIONAL REVIEW



THE ARTICULATION OF INA MANDATES

INA articulates its purpose through well-defined strategic objectives:

- a. Contribute to Indonesia's sustainable growth by:
 - Attracting local and foreign investment funds to promote sustainable development.
 - Leveraging global expertise and standards to drive economic productivity and innovation for value creation from every investment made.
 - Accelerating and catalysing the growth of national priority sectors.
 - Delivering socio-economic values and financial benefits for Indonesia.
- b. Fostering wealth for future generations by:
 - Making risk-adjusted investments that can yield good returns.
 - Diversifying investments to reduce risks.



OUR STRATEGIES

INA has established "The Year of Closing Deals" as its theme for 2022, with the objective of achieving investment pursuits. This strategy follows the 2021 theme of "Building the Foundation", which centered on strengthening INA's operational infrastructure.

INA's core strategic focus in 2022 was directed at building competencies and strengthening capabilities across five strategic areas within the organization. They include:



Funding sources and management

INA actively sought to earn the trust of its stakeholders to secure investment commitments from global investors and establish unsecured borrowings facilities with bank partners to support funding at the level of INA or sub-holdings. Treasury asset management focuses on optimizing returns, preserving capital, and managing liquidity.



Investment

INA has classified the level of its participation in each investment into investment sub-strategies, which include Active Investment and Passive Investment. Active Investment focuses on creating value with an appropriate return target, while Passive Investment focuses on achieving returns, diversification of liquidity risk, and meeting strategic objectives.

INA's investments are directed towards priority sectors, including transportation and logistics, green energy and transformation, digitalization and digital infrastructure, and healthcare. INA has also invested in opportunistic sectors such as mining, oil and gas, engineering and construction, electronics, consumer goods, and others.

As the year 2022 progressed, INA was able to broaden its corporate structure by establishing new entities with several aspects, needs, or requirements from investors to be taken into consideration.



Governance and risk management

INA, as a member of the International Forum of Sovereign Wealth Fund (IFS WF), is dedicated to adhering to global governance standards (The Santiago Principles) in various areas such as governance, investment, risk management, and other operational practices. This signifies INA's dedication to maintaining professional and independent investment management as part of its responsibilities and mandates.



Organization

INA has established an efficient organizational structure in terms of function, headcount, and employee composition. INA continuously benchmarks itself against other sovereign wealth funds and makes the necessary adjustments and adaptations to increase its effectiveness and meet business requirements.



Investor communication and relations

INA's communication agenda was primarily centered around maintaining and enhancing its reputation, demonstrating its capabilities, and establishing organic and continuous relationships with relevant parties.

INA's communication strategy is centred around preserving and enhancing its reputation, showcasing its strengths, and fostering long-term, authentic relationships with relevant stakeholders.

Internal aspects

- Clarity and focus on mandates and objectives
- Active management of perception and stakeholders
- Right partnerships
- Prioritization of governance and independence
- A team and culture that promote high performance.

External aspects

- Regulatory support from the government
- Endorsement of processes and Service Level Agreements (SLAs) from the stakeholders of state-owned enterprises (SOEs)





INVESTMENT ASPECT

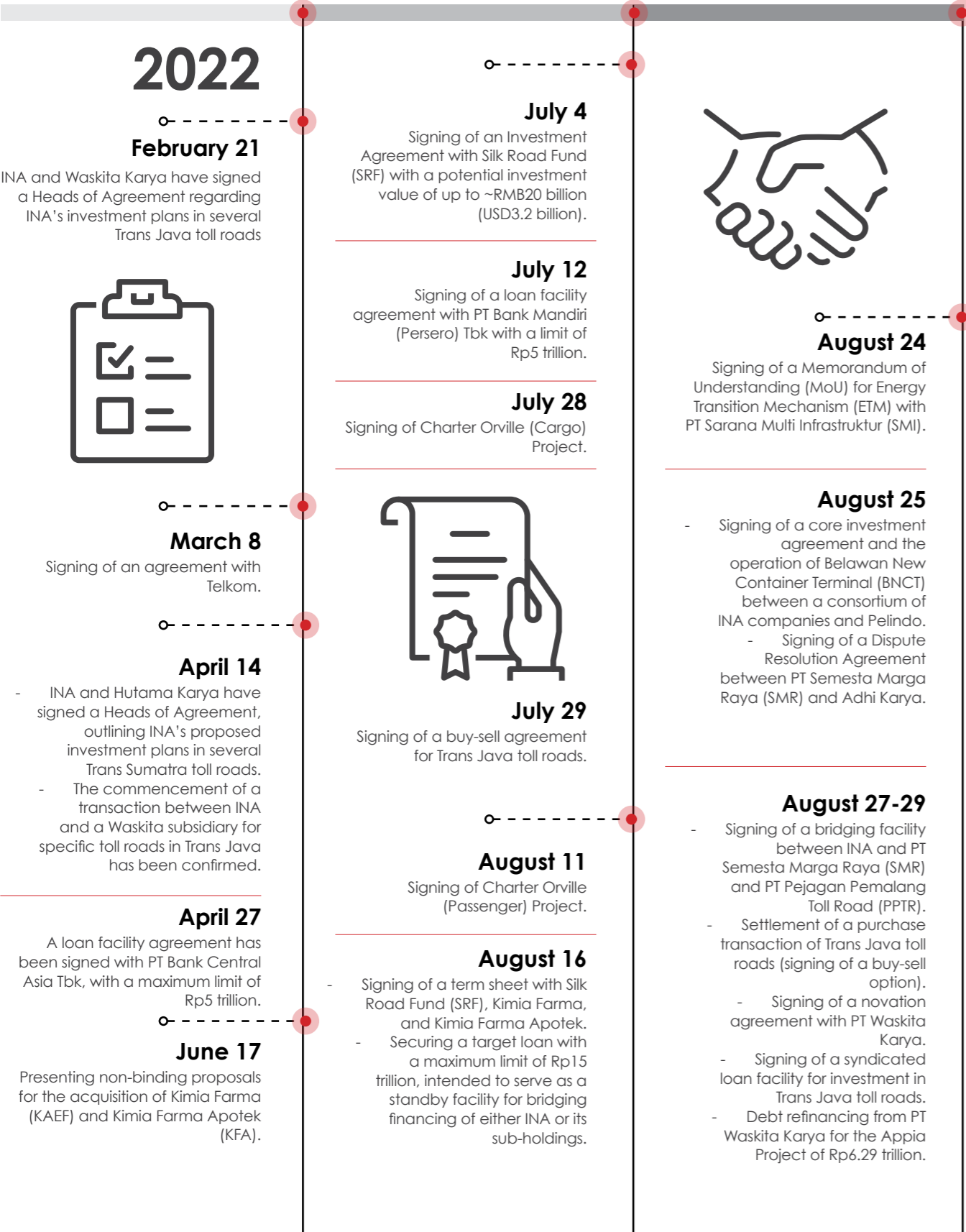
INA placed a strategic emphasis on closing deals in 2022, after dedicating its first year of operation to establishing a solid foundation.

HIGHLIGHTS

<div></div> <p>A total of USD503 million investment deployment was achieved for 3 (three) different projects in 2022, bringing the total amount of investments deployed since INA's establishment to approximately USD785 million.</p>	<div></div> <p>INA was actively engaged in discussions with more than 100 potential partners, including renowned local and global financial and strategic investors, as part of its fundraising efforts.</p>
<div></div> <p>The acquisition of 2 (two) toll road assets in the Trans Java corridor, previously owned by Waskita Karya, was successfully completed for a total value of USD400 million.</p>	<div></div> <p>INA has signed a Conditional Share Subscription and Purchase Agreement and other related documents, worth approximately USD60 million, with Silk Road Fund, Kimia Farma, and Kimia Farma Apotek. This agreement is a continuation of the Investment Framework Agreement (IFA) that was previously made with Silk Road Fund</p>
<div></div> <p>To drive the growth of a digital ecosystem in the travel sector, INA has joined forces with a privately-managed credit fund overseen by BlackRock, and other investment partners to provide private credit investment for Traveloka. INA's contribution to the initiative amounts to approximately USD44 million.</p>	<div></div> <p>Entering the Q1 2023 period, INA has completed 2 (two) investment deployments. One involved partnering with SRF to make further investments of Rp295 billion (~USD19 million) in PT Kimia Farma, with INA contributing Rp155 billion (~USD10 million), and other investment deployment was made in collaboration with Masdar to invest in PT Pertamina Geothermal Energy (PGE) by acquiring IPO shares worth Rp7.3 trillion (~USD470 million), with INA's investment portion of Rp1.8 trillion (~USD117 million).</p>



MILESTONE INA



INVESTMENT COMMITTEE

INVESTMENT COMMITTEE



.01
Dr. Ridha D. M. Wirakusumah
Chief Executive Officer

.02
Arief Budiman
Deputy Chief Executive Officer/
Chief Investment Officer

.03
Stefanus Ade Hadiwidjaja
Chief Investment Officer

.04
Marita Alisjahbana
Chief Risk Officer

.05
Eddy Porwanto Poo
Chief Financial Officer

.06
Arisia Arundati Puspongoro
Chief Legal Counsel

.07
Andry Setiawan
Managing Director of Investment

STRATEGY AND OPERATIONAL REVIEW

FUNDRAISING ACTIVITIES

Being an investment organization, it is important to exhibit the capacity to raise funds to sustain long-term investment activities. INA's ability to generate funds is also significantly impacted by the confidence of prospective partners.

During 2022, INA engaged in discussions with more than 100 potential partners from renowned local and global organizations as part of a fundraising effort. These discussions were aimed at securing financial and strategic investment from a variety of sources, including global financial investors such as Sovereign Wealth Funds (SWFs), institutional investors such as pension funds, private debt providers, and foreign investors. INA also has explored the potential strategic investors from different sectors, such as infrastructure, logistics, healthcare, energy, and real estate, in order to obtain their investment commitments and put them into action.

Adding to the list of commitments gained from potential investment partners, INA was successful in obtaining more investment commitments from other potential investor partners in 2022, as follows:

- a. The Indonesia Endowment Funds for Education (LPDP)**

INA and the Indonesia Endowment Fund for Education (LPDP) have signed an MOU to establish an investment framework that enables investments and partnerships in Indonesia between INA and LPDP or to involve their respective affiliates.
- b. Investment Fund for Developing Countries (IFU)**

INA and Denmark's Investment Fund for Developing Countries (IFU) have entered into an Investment Agreement aimed at exploring investment opportunities that promotes the adoption of green energy and fosters inclusive social development in Indonesia. The agreement encompasses collaborative investment opportunities in renewable energy, water, waste

management, and other circular economies. The target investment amount for both parties with potential co-investors is estimated to be up to USD500 million.

- c. Silk Road Fund (SRF)**

The Chinese government's investment fund known as the Silk Road Fund (SRF) has pledged to invest more than USD3 billion in various projects, including healthcare.
- d. Contemporary Amperex Technology Co., Limited (CATL) and CMB International Capital Corporation Limited (CMBI)**

INA, CATL, and CMBI have entered into a Memorandum of Understanding (MoU) to collaborate in the area of new energy, through investments, fund creation, and other partnerships. INA estimates that the total combined investment could be as high as USD2 billion.
- e. Abu Dhabi Investment Authority (ADIA) and Algemene Pensioen Groep NV (APG)**

In 2021, alongside INA, ADIA and APG have made a commitment to create a USD3.75 billion toll road platform.
- f. DP World**

DP World has expressed its commitment to invest USD7.5 billion in port projects for the next few decades. A portion of this investment is expected to be utilized in 2023 for the Belawan New Container Terminal investment.
- g. Abu Dhabi Growth Fund (ADG)**

Abu Dhabi Growth Fund (ADG) is an investment fund manager focused on growth. ADG has a mandate to pursue various strategies aimed at generating high financial returns for its shareholders, the Government of Abu Dhabi. In 2021, INA received a USD10 billion investment commitment from ADG for various investment projects.

