



Toward a Sustainable and Colorful Future

2024 Sustainability Report

Towards a Sustainable and Colorful Future

PT Avia Avian Tbk (hereinafter referred to as “Avian Brands” or “AVIA” or “we”) keeps progressing towards a sustainable and colorful future, through its commitment to sustainability in all aspects of its operations. Avian Brands recognizes sustainability as a key element in creating harmony of economic growth and environmental preservation. In the environmental aspect, Avian Brands remains focused on its efforts to reduce greenhouse gas emissions, enhance energy efficiency, and implement more environmentally friendly manufacturing technologies and processes. Through such initiatives, in addition to minimizing its carbon footprint in production and operations, Avian Brands also contributes to the sustainable mitigation of climate change. Furthermore, the sustainability approach of Avian Brands encompasses responsible resource management, including the optimization of raw material usage and waste reduction, ensuring that operational processes have minimal impact on the ecosystem. Avian Brands also strives to increase the use of renewable energy as part of its long-term strategy to reduce dependence on fossil energy sources.

Avian Brands’ commitment to a sustainable future also embraces colorful diversity in every aspect. In terms of diversity and inclusion, Avian Brands actively promotes gender equality across all operational levels, ensuring equal opportunities for every individual to develop. CSR activities of Avian Brands, conducted through the Avian Brands *Peduli* initiative, extend to all corners of Indonesia and bring about numerous positive impacts, reaching the communities from cities to villages. Meanwhile, Avian Brands’ products cater to all demographics, from children to adults, offering a wide range of colors and variations that reflect the richness of cultural heritage and customer preferences. With this approach, Avian Brands brings to life a future that is not only green but also full of colors. This commitment embodies the efforts of Avian Brands to deliver sustainable positive impacts, while painting the path towards more balanced social, environmental, and economic progress.





About the Sustainability Report

Reporting Standards and Objectives [GRI 2-5] [POJK G.1] [CDSB REQ-08, REQ-11]

Avian Brands prepares and publishes the Sustainability Report to provide accountability and information on the implementation of sustainability principles in all aspects of operating the business. This fourth report published by Avian Brands will be further developed at the next regular publication, which will take place at the end of each financial year. The preparation of this Sustainability Report refers to the following standards:

Financial Services Authority Regulation No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies and its implementing regulations, namely the Circular Letter of the Financial Services Authority of the Republic of Indonesia No. 16/SEOJK.04/2021 on the Form and Content of Annual Reports for Issuers or Public Companies.



Global Reporting Initiative ("GRI") Standards 2021 option with Reference and its relation to supporting the achievement of Sustainable Development Goals ("SDGs").



Sustainability Accounting Standards Board ("SASB") – Chemical Standards.



Climate Disclosure Standards Board ("CDSB")

Task Force for Climate-related Financial Disclosures ("TCFD").

Entities in Reporting [GRI 2-2] [CDSB REQ-07]

Avian Brands' Sustainability Report contains information related to the implementation of sustainability principles in economic, environmental, social, and governance aspects within AVIA and all Subsidiaries. In the economic aspect, financial information is presented based on the Consolidated Financial Statements, including information on AVIA and all Subsidiaries. Whereas, on the social, energy use, and emission aspects, the data presentation remains limited to AVIA, PT Tirtakencana Tatawarna ("TKTW"), and PT Tirtakencana Batamindo ("TKBI"). The governance and environmental aspects contain data only from AVIA.

Verification of Report and External Assurance [POJK G.1] [GRI 2-5] [CDSB REQ-12]

Preparation of this Sustainability Report has passed verification processes from external independent agencies, conducted by Decar Verite Asia. This external assurance process aims to ensure transparency and quality of reporting to stakeholders.

Reporting Period, Frequency, and Contacts [GRI 2-3, 2-4] [CDSB REQ-09, REQ-10]

Avian Brands prepares and publishes the Sustainability Report once a year. The report for the previous period was published in April 2023. The 2024 Sustainability Report period is from January 1, 2024, to December 31, 2024. This 2024 Sustainability Report has no significant changes compared to the previous period. To comply with the principle of validity, in the event of a restatement or reiteration of information contained in the previous report due to certain reasons, such as differences in methodology or calculation methods, we will mark such restatement or reiteration with: *restated. Further information regarding this report and its contents can be obtained through:



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Theme Continuity


2023

Painting a Beautiful Picture of Indonesia

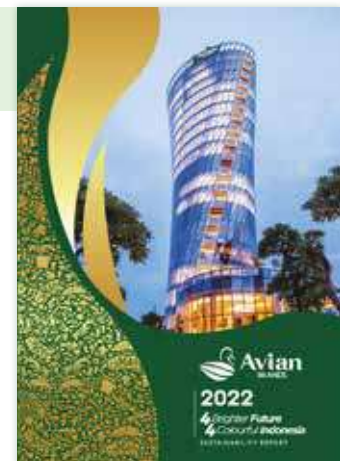
The dedication of Avian Brands in conducting business activities that prioritize excellence and responsibility has propelled Avian Brands to become a pioneer in innovation and sustainability in the paint sector. With a track record spanning more than 4 decades, Avian Brands has continuously brought color to the lives of millions of families in Indonesia. This experience has guided Avian Brands beyond simply providing quality products and taking strategic steps to ensure that every touch of color from our products benefits the environment and society.