INVESTMENT STRATEGIES

INA follows a set of key investment principles that include:

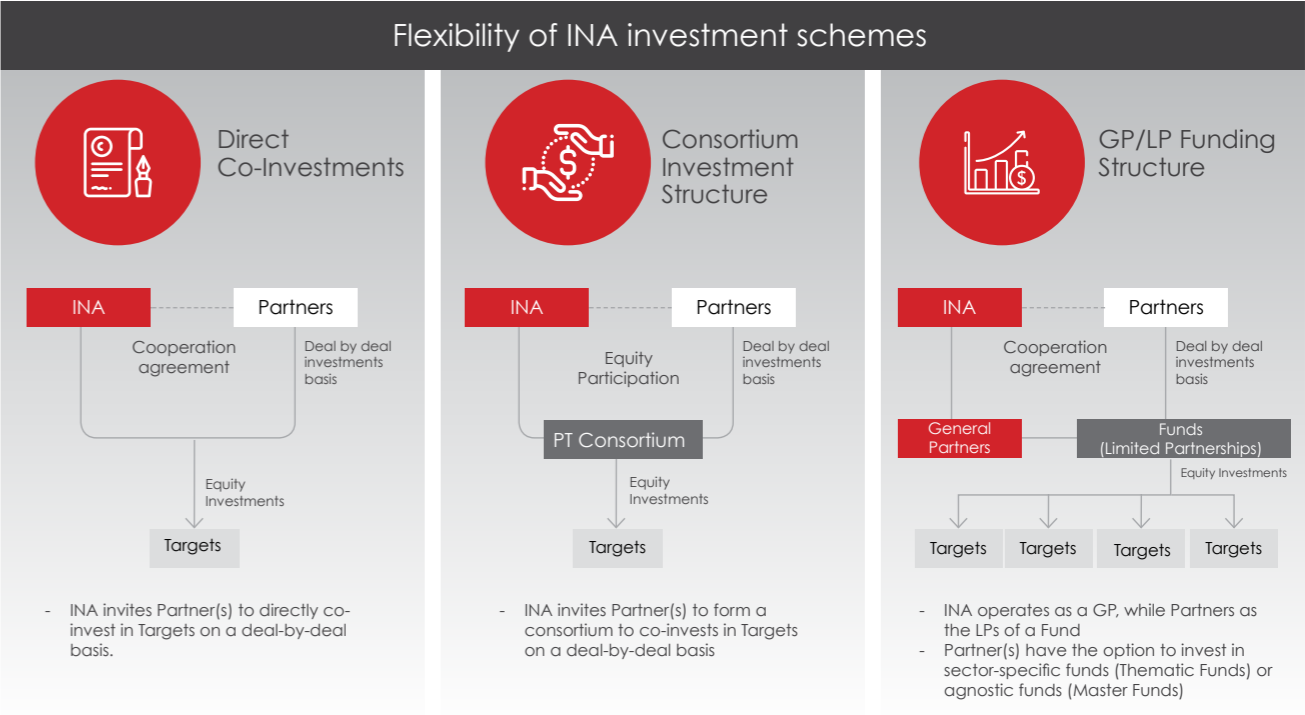
- a. Prioritizing economic returns and sustainable national development.
- b. Value creation with global/domestic partners especially with global/domestic investors who are willing to take an active role in investments.
- c. Taking a long-term perspective to achieve a sustainable risk-adjusted return.
- d. Being open to both active and passive investment opportunities to balance returns and economic growth.
- e. Being flexible in the rate of return as long as it meets the minimum hurdle rate and aligns with national development goals.
- f. Utilizing different investment methods (such as direct investment, fund manager, and platform) to meet INA's strategic objectives.

INA's approach to investing is categorized into two separate sub-strategies, which are determined by the extent of INA's involvement and participation in each individual investment, namely:

- An active approach with a focus on value creation. This strategy focuses on investment opportunities that has the potential for active value creation opportunities and high degree on operational influence for INA and its co-investors on investee companies.
- A passive approach that emphasizes focus on returns. This strategy focuses on investment opportunities that has the potential to generate outsized returns, liquidity, risk diversification and in certain instances has strategic objectives (for example, generating access to technology/ other investment potentials).

INVESTMENT SCHEMES

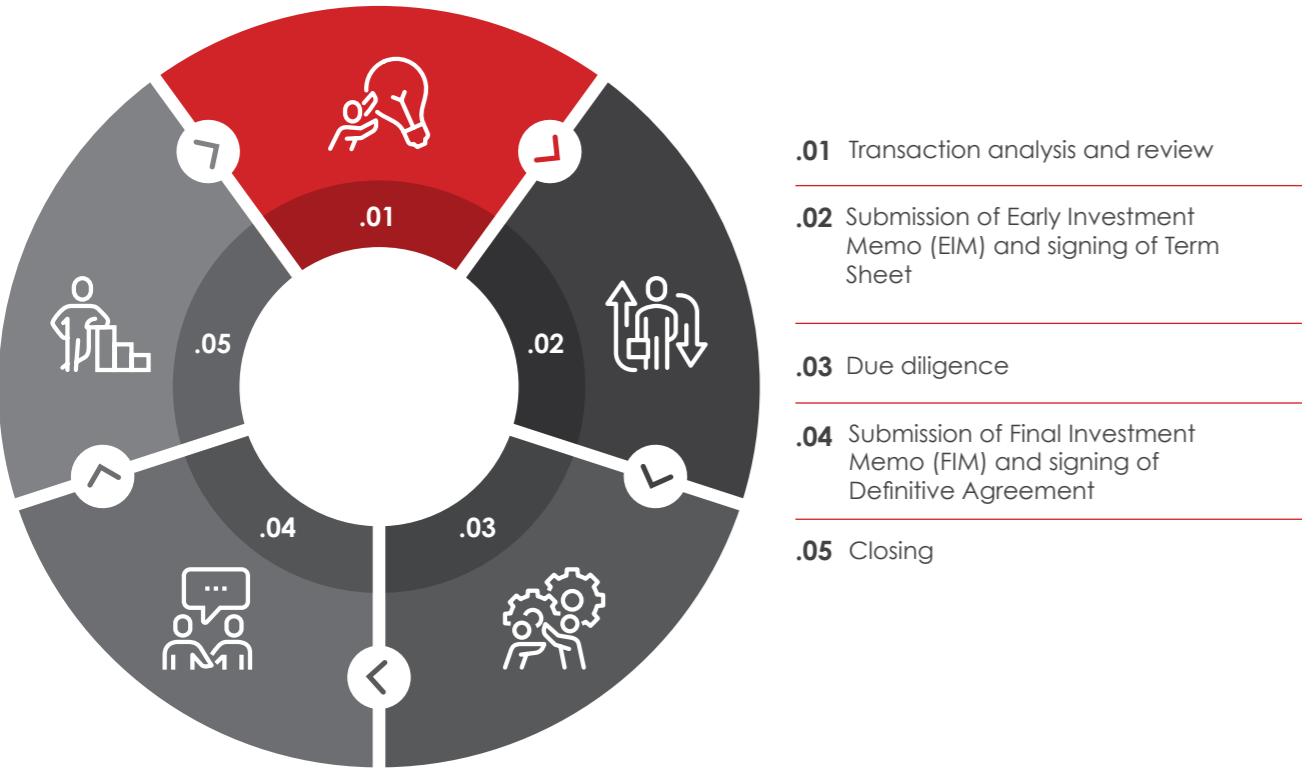
INA offers various investment schemes with flexible options.



STRATEGY AND OPERATIONAL REVIEW

INVESTMENT PROCESS

INA implements a sustainable investment process through active and in-depth discussions by upholding prudential principles. INA's Investment Team has developed a mechanism for an end-to-end investment process as a reference, which includes the following activities:



STRATEGY AND OPERATIONAL REVIEW

INVESTMENT PORTFOLIO MANAGEMENT

Investment Priority Sector Mapping Criteria
INA maps priority investment sectors that can support the achievement of INA's dual mandate. INA focuses on investment targets in several sectors that support the national development and provide financial benefits, and applies opportunistic strategies in other sectors.

INA uses five different categories of criteria to map the priority scale of sectors. These categories include				
<p>Criteria National agenda & development needs</p> <p>Background The sector should align with the focus area of national development and catalyse growth</p>	<p>Criteria Economic Impact</p> <p>Background The sector can generate high macroeconomic multipliers</p>	<p>Criteria Growth and market size</p> <p>Background The sector should be able to generate long-term benefits</p>	<p>Criteria INA's Competitive Advantages</p> <p>Background INA should be able to create added value and leverage its competitive advantage</p>	<p>Criteria Investability</p> <p>Background Sufficient number of investment opportunities for INA to attain optimal returns</p>



THE FOCUS OF INA'S MAIN INVESTMENT SECTOR





STRATEGY AND OPERATIONAL REVIEW

STRATEGY AND OPERATIONAL REVIEW

INVESTMENT STRUCTURE AND INTEGRATION

To facilitate its mandate and the ongoing support of investments, INA established various subsidiaries/ sub-holdings. The subsidiaries/sub-holdings serve as an extension of INA to carry out INA's strategic plans and decisions.

The subsidiaries established by INA in 2022 comprised of:

- a. PT Abhinaya Investasi Indonesia, as minority shareholders to fulfill the requirement of having at least 2 (two)shareholders as stipulated under Company Law.
- b. PT Maleo Investasi Indonesia, as investment holding company for Mitratel and other publicly listed companies.
- c. PT Rafflesia Investasi Indonesia, as investment holding company for toll road investments and is now shareholders for 2 (two) acquired toll road companies.

- d. PT INA DPWorld Investment, a joint venture with DPWorld to invest in the seaport sector.
- e. PT Tanam Investasi Indonesia, an entity that will enter into long-term collaboration with co-investors in various energy sectors.
- f. PT Akar Investasi Indonesia, an entity that will enter into long-term collaboration with co-investors in the healthcare sector.
- g. PT Tumbuh Investasi Indonesia, an entity that will become an investment holding company for investments in the logistic sector.

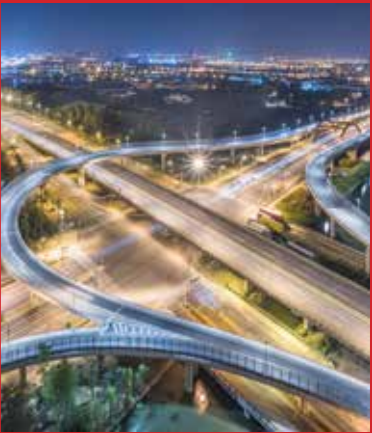


INVESTMENT
PERFORMANCE IN
2022

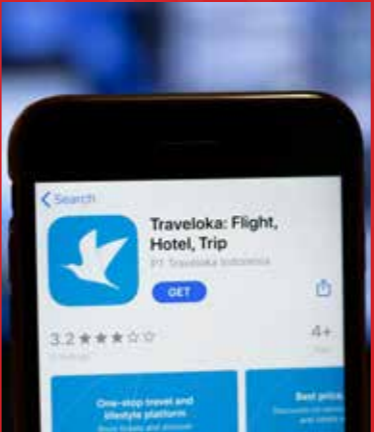
Select notable key achievements and investment projects that INA managed to achieve up until the end of 2022:



Telecommunication
Towers



Toll Roads



Digital Ecosystem



Healthcare -
Pharmaceutical



Green Energy -
Geothermal



Energy Transition
Mechanism (ETM)



Electric Vehicle (EV) Fund



TELECOMMUNICATION TOWERS

EBITDA reached
Rp6.1 trillion

Profit After Tax (PAT) stood
at Rp1.8 trillion or grew
29.3% yoy

Mitratel owns more than
35,000 towers

Performance

INA's investment in Mitratel yielded impressive results both financially and operationally. Mitratel demonstrated robust financial performance, with EBITDA reaching Rp6.1 trillion in 2022, a growth of 17.8% (yoy).

Mitratel's Profit After Tax (PAT) increased by 29.3% yoy to reach Rp1.8 trillion, which is a positive indicator of upcoming year dividend potential.

From an operational aspect, Mitratel acquired more than 7,000 towers over the course of 2022. By the end of December 2022, the total number of towers owned by Mitratel has exceeded 35,000. This further cements Mitratel's position as the leading telecommunication tower company in Indonesia.



TOLL ROADS

The acquisition of two toll roads from Waskita Karya for a total value of USD400 million

The Next Stage of Infrastructure Development to Support GDP Growth

Performance

INA has completed the acquisition of two toll roads from Waskita Karya for an estimated total value of USD400 million. The two toll roads (Kanci - Pejagan Toll, and Pejagan - Pemalang Toll) are located in the Trans Java Corridor and have a combined length of almost 100 km.

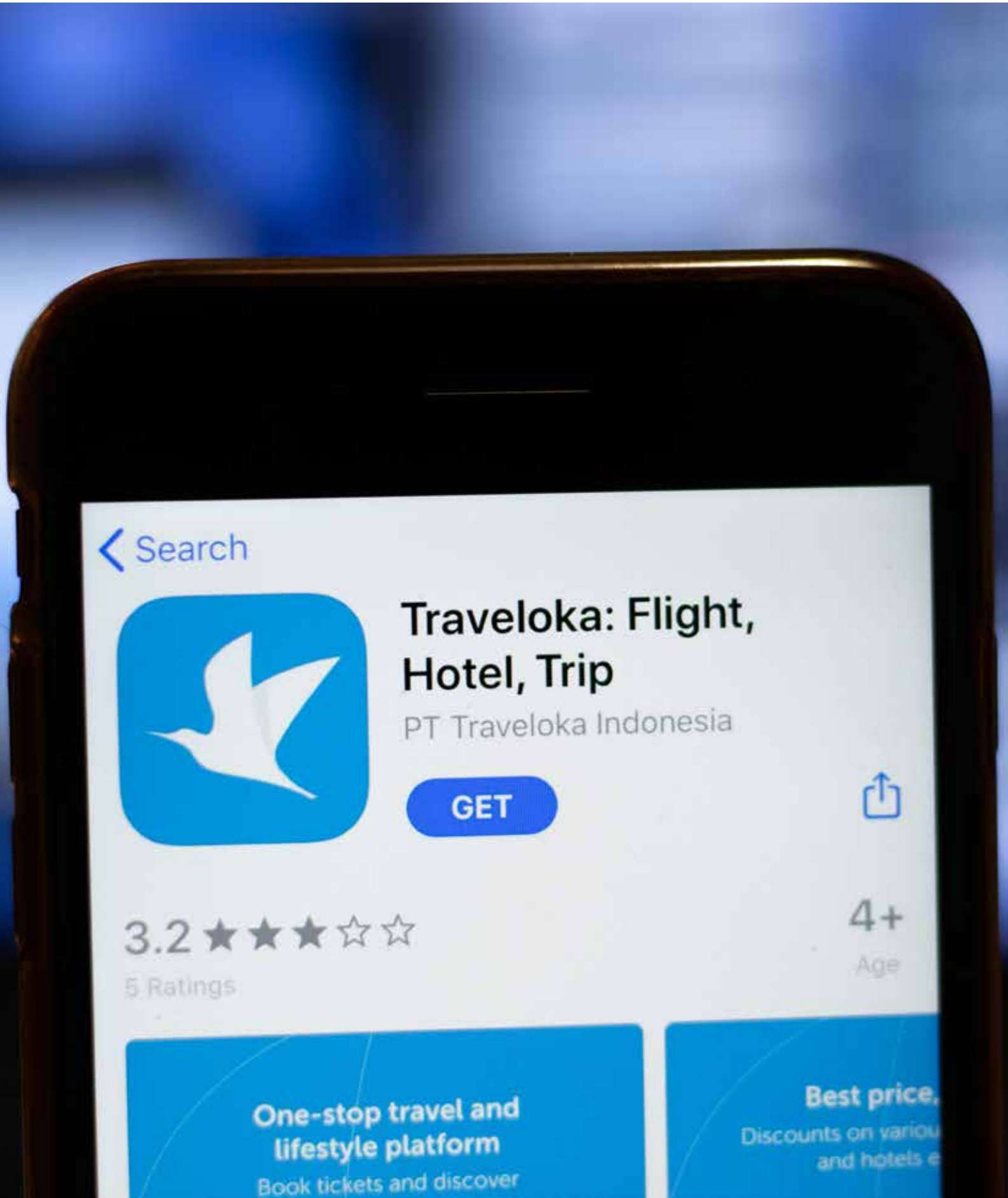
The financing structure of the transaction marks the first in toll road financing in Indonesia, where there is no recourse to sponsors and creditors rely fully on the project's feasibility.

The acquisition was made possible through the support of banking partners and financial institutions, including BNI, Bank Mandiri, PT Sarana Multi Infrastruktur (SMI), and Bank Pembangunan Daerah (BPD) of Central Java.

This collaboration between INA and Waskita Karya will further strengthen Waskita Karya's cash flow to further accelerate the development of other toll roads in Indonesia.

Through INA's toll road platform, Indonesia's infrastructure asset recycling strategic initiative can be accelerated significantly. A number of positive impact, both short and long term include:

- Increase Foreign Direct Investment (FDI),
- Strengthen financials of related toll road companies/SOEs,
- Reduce the need for fiscal support from the government,
- Support investment in infrastructure development that has a positive impact on GDP growth and job creation.



DIGITAL ECOSYSTEM

Total facility of USD300 million to drive the growth of digital ecosystem in the travel sector

Performance

INA, in partnership with a private credit fund managed by BlackRock and other investment partners, has made a private credit investment in Traveloka of USD300 million to drive the growth in digital ecosystem of the travel sector.

Traveloka is recognized as a pioneer in the digital transformation of Indonesia's travel sector and presently enjoys strong market positions across Indonesia and Southeast Asia. Among other Online Travel Agencies (OTA), Traveloka holds the largest market share (number 1) in Southeast Asia, as well as in Indonesia and Vietnam. Traveloka is also the second-largest tech firm in Indonesia and the only Indonesian tech company to have successfully dominated the regional market.

With this financial support, Traveloka was able to continue expanding, particularly in Indonesia where the majority of the funds will be directed.

OTA plays an important role in Indonesian Tourism and its penetration has increase significantly during the pandemic - from 24% to 33% in 2021.



HEALTHCARE - PHARMACEUTICAL

INA and co-investor made an investment into the Indonesian healthcare industry, marking the first investment for both parties in this sector.

INA and its co-investors are further identifying potential areas for value creation in order to optimize material costs, centralize procurement, B2B partnerships, and development of digital ecosystem within the healthcare sector.

Performance

Following the Investment Framework Agreement (IFA) with Silk Road Fund (SRF) which involved a commitment of more than USD3 billion, INA has entered into a Conditional Share Subscription and Purchase Agreement, along with other relevant documents, with Silk Road Fund, Kimia Farma, and Kimia Farma Apotek. The total investment reached Rp1.9 trillion on 27 December 2022.

At present, Kimia Farma is engaged in the end-to-end supply chain, including manufacturing and retail capabilities, and is a market leader in unbranded generic products in Indonesia. Through its subsidiary, Kimia Farma Apotek, the Company has the widest network of pharmacies which is further supported by its other businesses such as clinics and laboratories.

Furthermore, INA's consortium has concurrently identified several potential value creation opportunities, such as material cost optimization, centralized procurement implementation, B2B partnerships, and digital ecosystem development in the healthcare sector.



GREEN ENERGY – GEOTHERMAL

Indonesia has the second largest geothermal capacity globally and is projected to undergo rapid expansion, potentially becoming the world’s largest global geothermal operator. INA along with co-investor have strategic goals to create value through operational synergies.

Performance

Some investment theses that underlay the consideration in making investments in geothermal green energy were, among others:

- a. Strong macro support from global leaders to comply with ESG and Net Zero Carbon; Indonesia has the second largest geothermal resources globally.
- b. Potential for investment in the largest geothermal operators in the world.
- c. Stable cash flow with a long-term USD-linked contract of > 20 years to create a natural hedge.
- d. Potential to create operational alpha where most capacity increase will be driven current assets, not further explorations.

With co-investors, INA’s consortium also provided strategic benefits such as:

- a. Operational expertise
INA consortium could offer assistance in best practices and technical knowledge to enhance the quality of service and progress in Engineering, Procurement, and Construction (EPC), Operation & Maintenance, and other aspects.
- b. Strengthening credentials
INA consortium can enhance the financial and operational performance of the target company by leveraging a strong track record of investment partners in the renewable or geothermal sectors.
- c. Risk-sharing
Strategic partners participating in risk-sharing concerning assets in development.

INA with its co-investors, has established a strategic goal of generating value by leveraging operational synergies while also sharing risks for assets in the development.

INA, in line with its green energy approach, including the utilization of geothermal resources, has signed a memorandum of understanding (MoU) with Masdar, a significant player from the United Arab Emirates, and Pertamina Power Indonesia (PPI), to explore potential investment opportunities within Indonesia’s green energy sector.



ENERGY TRANSITION MECHANISM (ETM)

INA plans to acquire a coal-fired power plant with the collective goal of expediting its closure through a fair transition, thus reducing carbon emissions into the environment.

Performance

INA developed the Energy Transition Mechanism (ETM) to facilitate the shift from coal to clean energy in Indonesia by gradually phasing out coal-fired power plants (PLTU) that belong to Independent Power Producers (IPPs). The aim is to attract investors through a mix of equity and debt financing to partner with INA in acquiring these plants, with the ultimate goal of reducing carbon emissions and promoting a seamless transition to clean energy.

PT Sarana Multi Infrastruktur (SMI) was designated as the ETM country funding platform manager. As part of this, SMI followed a roadmap for early retirement process and established a facility called the Carbon Reduction Fund (CRF). The purpose of the CRF is to serve as an Equity Investor and/or Lender in CFPP assets as part of the Coal Phaseout roadmap.

The funding platform is aimed at phasing out the functioning of power plants that rely on non-renewable resources and gradually dissuade the utilization of coal in Indonesia. Simultaneously, the platform aims to promote the creation of projects that rely on renewable sources of energy.

SMI will take on the responsibility of overseeing the funding and financing structure, as well as serving as a coordinator for all ETM initiatives in Indonesia.

INA collaborates with SMI's funding platform, particularly for Independent Power Producers (IPPs), and has entered into a Memorandum of Understanding (MoU) with SMI and several key sponsors of IPP PLTU to facilitate the adoption of ETM in Indonesia.

For the effective adoption of ETM in Indonesia, significant support from the Indonesian government is crucial, which includes the Ministry of Finance, Energy and Mineral Resources Ministry, Ministry of SOE, and Environment and Forestry Ministry. This necessary support includes:

- Enhanced legitimacy of INA's proposed ETM initiatives to stakeholders.
- Regulatory assistance in facilitating ETM, such as making amendments to power purchase agreements (PPAs).
- Alignment of objectives with the ETM Country Platform.



ELECTRIC VEHICLE (EV) FUND

INA and its partners is collaborating to establish an EV Fund that will invest across the EV value chain, covering the upstream, midstream, and downstream industries, with a particular emphasis on Indonesia.

Performance

INA, collaborating with Contemporary Amperex Technology Co. Limited (CATL), is exploring to establish an Electric Vehicle (EV) Fund as both co-general partner (co-GP) and limited partner (LP). The EV Fund will focus on investing in all aspects of EV supply chains, including upstream, midstream, and downstream sectors, particularly in Indonesia.

Holding the largest market share globally in the electric vehicle battery sector, CATL also has interest in exploring investment opportunities in Indonesia by collaborating with both the Indonesia Battery Corporation (IBC) and Antam.

By establishing a Fund in partnership with strategic international investors, INA can leverage its unique expertise and resources to attract more domestic investments and achieve a multiplier effect on investment from a diverse group of global limited partners (LPs).

STRATEGY AND OPERATIONAL REVIEW

INVESTMENT STRATEGIES IN 2023

INA will continue to concentrate on investment strategies in 4 (four) key sectors in 2023. For every priority sector, INA creates actionable thesis or expands on existing investment proposals.

INA's strategies center around four specific sectors as their primary focus, as follows:

- Transport & logistics
- Green energy & transformation
- Digitalization & digital infrastructure
- Healthcare

In addition to the four main priority sectors, INA also takes into account other sectors that present

opportunities, including tourism, finance, and consumer industries.

INA is open to exploring different types of assets to invest in these sectors, such as private debt, fund-of-funds, real estate, or public market investments. The selection of each type of asset is dependent on available opportunities, as INA believes that each investment thesis is compatible with a specific class of asset. For this reason, INA must remain adaptable in its approach to selecting the appropriate asset class.

CHALLENGES AND BUSINESS DYNAMICS

Effective investment deployment relies heavily on the unique characteristics of each investment, particularly during investment transactions. These characteristics can result in a substantial decrease or postponement in investment disbursement.

Some of the difficulties that frequently arise during an investment transaction include:

- Asset quality, which refers to the subpar condition of an asset that requires a high working capital to fix. This can result in a lower risk-adjusted return on the investment.
- Valuation mismatch, which occurs when the asset owner expects a higher reserve price or changes their valuation expectations, leading to a decrease in interest from co-investors.
- Rights of control and other governance, as some asset owners may be hesitant to relinquish control and significant minority governance rights may not meet expectations, resulting in suboptimal value creation.