With a strong determination, Avian Brands is committed to continually contributing to coloring Indonesia not only with a beautiful color palette but also with a minimum environmental footprint and maximum contribution to the surrounding community. With a commitment to continuous innovation and sustainability values as our guide, we will keep moving forward to paint the future of Indonesia with inspiring colors of sustainability.


2022

4 Brighter Future 4 Colourful Indonesia

44 years is a long journey for Avian Brands to exist and operate in Indonesian society. During this period, Avian Brands continued to offer diverse and innovative products that are environmentally friendly and take into account the health of our customers. These commitments are not only to create aesthetically pleasing colors for the applied properties but also to a better future through a series of responsible manufacturing-consumption processes. In addition, Avian Brands also contributes to making positive impacts on present and future society through the regularly conducted Avian Brands *Peduli* program.


2021

The Color of Sustainability

As an Indonesia-leading paint company with more than 43 years of experience, Avian Brands continues to strive to prioritize the vision of sustainability in its business and provide real contributions for all and become a part of the country's development. With C.In.T.A as Avian Brands' core value in running its business, it also becomes the basis for achieving goals and becoming a sustainable company. In addition, by taking a major move in becoming a public company in 2021, Avian Brands is confident and more enthusiastic about becoming a company that prioritizes sustainable businesses and contributes to providing colors to Indonesia.

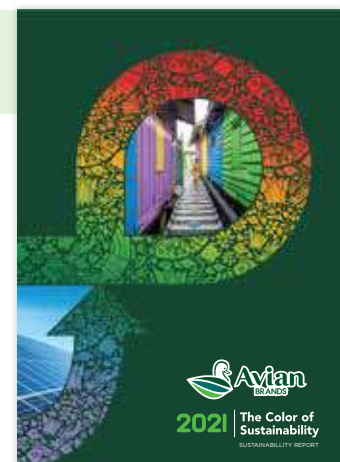




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Foreword by the Board of Directors



[GRI 2-22]

[POJK D.1]

"The year 2024 marks a pivotal moment for Avian Brands in strengthening its sustainability commitment through strategic and innovative measures. In navigating economic, social, and environmental challenges, we continue to adapt with a responsive and forward-thinking approach. Enhancing operational efficiency, developing environmentally friendly products, and empowering employees and communities, are tangible manifestations of our vision to be a leading and responsible paint manufacturer. With a spirit of collaboration and innovation, we are optimistic about taking greater strides towards a sustainable and colorful future."

Dear Valued Shareholders and Stakeholders,

With gratitude, we extend our thanks to God Almighty for Avian Brands' sustainability and achievements throughout 2024. This success comes as a result of the dedication and hard work of the entire team at Avian Brands, who continuously strive to realize our vision toward a sustainable and colorful future. This year, through the theme *Towards a Sustainable and Colorful Future*, we reaffirm Avian Brands' commitment to sustainability that not only relies on business growth, but also on the sustainability of the environment and community welfare, towards a brighter future.

Through the publication of this Sustainability Report, we provide a transparent communication platform to share Avian Brands' performance and commitment to sustainable growth with our stakeholders. This report highlights our strategic initiatives related to ESG aspects as a reflection of our responsibility to create positive impacts for all parties involved.

External Situation and Issues that Determine Sustainability: Economic, Social, and Environmental Perspectives

The year 2024 was marked by various challenges and dynamics, which have influenced various parties in responding and setting their policies, both from the government side as regulators and the corporate side as business actors. We observe that in 2024, the world was once again confronted with economic uncertainty, further exacerbated by geopolitical tensions. At the same time, social and environmental issues have taken center stage on the global agenda, with the impacts of climate change becoming increasingly evident. Rising global temperatures and extreme weather events affecting various regions serve as a stark reminder for all of us to act more swiftly in addressing the climate crisis.

In the economic context, despite Indonesia showing its resilience with a stable 5,03% growth and controlled inflation at 2.26%, global uncertainty remains a challenge. Sluggish global economic activity, as well as tensions over international trade, have affected the domestic

market. Additionally, shifts in political leadership across various countries, including Indonesia, have introduced new dynamics that influence economic and social policy directions. Persistent economic disparities remain a pressing issue, potentially triggering various social challenges such as political instability and social conflicts.

In the environmental aspect, extreme weather remains the most significant threat to the global economy in 2024. The impact of these climate events has put pressure on the global economy since the previous year, and is expected to persist. As a company committed to sustainability, we recognize that these challenges are not merely obstacles, but also opportunities for adaptation and innovation. In facing these issues, we continue to develop strategies that are not only focused on business growth, but also on how to positively contribute to the environment, society, and responsible corporate governance.



WIJONO TANOKO

• President Director of PT Avia Avian Tbk



Sustainability Commitments and Values as the Guiding Principles of Our Journey

In light of evolving sustainability challenges, we have established sustainability commitments and values to guide Avian Brands' sustainability journey. We aspire to become an integrated, environmentally friendly, leading, and trusted paint manufacturing company in Indonesia. As part of this vision, we strive to keep growing in a sustainable manner by prioritizing the company values encapsulated in "CInTA", i.e. Customer Focus, Integrity, Teamwork, and Agility. These values guide our every action and decision, both in business operations and in relationships with our customers, employees and other stakeholders.