- Uncertainty during the transaction process, as delays can occur due to a lack of data or documents from the asset owner, leading to prolonged due diligence.

The investment process involves various activities aimed at achieving the optimal outcome for all those involved, which typically requires a significant amount of time. The duration of the investment process can vary, depending on the intricacy of the issues associated with each specific investment undertaking.

STRATEGY AND OPERATIONAL REVIEW



FUNDING

INA strived to ensure the availability of funding sources to support its investment and operational requirements, managed its treasury assets to maximize yields while preserving capital, adopted good governance and ensured to transact within measurable risk parameters.

HIGHLIGHTS



INA succeeded in establishing a credit facility of Rp15 trillion from various local and global banks, as an alternative source of funding for bridging purpose to support its investment activities.



INA established a bank guarantee facility to support its investment activities and a hedging facility to facilitate its foreign exchange requirement.



INA provides bridging loan facilities to its subsidiaries that have investments in the toll road industry through intercompany lending. INA also assists its subsidiaries in securing a non-recourse financing to shareholders for refinancing purpose. This funding structure was the first of its kind in toll-road sector in Indonesia which rely on the project feasibility.



INA applies various internal policies as control measures in managing funding and treasury assets, including enforcing financial ratio and investment loss tolerance limits. This is adopted to uphold good governance and keep risk at a manageable and controllable level.



STRATEGY AND OPERATIONAL REVIEW



2022 FUNDING STRATEGIES

In executing its mandate and strategic objectives, INA optimized its capital amounted Rp75 trillion (~USD5 billion) by way of implementing appropriate funding strategy from operational and investment perspectives.

As part of INA's funding strategy, INA can use internal and external sources. Internal funding can be sourced from INA's capital whilst external source (third party) can be in form of bank loan or fundraising from other avenues.

STRATEGY AND OPERATIONAL REVIEW

The adoption of funding strategy would depend on requirement with a focus to prioritize internal source. If required for bridging purpose, INA could elect to resort to bank loans.

Furthermore, INA actively and prudently manages its treasury assets to achieve optimal yield and preserve capital.

INA continuously reviewed and planned its funding strategies with a measured risk level, and conducted alignment on its strategy as required with the approval of the Board of Directors.

FUNDING SOURCES

INA regularly reviewed its funding needs and engaged in discussions with various local and global banks to evaluate project funding and to identify suitable funding structures and instruments. INA interacted with 36 financial institutions to explore opportunities for cooperation in the areas of funding and banking. INA has built partnerships with financial institutions to manage its operating accounts, investments, custodian accounts and extending credit facilities.

As of 31 December 2022, INA had established an aggregate limit of Rp15 trillion credit facility from 6 (six) banks, including Himbara Banks, local banks, and global banks. The credit facility was sufficiently competitive to INA and its subsidiaries/sub-holdings.

By December 2022, INA had allocated funds to certain projects, as follows:

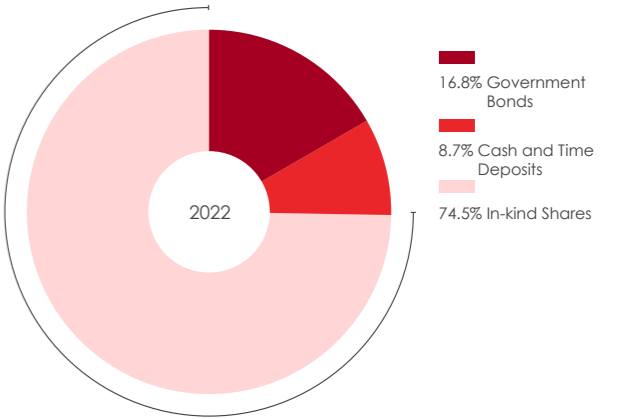
- An intercompany loan was provided as a bridging loan to an investment sub-holding, with the purpose of completion of a toll road project.
- The toll road investment subsidiaries obtained a refinancing facility with non-recourse to shareholders. This structure was the first of its kind for toll road sector in Indonesia which financier rely on the feasibility of the project.
- Investment in Traveloka adopted a funding strategy which managed a natural currency exposure (natural hedge).

TREASURY ASSETS MANAGEMENT

The treasury asset management focused on the objectives of return optimization, preserving capital, and liquidity management.

As of December 2022, total treasury assets grew to Rp86.2 trillion, with a change in the composition of assets consisted of 74.5% or Rp64.2 trillion in in-kind share ownership, 16.8% or Rp14.4 trillion in government bonds (SBN), and 8.7% or Rp7.5 trillion in cash and time deposits.

Treasury Assets as of December 2022



As of 31 December 2022, the market value of the financial assets held in the form of shares of PT Bank Mandiri (Persero) Tbk (BMRI) and PT Bank Rakyat Indonesia (Persero) Tbk (BBRI) was Rp64.2 trillion. This market value has increased by Rp19.2 trillion or 42.7% compared to the acquisition value of Rp45.0 trillion based on KJPP valuation.

FINANCIAL REVIEW

The data and information of the financial review refers to INA Financial Statements for the period of December 31, 2022 which have been audited by the Public Accountant Firm Purwanto, Sungkoro & Surja (Affiliates of EY) with an unqualified opinion.

STATEMENTS OF FINANCIAL POSITION

(In Million Rupiah)

	2022	2021
Assets		
Cash and banks	195,657	2,964,609
Time deposits	7,300,000	8,000,000
Interest receivables	204,511	194,437
Prepayment	4,326	2,787
Convertible loan	-	1,149,672
Investment in debt instruments		
- Bonds	14,444,380	14,796,103
- Other debt instruments	679,843	-
Investment in equity instruments		
- Sub-holding	10,833,547	3,240,511
- Other financial assets	64,213,561	48,823,536
Loan to related parties	1,841,271	-
Deferred tax assets	1,725	646
Fixed assets - net of accumulated depreciation	42,433	50,407
Other assets	88,409	369
Total Assets	99,849,663	79,223,077
Liabilities		
Other payables	776	876
Accruals	38,246	37,085
Taxes payables	22,428	4,132
Provision	185,957	100,678
Lease liabilities	18,164	22,420
Bank loan	679,607	-
Loan from related parties	1,951,419	-
Employee benefits obligation	7,225	2,266
Total Liabilities	2,903,822	167,457
Equity		
Capital	75,000,000	75,000,000
Other reserves	3,955,223	3,955,223
Unrealized gain/(loss) on changes in fair value of:		
- Other financial assets	15,258,338	(131,687)
- Bonds	(118,182)	835
Remeasurement of defined employee benefit	(1,188)	-
Compulsory reserve	231,249	-
Retained earnings		
- Unappropriated	2,620,401	231,249
Total Equity	96,945,841	79,055,620
Total Liabilities and Equity	99,849,663	79,223,077

FINANCIAL REVIEW

INA's total assets grew by 26.0% year-on-year (yoy), reaching Rp99.8 trillion in 2022 from Rp79.2 trillion in 2021. This increase was largely due to the significant growth of investments in equity instruments, which amounted to Rp75.0 trillion, as well as loans to related parties and investment in other debt instruments, totaling to Rp2.5 trillion. At the end of 2022, the financial structure of the INA's assets was mainly composed of investment in equity instruments (75.2%), followed by investment in bonds (14.5%), and time deposits (7.3%).

In 2022, cash and bank, and time deposits, amounted to Rp195.7 billion and Rp7.3 trillion, respectively. Majority cash and bank were placed in Himbara Bank with mainly Rupiah denominations. Similarly, time deposits also majority placed in Himbara Banks, all in Rupiah denominations.

The placement of INA's investment in bonds in 2022 is recorded as amortized costs and fair value through other comprehensive income, amounting to Rp8.5 trillion and Rp6.0 trillion, respectively.

In 2022, investment in equity instruments rose by Rp23.0 trillion to reach Rp75.0 trillion, a growth of 44.1% (yoy) compared to the previous year's investment of Rp52.1 trillion. This growth was largely due to investments in sub-holdings and other financial assets, which grew by 234.3% (yoy) and 31.5%, respectively, or reaching Rp10.8 trillion and Rp64.2 trillion in 2022.

Liabilities increased from Rp167.5 billion in 2021 to Rp2.9 trillion in 2022, with the largest contribution from loan from related parties of Rp1.9 trillion and bank loans of Rp679.6 billion.

Equity grew significantly by 22.6% (yoy) from previously Rp79.1 trillion in 2021 to Rp96.9 trillion in 2022. The increase of equity was primarily supported by an increase of unrealized gain on changes in fair value of other financial assets and net profit for the year.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(In Million Rupiah)

	2022	2021
Revenue – net of final tax amounting to Rp164,749 (2021: Rp88,284)	3,446,786	580,439
Investment Expenses	(72,168)	(44,575)
Operational Expenses	(439,747)	(276,471)
Finance Cost	(293,429)	(26,290)
Foreign Exchange Loss	(294)	(15)
Profit Before Income Tax Expense	2,641,148	233,088
Income Tax Expense – Net (exclude final tax)	(20,747)	(1,839)
Net Profit for the Year	2,620,401	231,249
Total Other Comprehensive Income/(Loss)	15,269,820	(130,852)
Total Comprehensive Income for the Year	17,890,221	100,397

In its second year of operation, INA was able to achieve a net profit of Rp2.6 trillion, which is a significant increase of 1,033.2% compared to the previous year's profit of Rp231.3 billion. This remarkable accomplishment was made possible by the Company's total revenue of Rp3.4 trillion, which grew by 493.8% (yoy) from 2021 revenue of Rp580.4 billion. Dividend income derived from BMRI and BBRI in-kind shares, as well as Mitratel which reached Rp2.4 trillion, and interest income of Rp1.2 trillion.

FINANCIAL REVIEW

STATEMENT OF CASH FLOWS

	2022	2021
Net Cash Used in Operating Activities	(3,433,800)	(27,007,035)
Net Cash Used in Investing Activities	(3,254)	(25,713)
Net Cash Provided from Financing Activities	668,063	29,997,357
Net (Decrease)/Increase in Cash and Banks	(2,768,991)	2,964,609
Impact of changes in foreign currency	39	—
Cash and Banks at End of the Year	195,657	2,964,609

Net cash used in operating activities stood at Rp3.4 trillion in 2022. The largest cash in flow was from dividend income which amounted to Rp2.4 trillion, and from interest income of Rp1.2 trillion. While the largest cash out flow was from placement on investment in equity instruments that reached Rp6.8 trillion.

Net cash used in investing activities reached Rp3.3 billion in 2022. Meanwhile, net cash provided from financing activities stood at Rp668.1 billion in 2022. Proceeds from bank loans and repayment of bank loans stood at Rp6.9 trillion and Rp6.3 trillion, respectively. Subsequently, INA's cash and banks at the end of 2022 reached Rp195.7 billion.

STATEMENT OF CHANGES IN EQUITY

(In Million Rupiah)

Description	Capital	Other Reserves	Unrealized Gain/(Loss) on Changes in Fair Value of		Compulsory Reserve	Unappropriated Retained Earnings	Remeasurement of Defined Employee Benefit	Total
			Other Financial Assets	Bonds				
Beginning balance	–	–	–	–	–	–	–	–
Capital injection	75,000,000	–	–	–	–	–	–	75,000,000
Difference in fair value of initial recognition in other financial assets	–	3,955,223	–	–	–	–	–	3,955,223
Unrealized gain/(loss) on changes in fair value:								–
- Other financial assets	–	–	(131,687)	–	–	–	–	(131,687)
- Bonds	–	–	–	835	–	–	–	835
Net profit for the year	–	–	–	–	–	231,249	–	231,249
Balance as of 31 December 2021	75,000,000	3,955,223	(131,687)	835	–	231,249	–	79,055,620
Unrealized gain/(loss) on changes in fair value:								
- Other financial assets	–	–	15,390,025	–	–	–	–	15,390,025
- Bonds	–	–	–	(119,017)	–	–	–	(119,017)
Appropriation of compulsory reserve	–	–	–	–	231,249	(231,249)	–	–
Remeasurement of Defined Employee Benefit	–	–	–	–	–	–	(1,188)	(1,188)
Net profit for the year	–	–	–	–	–	2,620,401	–	2,620,401
Balance as of 31 December 2022	75,000,000	3,955,223	15,258,338	(118,182)	231,249	2,620,401	(1,188)	96,945,841

The equity increase of Rp17.8 trillion in 2022 was supported by unrealized gains from changes in fair value of other financial assets amounting to Rp15.4 trillion and net profit in 2022 of Rp2.6 trillion. INA established a mandatory reserve in 2022 for the net profit of 2021, which amounted to Rp231.2 billion.

01 OUR GOVERNANCE

INA has built good governance that adheres to relevant laws and regulations. All of INA's personnel has performed its duties professionally and independently, while upholding high level of accountability and transparency in accordance to international standards and best practices.

The formation of good governance demonstrates the creation of risk aware culture in INA and is the core virtue to gain stakeholder's trust and enables delivery of sustainable investments from various angles, such as commercial returns, national development, and risk measures and control.

CEMENTING OUR
INTEGRITY BY
**APPLYING THE BEST
GOVERNANCE
STANDARDS**



CORPORATE GOVERNANCE

INA's investment management adheres to the principles of good governance, transparency, and accountability. These principles ensure that INA's investment management is conducted with independence, fairness, professionalism, and responsibility.

HIGHLIGHTS

In carrying out its duties, INA is bound by the provisions of Law No. 11 of 2020 that has been revoked and replaced with Law No. 6 of 2023 on the Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on the Job Creation into Law, Government Regulation No. 74 of 2020 on Indonesia Investment Authority, and other related laws and regulations.

Decision-making is carried out by INA's organs through meetings. To make decisions related to oversight, the Supervisory Board periodically conducts Supervisory Board meetings, whereas the decision-making on operational management is conducted by the Board of Directors in Board meetings.

INA has established internal policies that focus on good governance, which includes regulations for both the Supervisory Board and Board of Directors including its corresponding procedures. INA also utilizes a variety of resources to offer coaching, and training programs that aim to enhance institutional knowledge, as well as enforce risk awareness.

As a tangible demonstration of good governance, the Board of Directors periodically submits financial statements and management reports to the Supervisory Board.

INA's Code of Conduct addresses ethical standards, potential conflict of interest, breaches of conduct, and a whistleblowing system. This is done in order to uphold INA's reputation and foster a culture of integrity.

To ensure INA's operations is in compliance with prevailing regulations, INA also monitors work units' application of laws and regulations and internal policies in carrying out their duties.

OUR GOVERNANCE

GOVERNANCE IMPLEMENTATION BASIS

The legal basis of INA governance is Law No. 11 of 2020 that has been revoked and replaced with Law No. 6 of 2023 regarding the Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation into Law, and Government Regulation No. 74 of 2020 on Indonesia Investment Authority. INA has also established several internal policies to strengthen the implementation of good governance at INA.

INA's internal policies regarding the implementation of good governance consist of policies set by the Supervisory Board and the Board of Directors.

Board of Directors Regulation
To exercise operational management and good governance, the Board of Directors has established the Board of Directors Regulation that outline internal policies, as mandated by Government Regulation No. 74 of 2020 on Indonesia Investment Authority. The Board of Directors has established 36 policies that are outlined in 12 Board of Directors Regulation, which include policies on investment, partner selection, finance, risk management, and information disclosure. The policies were made with prior consultation to the Supervisory Board.

GOVERNANCE STRUCTURE

- INA's corporate governance structure consists of:
1. The Supervisory Board, as an organ that oversees the governance of INA by the Board of Directors. In implementing its duties, the Supervisory Board is assisted by its Committees and secretariat.
 2. The Board of Directors as an organ whose functions are to manage and represent INA. In carrying out INA's governance, the Board of Directors may establish committees, members of which are assigned from the Board of Directors, employees, and/or other parties.

COMMITTEES ESTABLISHMENT

In carrying out its duties and authority, the Supervisory Board and the Board of Directors establish committees based on prevailing regulations. This is aimed at carrying out oversight and operational functions, in a professional manner with transparency, integrity, and responsibility.

GOVERNANCE TOOLS

Supervisory Board Regulation
The policies on the oversight of the Supervisory Board are outlined in the Supervisory Board Regulation. The Supervisory Board has established the Supervisory Board Regulation as mandated in Law No. 11 of 2020 that has been revoked and replaced with the Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation into Law, and Government Regulation No. 74 of 2020 on Indonesia Investment Authority. There are 13 policies regulated in the Supervisory Board Regulation, which include, among others, operational supervision, ethical standards, and the Supervisory Board's decision-making procedures.

The Supervisory Board Regulation is a living document that will be continuously adjusted to align with evolving needs and dynamics.

OUR GOVERNANCE

COMMITTEES UNDER THE SUPERVISORY BOARD

Audit Committee

The Audit Committee was established on May 1, 2021 based on a decree of the Supervisory Board. The implementation of the duties and authority of the Audit Committee is stated in the Audit Committee Charter. Members of the Audit Committee are assigned from professionals, internal and external to INA.

Duties of the Audit Committee:

- To evaluate internal controls, financial statements, compliance, internal auditors, communications with external auditors, risk management, compliance with Good Corporate Governance (GCG), and so forth.

To carry out its duties and authority, the Audit Committee conducts periodical meetings at least 6 (six) times in a year. During 2022, the Audit Committee has convened 13 (thirteen) meetings.

Audit Committee Members Structure

Chairman and Member:
Haryanto Sahari (member of the Supervisory Board)
Member: Sumiyati
Member: Nita Skolastika Ruslim

OUR GOVERNANCE

Ethics Committee

The Ethics Committee was established on May 1, 2021 based on a decree of the Supervisory Board. The implementation of duties and authority of the Ethics Committee is stated in the Ethics Committee Charter. Members of the Ethics Committee are assigned from professionals, internal and external to INA.

Duties of the Ethics Committee:

- To review INA's Code of Ethics and oversight function to ensure compliance with INA's Code of Ethics; and
- To oversee the control of gratification, conflicts of interest, and handling issues raised through the whistleblowing system resulting from breaches of Code of Ethics, and so forth.

In carrying out its duties and authority, the Ethics Committee conducts periodic meetings at least once in 3 (three) months. During 2022, the Ethics Committee has convened 7 (seven) meetings.

Ethics Committee Members Structure:

Chairman and Member: Yozua Makes (member of the Supervisory Board)
Member: Hikmahanto Juwana (concurrently serves as the Chief Executive of the Ethics Committee for the 2021 and 2022 terms referring to the resolutions of the Ethics Committee Meeting)
Member: Ahmadi Hadibroto

One of the Ethics Committee members, Mr. John Aristianto Prasetyo, submitted a resignation request to the Supervisory Board on December 31, 2021. The Supervisory Board accepted the resignation and granted an honorable discharge, effective from January 1, 2022. Subsequently, based on the Supervisory Board's decision, Mr. Ahmadi Hadibroto was appointed as a member of the Ethics Committee effective February 25, 2022.

AUDIT COMMITTEE MEMBERS STRUCTURE



Haryanto Sahari
1. Member of the Supervisory Board
2. Chairman and Member of the Audit Committee



Sumiyati
1. Member of the Audit Committee
2. Professional Experience:
- Inspector General at The Ministry of Finance
- Chairman of the Government Accounting Standards Committee
- Audit Committee at the Ministry of Finance
- Commissioner of the financial, bank, and insurance institution



Nita Skolastika Ruslim
1. Member of the Audit Committee
2. Professional Experience:
- Partner PricewaterhouseCoopers (2005-2020)
- Member of the audit committee on several multinational and public companies
- Member of profession ethic of Indonesian Institute of Certified Public Accountant (IAP)

ETHICS COMMITTEE MEMBERS STRUCTURE



Yozua Makes
1. Member of the Supervisory Board
2. Chairman and Member of the Ethics Committee



Hikmahanto Juwana
1. Member of the Ethics Committee
2. Professional Experience:
- Professor of Law at the University of Indonesia
- Commissioner in several companies
- Former Tax Supervisory Committee



Ahmadi Hadibroto
1. Member of the Ethics Committee
2. Professional Experience:
- Former Board Member of International Federation of Accountants (IFAC)
- Former Chairman of the National Management Board of the Indonesian Institute of Accountants
- Chairman of Shinewing Indonesia
- Former Head of Hadibroto Public Accounting Firm & Partner

OUR GOVERNANCE

Remuneration and Human Resources Committee

The Remuneration and Human Resources (HR) Committee was established on May 1, 2021 based on a decree of the Supervisory Board. The implementation of duties and authority of the Remuneration and HR Committee is in the Remuneration and HR Committee Charter. Members of the Remuneration and HR Committee are assigned from professionals, internal and external to INA.

Duties of the Remuneration and HR Committee:

- Providing recommendations on nomination and performance assessment of the Board of Directors;
- Reviewing and monitoring of HR management strategies and policies, as well as the remuneration system;

- Facilitating and providing recommendations on the performance assessment of the Supervisory Board, as well as the Key Performance Indicators (KPI) of the Board of Directors.

In carrying out its duties and authority, the Remuneration and HR Committee conducts periodical meetings at least once in 3 (three) months. During 2022, the Remuneration and HR Committee has convened 30 (thirty) meetings.

Remuneration and Human Resources Committee

Members Structure:

Chairman and Member:

Moh. Chatib Basri

Member:

Darwin Cyril Noerhadi (member of the Supervisory Board)

Member: Bambang Widjanarko ES

Member: Rabin Indrajad Hattari

Member: Nofiansyah

OUR GOVERNANCE

REMUNERATION AND HUMAN RESOURCES COMMITTEE MEMBERS STRUCTURE



Moh. Chatib Basri

1. Chairman and Member of the Remuneration and HR Committee
2. Professional Experience:
 - Head of Investment Coordinating Board (2012-2013)
 - Minister of Finance of the Republic of Indonesia (2013-2014)
 - Academician of Faculty of Economics, University of Indonesia
 - Consultant to various international institutions including IMF, World Bank, and ADB
 - Commissioner of the bank and telecommunication institutions



Darwin Cyril Noerhadi

1. Member of the Supervisory Board
2. Member of the Remuneration and HR Committee



Bambang Widjanarko ES

1. Member of the Remuneration and HR Committee
2. Professional Experience:
 - HR Professional and Strategic Consultant
 - Commissioner at the multiple national companies



Rabin Indrajad Hattari

1. Member of the Remuneration and HR Committee
2. Professional Experience:
 - Economics in international institutions including ADB, IMF, and World Bank
 - Deputy Ministry of SOEs
 - Commissioner of the banking institution



Nofiansyah

1. Member of the Remuneration and HR Committee
2. Professional Experience:
 - Executive Officer at the Ministry of Finance
 - Commissioner of the infrastructure and financing institutions (special mission vehicle)

OUR GOVERNANCE

COMMITTEES OF THE BOARD OF DIRECTORS

Investment Committee

The Investment Committee was established on 24 September 2021 pursuant to a decree of the Board of Directors. The implementation of duties and authority of the Investment Committee is outlined in the Investment Committee Charter. The Investment Committee comprises INA's Board of Directors and certain appointed employees.

- Duties of the Investment Committee:
- Providing recommendations on investment decisions;
 - Carrying out periodic oversight on the performance of investment portfolio;
 - Managing the investment risks;
 - Formulating required actions and/or exit plans.

The Investment Committee holds a meeting at least once a week to discuss investment-related matters. During 2022, the Investment Committee has convened 67 meetings.

Risk Management Committee

The Risk Management Committee was established on August 9, 2021 based on a decree of the Board of Directors. The implementation of duties and authority of the Risk Management Committee is stated in the Risk Management Committee Charter. The Risk Management Committee comprises INA's Board of Directors and certain appointed employees.

- Duties of the Risk Management Committee:
- Managing INA's risks;
 - Anticipating and monitoring risks encountered by INA;
 - Providing guidelines on handling issues and key risks arising from each division.

The Risk Management Committee holds a meeting at least once every quarter. During 2022, the Risk Management Committee has convened 9 (nine) meetings.

DEVELOPING THE CODE OF CONDUCT

INA is committed to uphold a culture of integrity, which is done, among other through its Code of Conduct and the signing of an Integrity Pact.

The Integrity Pact contains the commitments of INA among others, to:

1. Taking an active role in preventing and eradicating corruption, collusion, and nepotism and not involve oneself in acts of corruption, collusion, and nepotism;
2. Not demanding and accepting gratification in any form that are not in compliance with prevailing laws and regulations;
3. Avoiding conflicts of interest in carrying out duties and responsibilities while at INA;
4. Complying with prevailing laws and regulations.