As a manifestation of our sustainability commitment, we have also implemented Sustainability Policies consisting of four main pillars, namely Product Quality and Environment; Social, Labor and Human Rights; Ethics and Governance; and Sustainable Procurement. We thoroughly implement each of these pillars in every activity of Avian Brands to ensure that every step we take simultaneously promotes economic, social and environmental sustainability. In addition, we have developed and implemented a clear and measurable ESG Roadmap. This Roadmap contains various strategic initiatives that constitute our targets, ranging from reducing GHG emissions to increasing the use of renewable energy and implementing social innovations that contribute to achieving the SDGs. We are committed to making this grand purpose a reality with every step we take, from the short term to the long term, to achieve higher targets such as net zero emissions, as well as creating positive social impacts for the communities.

We believe that sustainability is more than just about maintaining business continuity, but also about improving quality of life. Therefore, aside from our pursuit of positive economic results, we are also committed to improving the quality of the environment and improving the welfare of our employees and neighboring communities. We are committed to reducing our environmental impact, contributing to social welfare, and playing an active role in building a more sustainable world.



Responding to Challenges and Designing a Sustainable Future with Responsive and Collaborative Strategies

In pursuit of a sustainable future, we adopt responsive and collaborative approaches to the economic, environmental and social challenges we face. We remain committed to designing strategies that are not only relevant to current conditions but also create long-term, sustainable, positive impacts on the environment and society. We believe that sustainability is at the core of our Avian Brands' journey. Therefore, we carefully plan every step with a forward-looking approach, integrating social and environmental responsibility principles at the heart of every decision we make.

As part of these efforts, we are also strengthening risk management that is integrated with sustainability principles. We identify, evaluate and manage the main risks that could affect our operations and business sustainability, including the risks related to climate change, economic volatility and social dynamics. This risk-based approach allows us to better anticipate challenges, mitigate negative impacts and capitalize on opportunities that support the achievement of our sustainability vision.

The ever-evolving global economic challenges necessitate swift adaptation and astute strategies. Amidst geopolitical uncertainty and market volatility, we are focused on increasing the economic value gained, but in a more inclusive and sustainable manner. We emphasize the value of product innovation that meets the needs of our customers while delivering products relevant to contemporary demands. Through comprehensive product diversification and extensive distribution network, we strive to ensure that every high-quality paint product that Avian Brands manufactures, is accessible to the general public.

In terms of the environment, we consider climate challenges a pressing issue that cannot be overlooked. Therefore, we are committed to introducing a greater number of environmentally friendly products, as well as working towards products that are free of hazardous materials, such as lead and chrome. Our major steps to reduce scopes 1, 2 and 3 GHG, represent part of our strategy to minimize our environmental impact and align ourselves with the global goal of net zero emission. Additionally, we also continue to conduct tree planting initiatives that signify our tangible commitment to supporting environmental sustainability.

Similarly, the growing social challenges, from social inequality to labor issues, encourage us to focus not only on profits, but also on the welfare of employees and society. We understand that investment in employee development is a long-term investment that benefits all parties. Therefore, we continue to increase the number of training hours to ensure each individual is equipped with relevant skills to face the upcoming challenges. Our OHS program is also part of our efforts to ensure the welfare of all employees. In addition, through the Avian Brands *Peduli* program, we amplify our community empowerment and reach out to more people in need. We also ensure that each of our suppliers adheres to our sustainability standards, thereby creating an ecosystem that supports sustainability in every aspect of our operations.

As a constantly growing company, we believe that achieving sustainability requires us to evolve alongside the ever-changing world. This philosophy is embedded in Avian Brands' journey, and we are confident that by staying committed to these principles, we can shape a better and more sustainable future—not only for us but also for the world.

Sustainability Performance Achievements Compared to the Targets

Implementation of well-measured sustainability strategies has made 2024 a pivotal year for Avian Brands to advance further along the path of sustainability. Our performance achievements not only reflect operational success but also underscore our commitment to balanced growth across economic, environmental, and social aspects. We have successfully recorded performance milestones that not only meet but also exceed the pre-established targets. This success is driven by our unwavering commitment to continuous adaptation, innovation, and the creation of sustainable value across all aspects of our business.

From an economic perspective, we continue to generate economic value growth through efficiency initiatives and innovation programs. In the operational aspect, Avian Brands' manufacturing output reached 197,339 metric tons in 2024, or 95.00% of the target. Despite the market dynamics, this achievement demonstrates our business growth and resilience, compared to the previous year's manufacturing output of 180,540 metric tons. In terms of innovation, we have introduced 15 new products to the market, expanding our portfolio with solutions





that are relevant to customer needs. Our commitment to environmentally friendly products is also reflected in the growing number of Singapore Green Label-certified products in our portfolio, which is 34 products, up from 29 in the previous year. Results of this consistent operational performance are reflected in the 2024 net revenue achievement of IDR7,471.36 billion or 95.50% of the target, an increase of 6.48% compared to IDR7,016.88 billion in 2023. Furthermore, operational efficiencies we implemented have boosted profit margins, with profit for the year amounting to IDR1,663.70 billion or 95.84% of the target, an increase of 1.25% from IDR 1,643.10 billion in the previous year.