In relations to its Code of Conduct, in order to prevent conflicts of interest, INA periodically issues a monthly negative list to all of its personnel. Moreover, as a means of controlling potential conflicts of interest, including insider trading transactions and insider information, INA also requires all employees to regularly report their shareholdings to the Compliance Division.

The conflict of interest control system has been regulated in INA Code of Conduct, which is included in the Board of Directors' Policy on Compliance.



REPORTS SUBMISSION

Financial Statements

INA's Board of Directors prepares monthly Financial Statements and submits Quarterly Financial Statements, which have been reviewed by the Audit Committee and signed by the Board of Directors.

The Quarterly Financial Statements that have been prepared by the Board of Directors:

- Quarter 1 of 2022 Report, signed on April 23, 2022.
- Quarter 2 of 2022 Report, signed on July 18, 2022.
- Quarter 3 of 2022 Report, signed on October 18, 2022.
- Audited Annual Financial Statements of 2022, signed on February 27, 2023.

Management Report

INA's Board of Directors also prepares monthly Management Reports and submits Quarterly Management Reports to the Supervisory Board no later than 15 days after the Financial Statements are issued. The Quarterly Management Reports consist of Financial Performance Reports, Investment Management Reports, Operational Management Reports, and Internal Compliance Reports.

The Quarterly Management Reports that have been submitted by the Board of Directors to the Supervisory Board:

- Quarter 1 of 2022 Management Report, dated April 28, 2022.
- Quarter 2 of 2022 Management Report, dated July 27, 2022.
- Quarter 3 of 2022 Management Report, dated November 10, 2022.
- Quarter 4 of 2022 Management Report, dated February 14, 2023.

MONITORING GOVERNANCE POLICIES

INA actively monitors the implementation of prevailing regulations and internal policies on a periodic basis. The monitoring is as follows:

- Performing compliance review of investment that will be done by INA.
- Performing compliance review of self-assessment conducted by each work unit.
- Signing of annual Integrity Pact, semi-annual shares ownership report, and gratification control.

OUR GOVERNANCE

OUR GOVERNANCE

To ensure INA's compliance with applicable laws and regulations, an independent auditor, Purwanto, Sungkoro & Surja (EY Affiliates), has conducted an audit. According to the Independent Auditor's Report for 2022, INA has complied with all relevant laws, regulations, contracts, and requirements in all material respects.

In 2022, to fortify its foundation and enhance its governance monitoring tools, INA has appointed professional and proficient individuals to occupy the internal audit function. With a profile of more than 16 years of experience in implementing strategic accounting, financial reporting, risk management, risk-based auditing, and internal

control in several companies, INA's internal auditors have prepared an effective and comprehensive 2022 audit implementation plan.

In the process of establishing the internal audit function, INA benchmarked to other SWFs to obtain an audit approach and focus that best suits INA's needs and characteristics.

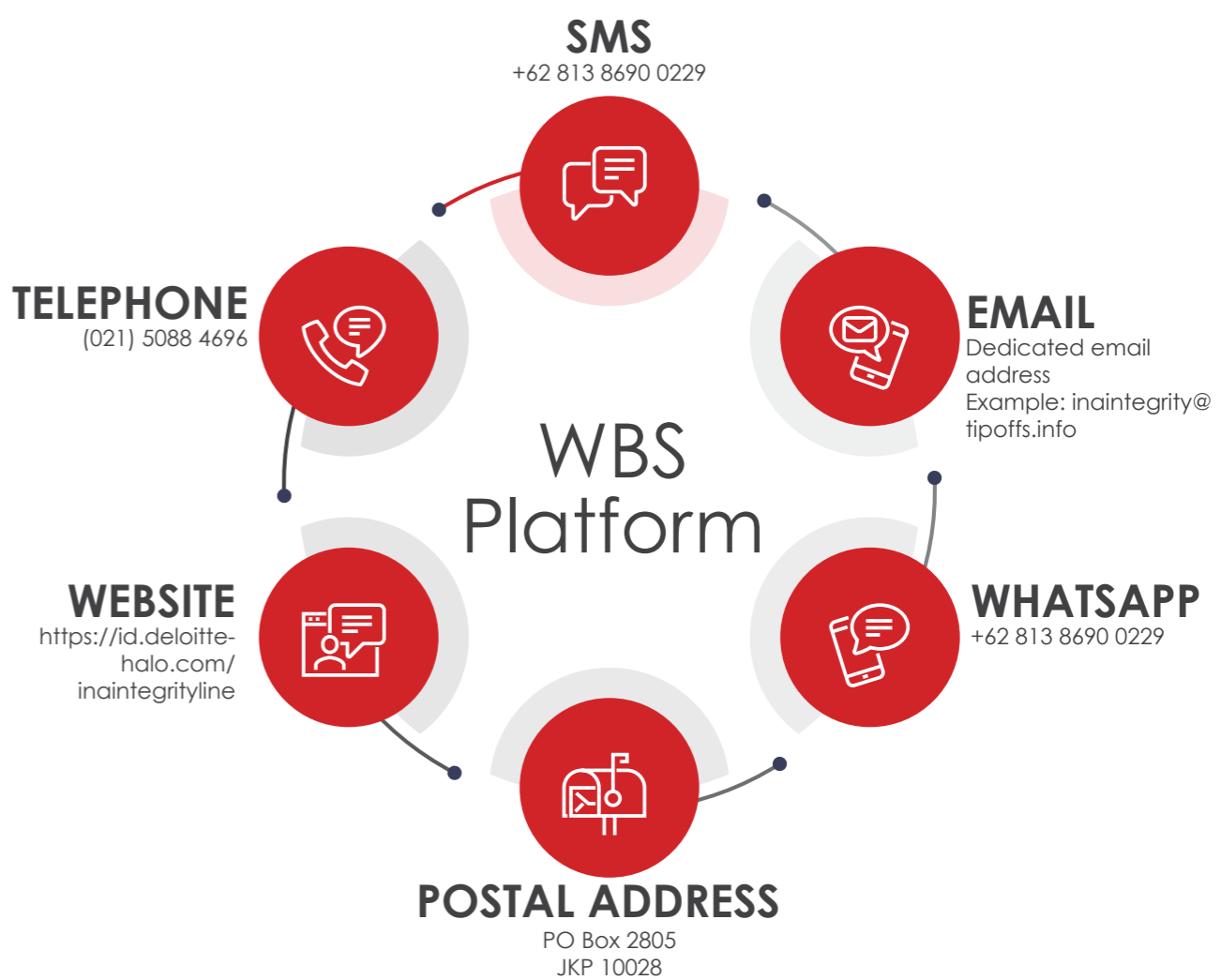


WHISTLEBLOWING SYSTEM

INA has implemented a Whistleblowing System (WBS), namely INA Integrity Line.

The objectives of the WBS include implementing a culture of integrity at INA, providing a grievance mechanism that protects the whistleblower, and mitigating the possibility of financial and non-financial losses.

INA Integrity Line manages reporting and/or disclosure of alleged violations committed by members of the Supervisory Board, members of the Board of Directors, and/or employees. The system was made to ensure the confidentiality and protection of whistleblowers. INA Integrity Line system is integrated in INA's website.



An independent third party is appointed to managing the INA Integrity Line, and such appointment follows the relevant regulations set out by the INA.

Independent parties, on a monthly basis, submit monitoring outcomes of violation reports obtained via INA Integrity Line to the Compliance Division. The recapitulation of violation reports through INA Integrity Line is reported to the Audit Committee and the Ethics Committee on a quarterly basis.

WHISTLEBLOWING SYSTEM

GOVERNANCE COMMITMENT

INA is committed to implementing Good Corporate Governance (GCG).



- .01

The Board of Directors and employees sign the Integrity Pact;
- .02

The Supervisory Board, Board of Directors, Supervisory Board organs, and employees submit reports on their shareholdings semi-annually;
- .03

INA has established a whistleblowing system;
- .04

In carrying out its duties, INA follows the principles of good governance and prevailing regulations;
- .05

Submits Management Reports and Financial Statements that are presented in a transparent, accurate, and timely manner; and
- .06

Creates a favourable climate for the development of national investment.

To adhere to the Santiago Principles for international governance standards, INA registered as an associate member of the International Forum of Sovereign Wealth Funds (IFSWF) on 24 May 2021, and has now become a full member as of 20 September 2022.

IFSWF is a global SWF organization committed to working together and strengthening the SWF community through dialogue, research, and self-assessment.

The main activities of IFSWF:

- Setting the Standards: IFWSF helps its members accelerate the implementation of good governance practices by sharing the experience of each member in implementing the Santiago Principles.
- Knowledge Sharing: IFSWF members seek to help each other to achieve higher expected risk-adjusted returns through discussions on governance, investment, asset allocation, financial risk assessment, and operational issues.
- Representation: The forum can help represent the views of its members in the wider financial community, and can be a contact point for collaborating with other financial organizations.

IFSWF members, among others are Abu Dhabi Investment Authority, China Investment Corporation, GIC Private Limited, dan Khazanah Nasional Berhad.

WHISTLEBLOWING SYSTEM





RISK MANAGEMENT

Robust risk management is an indispensable part of INA's mandate. INA strives to continuously strengthen its risk and governance.

INA actively focused to build a risk aware culture through open, transparent, and constructive engagement, with adherence to best practices and international standards.

ROBUST RISK MANAGEMENT TO **OBTAIN** **VALUE-GENERATING** **INVESTMENTS**



RISK MANAGEMENT OBJECTIVES

RISK MANAGEMENT OBJECTIVES

INA has established an effective risk and capital management system to deliver sustainable growth and performance that is aligned with INA's mandate and risk appetite. The system established and commenced in 2022, will continually develop to support INA in addressing and anticipating economic challenges that may arise, domestically and globally, along with INA's increased risk exposure as we grow.

The risk management system of INA will adapt to the development of its risk activities in fulfilling its mandate. INA's second line of defense plays a significant role in executing investment process and monitoring realized investment assets to ensure that the established Risk Appetite is maintained.

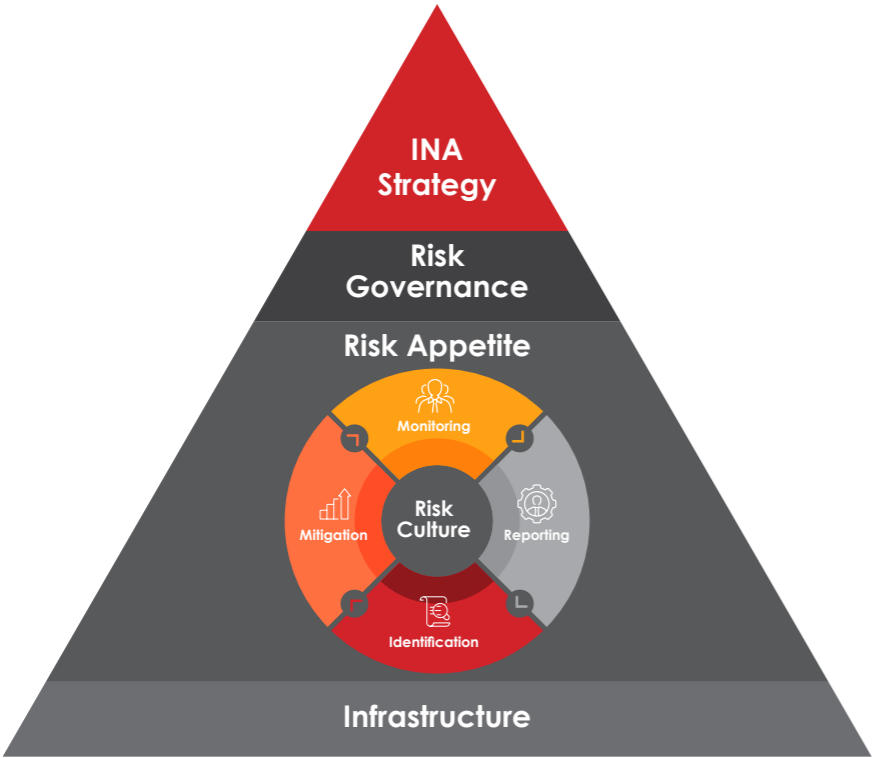
INA has strengthened its overall risk governance by incorporating the function of Internal Audit as the third line of defense within its risk management framework, which has been in effect since July 2022.