In the environmental aspect, we consistently strive to deliver tangible impacts and contributions. Amidst global demands to contribute to climate change mitigation, we managed to record scope 1 and 2 GHG emission reductions of 15.99% compared to the 2021 baseline, exceeding the minimum 15% target set for 2024. This was reinforced by the increase in solar panels installed in our manufacturing facilities to 2,280 units, resulting in an increase in the use of renewable energy mix in our operations to 559,201 kWh or 2,013.12 GJ. We also continued our tree planting initiative as part of our carbon offset program. Up to the end of 2024, we have planted a total of 15,000 trees on the slopes of Mount Arjuno, 4,935 trees in the Sidoarjo and Serang plant areas, and 169 trees around the TKTW operational area. This has contributed to potential carbon sequestration of up to 4,819,379 KgCO₂e, while also enriching the biodiversity of the areas.

As a manifestation of sustainability commitment, Avian Brands considers innovation as a key factor in promoting a more environmentally friendly manufacturing pattern. Among the strategic steps we have taken is to change the packaging material, from multi-material to fully recyclable mono-material. Not only is this in line with global efforts to reduce plastic waste, but it also improves recycling process efficiency, thereby contributing to a more sustainable circular economy. Apart from innovations in packaging, Avian Brands also implements an integrated vertical supply chain system to ensure that the raw materials used comply with strict environmental and social standards. Each supplier of Avian Brands has passed comprehensive assessments related to resource efficiency, implementation of environmentally friendly practices, and compliance with fair and responsible social principles. With this approach, Avian Brands is able to control product quality and sustainability from upstream to downstream, ensuring that the entire manufacturing process is consistent with our sustainability values.

In the social aspect, Avian Brands remains committed to empowering employees and social communities as a priority. In terms of employee development, we recorded a 12.67% increase in employee training hours, to reach 144,528.75 hours compared to 128,278.18 hours in the previous year. The average training hours per employee also increased by 2.52% to 15.51 hours per employee compared to 15.13 hours per employee in the previous year, highlighting our focus on developing employee competence as the driving force of sustainability. Furthermore, the OHS aspect remains a top priority, with zero fatal work accidents throughout the year. On the other hand, the community empowerment program through the Avian Brands *Peduli* made a remarkable achievement by realizing 195 CSR programs, an increase of 98.98% from the previous year with 98 programs. In addition to education and the environment, this program also aims to improve the welfare of the communities around our operational areas.

The accomplishments achieved in 2024 are testaments to the positive impacts of our commitment to sustainability. The awards and recognitions received throughout the year further solidify our position as a leading paint manufacturing company not only in terms of operational excellence, but also environmental and social responsibility. We successfully received various awards, such as the 2024 ESG Award as the Best Issuer in the Capital Market Sector from Yayasan Keanekaragaman Hayati Indonesia ("KEHATI"), the 2024 ESG Award in the Chemicals Sector for the Environment Category from Katadata, Recognition for its Initiative in Organizing Blood Donation in 2023 from the Indonesian Red Cross of Sidoarjo Regency, Annual Report Award 2023 from the KNKG, inclusion in Forbes' "200 Best Under A Billion 2024" list, PROPER National Green Rating from the Ministry of Environment and Forestry of the Republic of Indonesia, Top 50 Big Capitalization Public Listed Company from the Indonesian Institute for Corporate Directorship, as well as Green Industry Leader in the 2024 Green Future Summit from Sun Energy.

We believe that through continued innovation, collaboration, and commitment to sustainability, Avian Brands is able to play a greater role in supporting sustainability agendas, including net zero emissions by 2050. With firm determination and vision, we are optimistic that Avian Brands will continue to grow and inspire a greener, more equitable, and more sustainable future.

Sustainability as an Opportunity: Prospects of Greener Business

More than just a challenge, sustainability also brings a tremendous opportunity for us to shape a greener and more responsible future. We believe that the measures we have taken thus far will bring about not just positive environmental impacts, but also strengthen the foundation of our business in the long run. With a clear vision to achieve net zero emissions by 2050, we have set measurable targets to reduce GHG emissions, not only in Avian Brands' direct operations, but also throughout the supply chain. We understand that for real change to happen, every part of Avian Brands' system has a role to play.

In conjunction with our emission reduction efforts, we aim to continue our tree planting program with the determination to directly improve environmental quality. Every tree we plant epitomizes Avian Brands' commitment to taking part in maintaining the balance of the ecosystem and contributing to the carbon sequestration needed to address the challenges of climate change. However, our sustainability is not only reflected in environmental management, but also in our commitment to human empowerment. In light of our perspective for greener business, we are expanding our focus to generate greater opportunities for employee and community development. Through ongoing training programs, we provide opportunities for individuals to develop skills that are relevant to the increasingly sustainability-oriented world. We also continue to scale up the social impacts of our Avian Brands *Peduli* programs, ensuring that the communities around us directly benefit from our growth.

In addition, considering the global trend toward green energy transition, we also continuously innovate in utilizing renewable energy resources, with the aim of reducing dependence on fossil energy sources. In a world increasingly concerned with sustainability, we recognize that every small step we take can lead to profound change. Therefore, we look at every initiative we undertake, from emission reduction to social empowerment, as an integral part of Avian Brands' commitment to creating greener and more sustainable business prospects. We believe that sustainability is not just a principle, but also a massive opportunity for us to innovate, grow, and generate greater positive impacts.

Appreciation

To conclude, we sincerely express our deepest gratitude to all stakeholders for their collective support in Avian Brands' sustainability journey. Our achievements would not have been possible without the dedication, hard work, and commitment of everyone involved. We greatly appreciate the contributions made by every individual and group, who have played an active role in making our vision for a greener and more sustainable future a reality.

We certainly still have a long way to go, but with the spirit of collaboration and integrity that we all share, we are confident to face upcoming challenges and transform them into greater opportunities. We are committed to keep moving forward, to maintain mutually supportive relationships, and to bring about positive impacts to the world around us. This way, we will continue to innovate and grow together, shaping a more sustainable future for generations to come.

On behalf of the Board of Directors of

PT Avia Avian Tbk,



Wijono Tanoko

President Director



Sustainability Performance Overview



Medium Risk Sustainability

Achieved Morningstar Sustainability Score of
22.6



Ecovadis Silver Medal

Improved EcoVadis Score from Bronze to Silver



PROPER > Green

Maintained the Green PROPER rating from the Ministry of Environment and Forestry for 3 consecutive years



ESGQ 45 IDX KEHATI, ESG SL IDX KEHATI, & SRI-KEHATI Indexes

AVIA stocks' inclusion in the 45 best stocks of the Indonesia Stock Exchange according to the ESGQKEHATI Index, the 56 stocks with above-average ESG performance according to the ESG Sector Leaders IDX KEHATI Index, and the 25 best stocks according to the SRI-KEHATI index

Investment in Sustainability Projects



IDR **4.21** billion

Budget for Sustainability Projects that support Sustainability





Environmentally Friendly Products

An increase of **17.24 %**
in the number of Environment Friendly Products
Certified with Singapore Green Label, compared
to 2023



Emission Reduction

Reduction of GHG
emissions of **15.99 %**
or **11,244.89 TonCO₂e**
compared to the 2021 baseline year



Avian Brands Peduli CSR

Implementation of **195** CSR
programs
an increase of **98.98 %**
compared to 2023, with a total cost of

IDR2.34 billion



Use of Environmentally Friendly Heavy Equipment

Use of **43 Units**
environmentally friendly vehicles such as
forklift, reach truck, counterbalance, and
pallet mover which represents

64.18 % of the total heavy
equipment



Carbon Offset

Planting

› **15,000** tree seedlings

on Mount Arjuno since 2022 with potential
carbon sequestration of

› **4,017,645** KgCO₂e



Renewable Energy Usage

Increase in solar panel installation by

› **1,052** Unit

leading to the increase in total use of
renewable energy by

› **201.82 %**

compared to the 2021 baseline



Renewable Material Usage

› Increase of **56.30 %**

in the ratio of renewable materials used in the
manufacturing process, compared to 2023

Sustainability of Economic Aspect [POJK B.1]

Description	Unit	2024	2023	2022
Financial Performance				
Net Revenues	Million Rupiah	7,471,356	7,016,882	6,694,171
Profit for the Year	Million Rupiah	1,663,699	1,643,096	1,400,365
Operational Performance				
Manufacturing Volumes	Metric Tons	197,339	180,540	170,986
Environmentally Friendly Products Singapore Green Label Certified Product Categories	Product Brand	34	29	24
Product or Service Quantity	Product Brand	105	96	88
Local Suppliers Engagement				
Local Suppliers				
Total Local Suppliers	Number of Company	217	219	209
Percentage of Local Supplier Engagement by Entity compared to Total Suppliers	%	76.14	77.94	76.00
Local Employees				
Total Local Employee	People	8,387*	7,577*	7,231*
Percentage of Local Labor Involvement in Avian Brands Operational Activities	%	90.03*	89.38*	89.54*

Notes:

* AVIA, TKTW, and TKBI.

Sustainability of Environmental Aspect [POJK B.2]

Description	Unit	2024	2023	2022
Energy Efficiency				
Total Energy Usage	GJ	211,358.89	215,727.57*	212,241.33*
Energy Intensity	GJ/Ton Product	0.17	0.18*	0.19
	kWh/Ton Product	47.20	49.74*	52.18*
	Thousand Rupiah/ Ton of Product	36,137.43	37,775.99*	40,774.22*
Energy Intensity Efficiency	GJ/Ton Product	0.01	0.01*	0.01*
Materials Used in Paint Production				
Renewable Materials Purchase	Ton	89,589.48	72,903.20	61,888.17
Non-Renewable Materials Purchase	Ton	69,528.10	70,887.41	74,937.20
Total Material Purchase	Ton	159,117.58	143,790.61	136,825.37
Emissions Management**				
Total of Scope 1 and Scope 2 Emissions	TonCO ₂ e	11,244.89	11,299.92*	11,414.23*
Intensity of Scope 1 and Scope 2 Emissions	KgCO ₂ e/Ton Product	23.26	24.45*	25.16*
Total of Scope 3 Emissions	TonCO ₂ e	154,786.52	0	0

Description	Unit	2024	2023	2022
Water Management				
Total Water Usage	Megaliter	142.48	141.68	113.98
Water Intensity	Megaliter/Ton Product	0.0007	0.0008*	0.0008
Reduction of Hazardous Waste Generation				
Reuse of Industrial Waste Water	Ton	2,650.14	1,820.24	2,482.98
Reuse of Washing Solvent	Ton	151.19	166.27	180.87
Hazardous Waste (liquid and solid managed by third parties)	Ton	733.94	886.77	946.96
Non-Hazardous Waste	Ton	166.99	185.07	157.68
Discharge Water	Megaliter	4.80	3.83	4.14
Biodiversity Preservation***				
Total Trees Planted	Trees	20,794	14,880	6,797
Type of Trees Planted	Type	169	94	69
Carbon Sequestration Value	KgCO₂e	4,835,028	1,200,987	941,337

Notes:

* Data restated.