INA's Risk Management objectives remain the same as previous year, specifically to:

- 1. Supporting the achievement of INA's strategy to provide optimal risk-adjusted returns that considers ESG aspects, and is capable of attracting investor participation, for INA's long-term success and the development of Indonesia.
- 2. Establish a risk governance framework which covers risks inherent in the investments that we manage (investment-related risks), as well as risks inherent in how we operate daily (enterprise-wide risks).
- 3. Building a risk-awareness culture through open, transparent, and constructive engagement based on behavioural guidelines set by the Management.

RISK MANAGEMENT FRAMEWORK

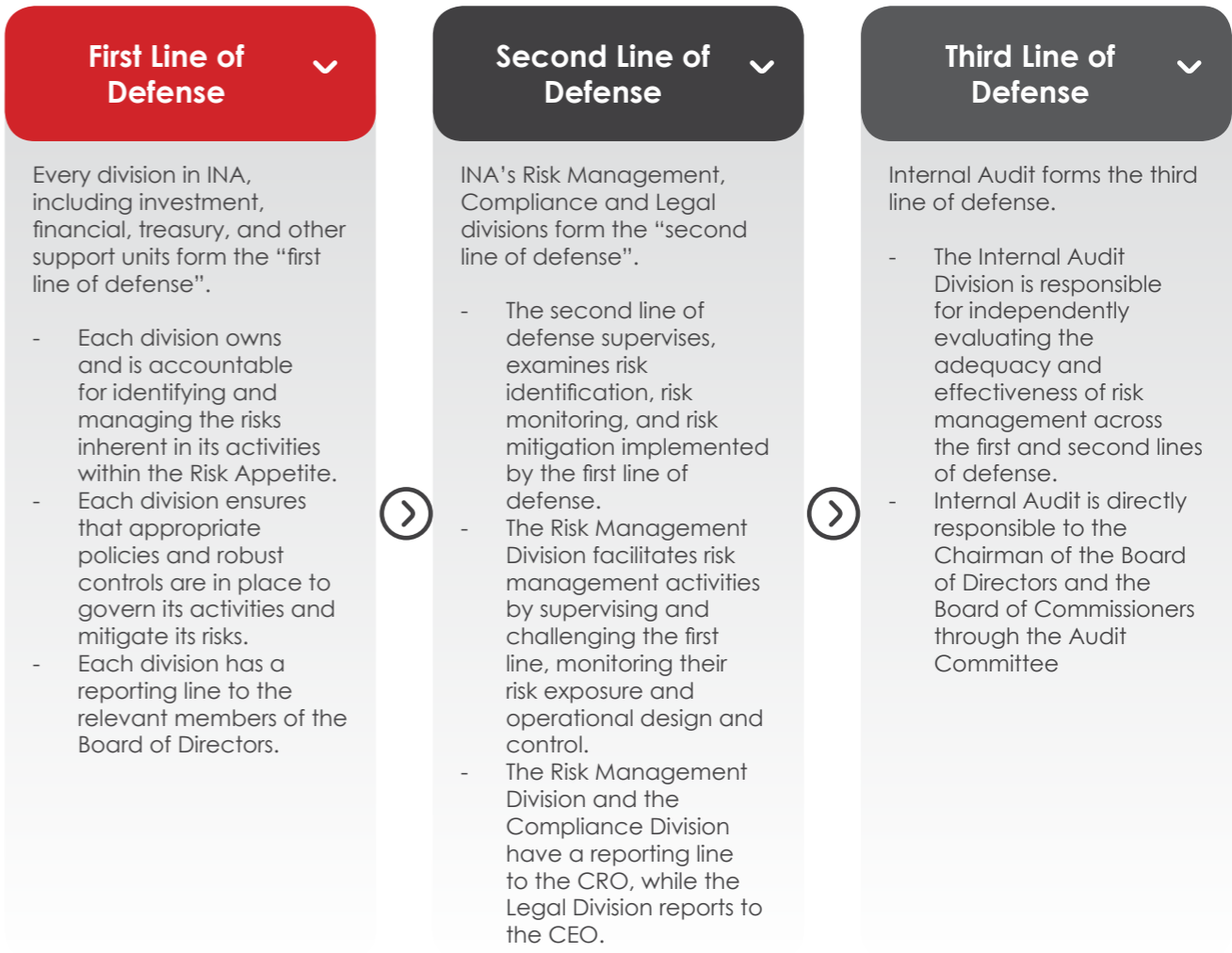
INA has built a risk management framework that governs its investment activities and its daily operations by applying the concept of three lines of defense model.



RISK MANAGEMENT

THREE LINES OF DEFENSE MODEL

INA has adopted the three lines of defense model to ensure that there is clarity and transparency in risk ownership and accountability



IMPLEMENTATION OF RISK GOVERNANCE

INA has identified 10 (ten) risk types in its Risk Taxonomy to define the material risks that INA faces in its current state of development, and has established Risk Appetite Statements for five (5) major risks. The Risk Appetite Statement provides guidance on the level of risk that INA is willing to assume to achieve its mandate and meet investors' expectations. The Risk Taxonomy and Risk Appetite Statements will be sustainably adjusted in accordance with INA's stage of development and the challenges it faces.



RISK MANAGEMENT

The Risk Register maps out the list of risk activities across all divisions in INA and the risk controls in place. In 2022, INA has completed the self-assessment process for the first time.

Risk Register will develop over time according to the increased risk activities and the risk controls identified in the self-assessment process. Governance improvement plan identified has been implemented in 2022 and any ongoing projects at the end of the year will become the working plan for 2023.

Governance improvement plan in 2023 is sourced from various risk identification process such as lessons learned, self-assessment process, or from task force formed for particular projects.

Risk Appetite Statement for INA's five (5) key risks



RISK MANAGEMENT



OUR SUSTAINABILITY REPORT

INA believes environmental, social and governance (ESG) principles play an important role in ensuring the quality of investment and creation of long-term benefits. INA actively integrates ESG factors into its investment process, develop sustainability-themed investments and strengthen its organizational capacity in ESG. In 2022, INA achieved significant milestone through the increase in its ESG score by 28% by Global Sovereign Wealth Fund.

PROMOTING ESG PRINCIPLES TO IMPLEMENT RESPONSIBLE INVESTMENT



OUR SUSTAINABILITY



OUR SUSTAINABILITY

BUILDING RESPONSIBLE INVESTMENT THROUGH ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) COMMITMENTS

INA believes responsible investment that seriously takes into account environmental, social and governance (ESG) factors will reap greater benefits overall for our investment partners, stakeholders and future generations of Indonesia.

INA integrates ESG factors into its investment and operational procedures by taking into account global sustainability practices, Indonesia's commitment to ESG, Indonesia's status as a developing country, and the time frame required for the company to make the transition.

OUR APPROACH

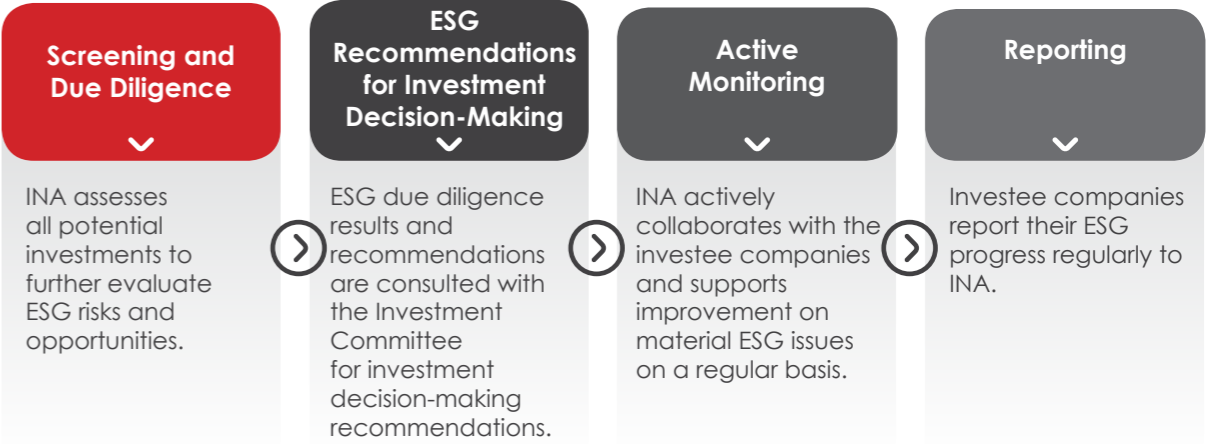
1. ESG INTEGRATION

1.1 Integration in the Investment Process

INA integrates ESG factors into its investment process and adapts them according to its level of ownership and investment control. INA seeks to apply the agreed ESG framework and principles to the available investment opportunities.

INA reviews its investment opportunities to ensure no material ESG issues that could potentially cancel the transaction. Through a due diligence process, INA further evaluates ESG risks and opportunities that will provide added value to the investment. The findings of the preliminary review, due diligence evaluation, and ESG recommendations are then presented to the Investment Committee for investment decision-making.

ESG Integration into the Investment Process



INA carried out 6 (six) ESG due diligence processes in various sectors such as infrastructure, health, digital, and logistics in 2022. Due diligence includes appointment of ESG advisors, site visits, data collection, consultation process with target companies, and assessment against INA ESG metrics. The recommendations resulting from the due diligence process were incorporated into legal documents signed by all parties involved in the transaction, following the decision of the Investment Committee.

OUR SUSTAINABILITY

OUR SUSTAINABILITY

1.2 Integration into Operational Process

INA ensures the operational process are in line with our ESG policy and framework. In 2022, INA has started measuring and monitoring ESG factors such as greenhouse gas (GHG) emissions, employee diversity, total hours of employee training, and implementation of good governance.

Greenhouse Gas Emissions

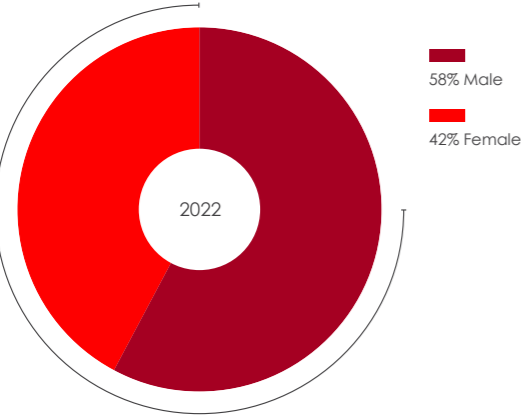
INA calculates its greenhouse gas emissions generated directly and indirectly (Scope 1 and 2) from our operational process. We set the year of 2022 as our baseline in monitoring our annual greenhouse gas emissions.

Description	Quarter 1 2022	Quarter 2 2022	Quarter 3 2022	Quarter 4 2022
Scope 1 (ton of CO2-e) Total emission from car fuel consumption	1.13	1.18	1.14	1.35
Scope 2 (ton of CO2-e) Total emission from electricity consumption	21.99	27.06	25.34	25.17

Employee Diversity

INA ensures that all its employee receive equal treatment and opportunity within the organization. INA acknowledges that diverse workforce is fundamental to fostering innovation and creativity, and will ultimately enhance competitive advantage. Female are represented in all levels of employment, including within the Board of Directors and Board of Supervisors. INA remains committed to upholding its ESG principles and providing equal opportunities to its employees.

Diversity based on Gender

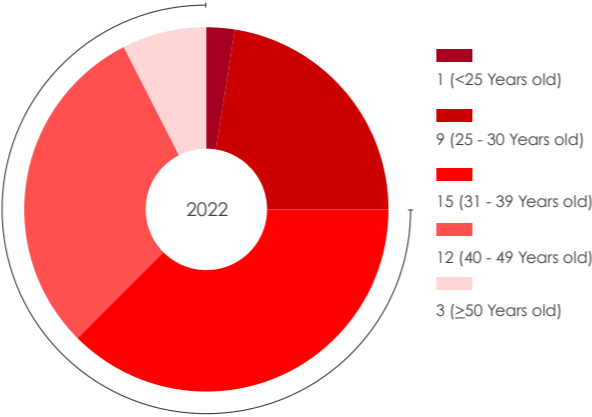


Further information is provided in the Human Resources section herein.

Employee Training

Strong human resources are capital for INA in carrying out its mission to creating added value and increasing Indonesia's competitiveness. To accomplish this, INA is committed to providing training and development aligned with individual competency as well as increasingly dynamic business challenges.