** Scope 3 GHG emission is being measured only for 2024.

*** Data represents accumulated trees planted over the years by Avian Brands around the locations of AVIA, TKTW, and the slopes of Mount Arjuno.

Sustainability of Social Aspect [POJK B.3]

Description	Unit	2024*	2023*	2022*
Community Development and Empowerment (Pengembangan dan Pemberdayaan Masyarakat or "PPM")**				
Number of PPM Program	Total Program	195	98	27
Cost of PPM Program	Million Rupiah	2,344	1,995***	1,978
Manpower Management				
Total Employees (Including Outsourcing)	People	9,322	8,483*	8,082*
Total Female Employees (Including Outsourcing)	People	2,109	1,724*	1,626*
Number of Participants in Competence Development	People	7,632	6,173	3,096
Total Recordable Injury Rate	Rate	1.57	2.16	2.01
Total Recordable Incident Frequency Rate	Rate	2.05	2.69	1.74

Notes:

* AVIA, TKTW and TKBI;

** AVIA; and

*** Data restated.







About Avian Brands

“As the paint market leader in Indonesia as well as one of the biggest paint manufacturers in Asia, Avian Brands continues to strengthen its position through an integrated and reliable business ecosystem. Avian Brands constantly focuses on product innovation and management that not only maintains a competitive edge, but also prioritizes sustainability in every aspect of its operations. With this approach, Avian Brands is committed to continually delivering high-quality products while promoting sustainable and environmentally friendly business practices.”

Avian Brands Information



PT Avia Avian Tbk

[GRI 2-1]



Headquarter

[GRI 2-1] [POJK C.2]

Jl. Raya Surabaya – Sidoarjo KM. 19
Desa Wadungasih, Kec. Buduran, Sidoarjo 61252
Jawa Timur, Indonesia



corsec@avianbrands.com
investor.relations@avianbrands.com



(62-31) 8968000



www.avianbrands.com

Social Media



Avian Brands



avian.brands



@avianbrands

Business Sector

[GRI 2-6]

Manufacture and trade of paints and printing inks, varnishes, lacquers, adhesives or glues, mortar or ready-mixed concrete.

Date of Establishment

March 1, 1983

Legal Form Status

[GRI 2-1]

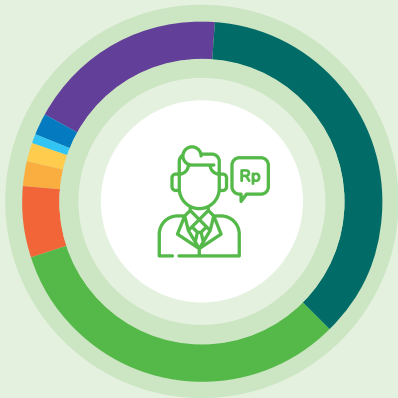
Limited Liability Company

Legal Basis of Establishment

[GRI 2-1]

PT Avia Avian was established based on Deed of Establishment of Limited Liability Company No. 06 dated March 1, 1983, as amended by Deed No. 63 dated May 23, 1983, both drawn up before Indrawati Setiabudhi, S.H., a Notary in Malang. The deed has been approved by the Minister of Justice of the Republic of Indonesia by the Resolution of the Ministry of Justice of the Republic of Indonesia with Decree No. C2-4948.HT01.01 Th83 dated July 5, 1983, and has been registered with the Malang District Court No. 016/PP/PI/VIII/1983 dated August 8, 1983.

Shareholding [GRI 2-1]



PT Tancorp Surya Sentosa	: 36.60%
PT Wahana Lancar Rejeki	: 32.49%
Archipelago Investment Pte Ltd	: 6.30%
Robert Christian Tanoko	: 2.30%
Rudi Tanoko	: 1.68%
Rony Tanoko	: 0.80%
Treasury Stock	: 1.88%
Public (each below 5%)	: 17.95%

Stock Code

AVIA

Listing of Shares on the Stock Exchange

December 8, 2021
on the Bursa Efek Indonesia

Total Employees of AVIA, TKTW, and TKBI

(including Outsourced Employees)

♀ **Male:**

7,213 Employees

♀ **Female:**

2,109 Employees

Branch Office

Avian Brands Building

Jl. Ahmad Yani No. 317
Surabaya 60234
Jawa Timur, Indonesia
☎ (62-31) 99850500/99850600

Address of Manufacturing Facilities [GRI 2-1]

Sidoarjo

Jl. Raya Surabaya – Sidoarjo KM. 19
Desa Wadungasih, Kec. Buduran
Sidoarjo 61252
Jawa Timur, Indonesia
☎ (62-31) 8968000

Serang

Jl. Raya Serang KM. 60
Kawasan Pancatama 5 Kav. 50
Leuwilimus, Leuwi Limus, Cikande
Kabupaten Serang 42186
Banten, Indonesia
☎ (62-254) 402655



Sustainability Vision and Mission

[POJK C.1]



VISION

// To become an integrated, environmentally friendly, leading, and trusted paint company in Indonesia.

MISSION

// To provide added value to stakeholders through the development of various quality paints.



COMPANY VALUES



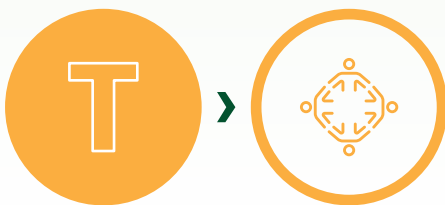
Customer Focus

Able to make (internal and external) customers and their needs as the main focus in a positive and productive working relationship.



Integrity

Be honest in words, have the commitment and consistency in acting according to rules, norms, and morality.



Teamwork

Ability to be part of a group, work with the group members, and contribute to the achievement of the group's goals.



Agility

Ability to be agile, flexible, and assertive in anticipating, initiating, and taking advantage of any opportunity, as well as to avoid negative consequences from the changes.



Business, Product, and Service Segments

[GRI 2-6] [POJK C.4]

Referring to the business segment information disclosed in the Consolidated Financial Statements of PT Avia Avian Tbk audited by a Public Accounting Firm (*Kantor Akuntan Publik* or “KAP”), Avian Brands conducts business activities in two main segments, i.e., architectural solutions and trading goods segments. Both segments reflect the diversification of Avian Brands’ business in delivering quality products and services tailored to the needs of different markets. For more detailed information on each business segment, including each segment’s contribution and achievements, a comprehensive explanation is disclosed in the Annual Report, which is published separately from this Sustainability Report. Brief information about products of Avian Brands is described as follows:



Category	Product Name		
Wall Paint	- Sunguard All-In-One; - Sunguard; - Supersilk Semi Kilap; - Supersilk Anti Noda; - Supersilk; - Supersilk Basic; - Brilliant Cat Tembok Interior; - Brilliant Cat Tembok Eksterior;	- Avitex Gold; - Avitex Anti Viruz; - Avitex Eksterior; - Avitex Cat Tembok; - Avitex Wizz; - Avitex 4kids; - Avitex One Coat; - Avitex Cat Tembok Dapur & Kamar Mandi;	- Aries Bling; - Aries Gold; - Aries Cat Tembok; - Aquamatt; - Everglo Kids Care; - No Odor Medicare; - No Odor; - Jasmine; and - Fres.

Category	Product Name		
Special Effect Paint	• HomeDeco Glow In The Dark; • HomeDeco Magnetic;	• HomeDeco Glitz; and	• HomeDeco Metallic.
Waterproofing	• No Drop Anti Panas; • No Drop Beton dan Batu Alam; • No Drop; • No Drop Basic; • No Drop Bitumen; • No Drop Kolam Ikan;	• No Drop Membran; • No Drop Serat Fiber; • No Drop Mortar Anti Bocor; • No Drop Tape; • No Drop Tile Grout; • No Drop Dempul Instan;	• No Drop Plus 3in1; • No Drop 100; and • PRO-X 207.
Wood and Metal Paint	• Admiral Cat Kapal; • Avian Cling Synthetic; • Platinum;	• Avian Cat Kayu dan Besi; • Glovin Cat Kayu dan Besi; • Yoko Cat Kayu dan Besi;	• Avian Cat Aluminium; • Cat Besi Anti Karat Avian 3 in 1; and • Avian Cling Water Based.
Wood Care	• Wood-Eco Woodstain Water-Based; • Wood-Eco Woodstain Solvent-Based; • Wood-Eco Politur Eksterior P03; • Wood-Eco Politur Interior P01;	• Boyo Wood Stain Solvent-Based; • Boyo Politur Vernis Water-Based; • Boyo Politur Vernis Solvent-Based; • Boyo Wood Filler Solvent-Based; • Boyo Sanding Sealer NC Solvent-Based;	• Boyo Clear Coat NC Solvent-Based; • Boyo Politur Melamin; and • Boyo Politur Spray.
Primer	• Avian Cling Zinc Chromate; • Avian Zinc Chromate; • Avitex Alkali Resisting Primer;	• Lenkote Alkali Resisting Primer; • Lenkote Wall Sealer; • Yoko Cat Dasar Kayu dan Besi;	• Belmas Zinc Chromate; and • Suzuka Epoxy Filler.
Putty	• Lenkote Plamir Tembok (Wall Putty); • No Odor Wall Putty;	• Avitex Plamir Tembok; and • Aries Gold Wall Putty.	
Roof Paint	• Absolute Roof Coating;	• Avitex Cat Genteng & Seng; and	• Yoko Cat Genteng & Seng.
Instant Cement	• GM 220 Plamir Instan ; • GM 260 Acian Abu-Abu; • GM 265 Acian Abu-Abu Ekonomis; • GM 270 Acian Putih;	• GM 275 Acian Putih Ekonomis; • GM 380 Perakat Bata Ringan; • GM 385 Perakat Bata Ringan Ekonomis; • GM 420 Perakat Keramik Ekonomis;	• GM 480 Perakat Keramik Dinding & Lantai; • GM L500 Bonding Adhesive; and • GM 510 Tile Grout.
Glue	• Avian Lem Epoxy Super; • Avian Lem Epoxy Hemat; • Avian Non-Sag Epoxy Super;	• Avian Non-Sag Epoxy Hemat; • Lem Putih VIP PVAc; • Lem Putih MAX PVAc;	• Vipias; and • Admiral Wood Filler Epoxy.
Stone Coating	• No Lumut Solvent-Based; and	• No Lumut Water-Based.	
Autorefinish and Spray Paint	• Suzuka Spray; • Suzuka Cat Duco Otomotif;	• Suzuka 2:1 PU Clear Coat; and	• Suzuka 4:1 PU Clear Coat.
Floor Coating	• Avian Roadline Paint;	• Avian Cat Paving; and	• Avian Cat Lapangan.
Thinner	• Admiral Thinner Serbaguna; • Avian Thinner Enamel; • Avian Thinner B Asli; • Avia Thinner Lacquer A; • Avia Thinner Lacquer A Special;	• Avia Thinner Lacquer Super; • Aries Thinner Lacquer A; • Aries Thinner Lacquer A Special; • Thinner 16213; • Thinner 1660;	• Thinner 1633; • Thinner 1634; • Thinner 1601; and • Thinner 1602.
Cement Additive	• No Drop Plaston.		
Others	• VIP Pengupas Cat Tembok; • VIP Paint Remover; • Avitex Biocidal Wash;	• PRO-X 111; • Pro-X-208;	• Pro-X-110; and • Pro-X-222.
Supporting Products	• Basic Paint Roller; • Green Brush; • Yellow Brush; • Plastic Scraper; • Mini Refill; • Mini Roller; • Paint Tray; • White Brush;	• Synthetic Brush; • Budget Paint Roller; • All Paints Paint Roller; • Budget Roller Cover; • Regular Roller Cover; • All Paints Roller Cover; • Abrasive Paper; • Abrasive Cloth Roll;	• Masking Tape; • Seal Tape; • Drywall Tape; • Fiberglass Tape; • Roof Drain; • Kran Air Taman; • Seal Tape Ekonomis; • Basic Paint Tray Set; and • Paint Tray Set.