Diversity based on Age Group



During 2022, INA organized 314 hours of compulsory training for its employees that covered various topics such as internal policies, health, and safety, as well as cyber security awareness. INA also demonstrated its commitment to enhancing the technical skills of its employees by providing 137 hours of technical training. The training materials were customized based on the employees' specific job functions, such as business, internal audit, taxation, and ESG.

Good Governance

INA is committed to aligning its investment and operational practices with environmental, social, and governance responsibilities. In realizing this commitment, INA has developed and put into action ESG policies and procedures, which serve as a basis for identifying ESG-related risks and opportunities. Additionally, INA has made its ESG policies publicly available on its website, as part of INA's commitment to transparency.

INA's commitment to responsible investment and operations is reflected in the duties and responsibilities of the Board of Directors, ESG Division, and Investment Division.

- a. Board of Directors

 - Decision making and supervision of efforts and issues related to responsible investment.
 - In consultation with the Supervisory Board, the Board of Directors is responsible for approving ESG policy and conducting periodic reviews to ensure compliance with global and national standards, best practices, and regulatory requirements related to ESG.
- b. ESG Division

 - Formulating and implementing responsible investment policies and procedures.
 - Integrating ESG factors into the investment process starting from the early assessment, due diligence, active monitoring, and reporting of ESG performance of the portfolio companies.
 - Ensuring operational process run in accordance with ESG principles.
 - Managing and reporting on responsible investment and ESG implementation.
- c. Investment Division

 - Collaborating with the ESG Division to ensure the investment process is in line with INA's ESG principles.

INA seeks to align with global sustainability practices that have tangible and positive impacts. As ESG standards, processes, and methodologies continue to evolve, INA will regularly evaluate the relevant standards to stay current with other investors, best practices in similar industries, and expectations of key stakeholders.



OUR SUSTAINABILITY

2. ACTIVE MONITORING

Aligned with its ownership stake and investment control, INA is committed to actively monitor our portfolio companies in improving and creating added values on ESG. This is established through the creation of an ESG roadmap, which is developed and approved by INA and its portfolio companies following an investment transaction. The roadmap also incorporates INA's ESG metrics to outline the areas of monitoring and to keep track of the ESG performance of portfolio companies.

Throughout investment cycle, INA seeks to establish effective communication and dialogue with portfolio companies on ESG risks and opportunities. INA strives to promote good corporate governance, sustainable business practices, and social inclusion in all of its portfolio companies.





ORGANIZATION AND HUMAN RESOURCES

In its commitment to excellence, INA is committed to building a solid organization and becoming an attractive workplace for top talents. INA ensures that career opportunities and development are fairly and professionally conducted, taking into account the competencies and performance of each employee, accompanied by a competitively designed remuneration package in accordance with the best standards. INA also equips the organization with the latest systems and technologies, as well as maintains operational and financial transparency through information disclosures and public communication.

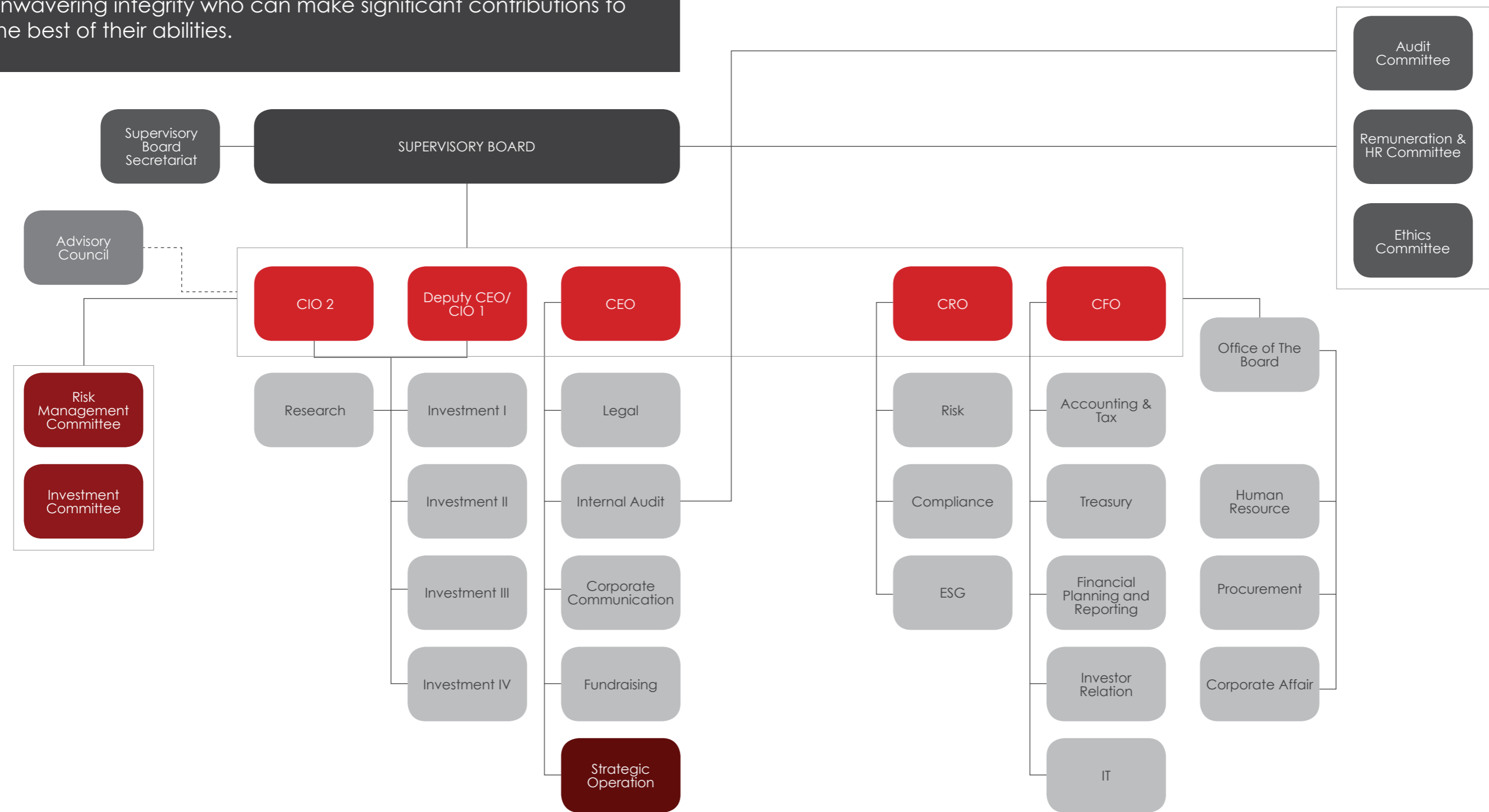


**ACHIEVING EXCELLENCE
WITH EFFECTIVE
ORGANIZATIONAL
STRUCTURE AND THE BEST
TALENTS**

ORGANIZATION AND HUMAN RESOURCES

ORGANIZATION AND HUMAN RESOURCES

Constantly developing the organizational capacity and the skills of its personnel is essential for INA. Given its crucial and strategic mandate, INA requires highly skilled, professional individuals with unwavering integrity who can make significant contributions to the best of their abilities.



INA'S ORGANIZATION

INA has been continuously improving its organizational functions, abilities, and talent pool in its second year of operation. INA strives to maintain an efficient and effective structure to fulfil its mandate. Moreover, the organization's development is always guided by its requirements and global best practices.

ORGANIZATION AND HUMAN RESOURCES

HUMAN RESOURCES

Having a skilled and dedicated workforce is crucial for our success, and INA is fully dedicated to maintaining high standards of professionalism, innovation, creativity, and dynamism, while also prioritizing integrity. We actively seek out the most talented individuals who share these values, and manage them in a way that recognizes their importance to the organization.

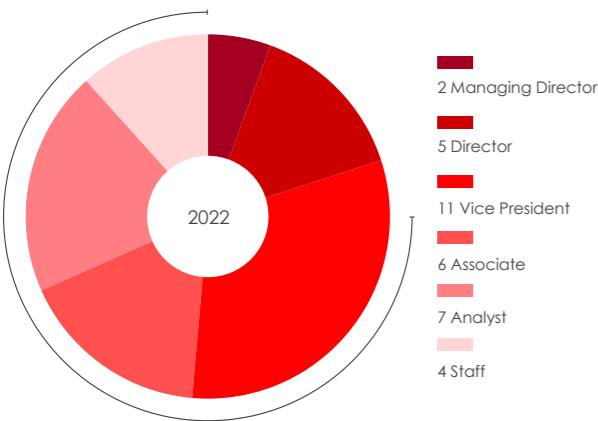
INA also places great importance on equal opportunity and gender fairness within its organizational structure. The organization strives to continuously improve its practices to promote greater representation of women among its staff members as part of its commitment to ESG principles and sustainability.

Employee Recruitment in 2022

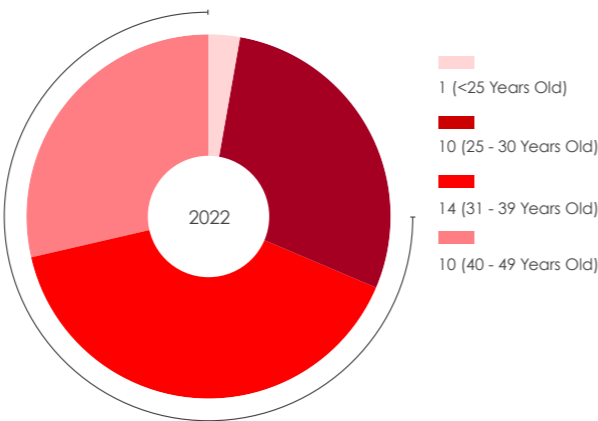
As of 31 December 2022, INA oversees 35 employees who are carefully selected for their exceptional talents and are integral to INA's operations and execution of its mandates.

Employee Composition

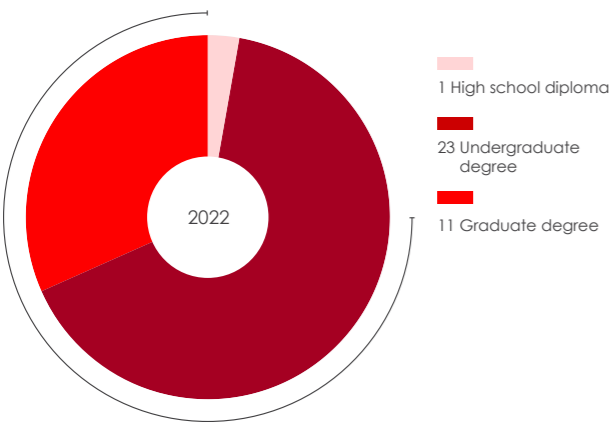
Composition by Level



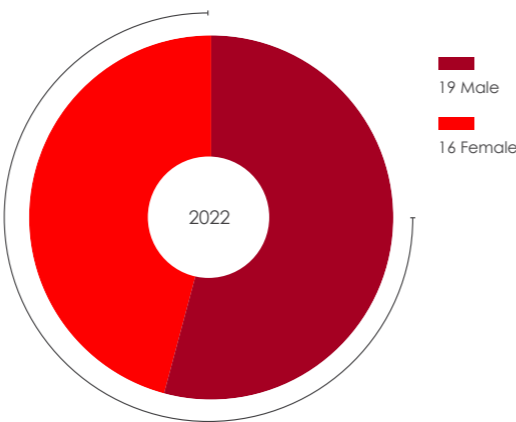
Composition by Age



Composition by Education



Composition by Gender



ORGANIZATION AND HUMAN RESOURCES

INA IN BRIEF

Name

INA
INDONESIA INVESTMENT AUTHORITY

Date of Establishment

15 December 2020

Core Business

Manage, plan, organize, supervise, control, and evaluate investments

Legal References

- Law of the Republic of Indonesia No. 11 of 2020 that has been revoked and replaced with the Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on the Job Creation into Law.
- Indonesian Government Regulation No. 74 of 2020 dated December 15, 2020 on Indonesia Investment Authority

Authorized Capital

State Equity Participation in INA to fulfill the total capital requirement of Rp75 trillion stipulated in Government Regulation No. 74.

Total Employees

35 employees

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DISCLAIMER

The receipt of this Report by its recipients implies their full acceptance of the above statements.