Further information on Avian Brands' products and services can be found in the Annual Report, which is presented independently with this Sustainability Report, Avian Brands' website, as well as various social media and other platforms of Avian Brands.



Organizational Scale [POJK C.3]

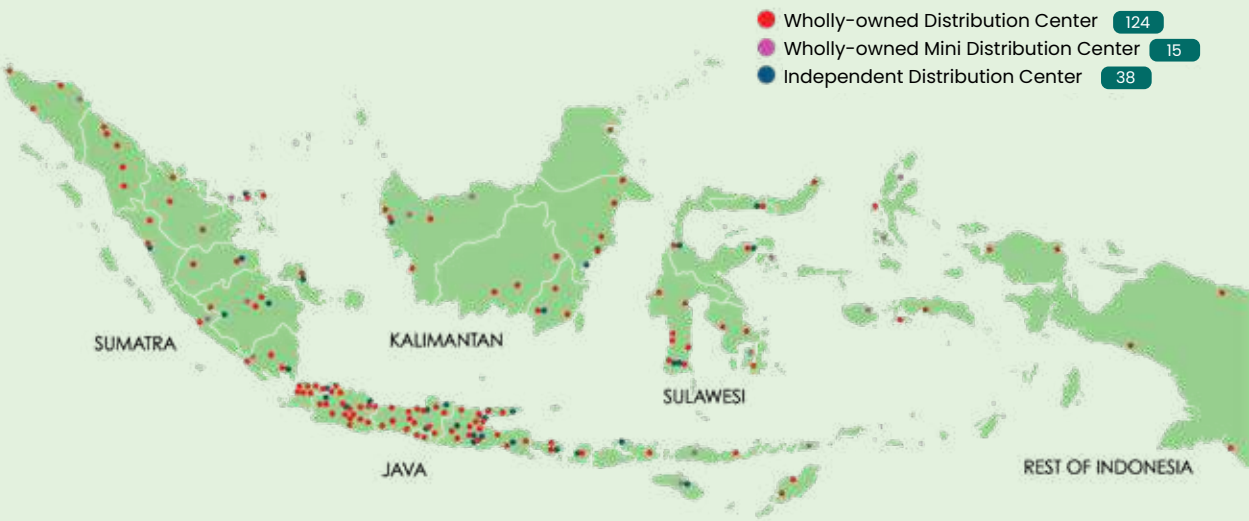
Description	Unit	2024	2023	2022
Number of Employees [GRI 2-7] [GRI 207-4]				
Avian Brands' Employees	People	1,663*	1,615*	1,533*
Outsourcing Employees		7,659*	6,868*	6,549*
Total		9,322*	8,483*	8,082*
Production Volume				
Total Manufacture	Metric Tons	197,339	180,540	170,986
Total Manufacturing Facilities	Manufacturing Plants	2	2	2
Operating Revenue				
Net Revenues	Million Rupiah	7,471,356	7,016,882	6,694,171
Profit Before Income Tax Expenses		2,068,594	1,992,143	1,745,247
Profit for the Year		1,663,699	1,643,096	1,400,365
Total Capitalization [POJK C.3a]				
Total Assets	Million Rupiah	11,060,975	11,166,987	10,792,122
Total Liabilities		1,429,095	1,245,498	1,217,237
Total Equity		9,631,880	9,921,489	9,574,885

Notes:

* AVIA, TKTW, and TKBI.



Operational Areas [GRI 2-1] [POJK C.3]

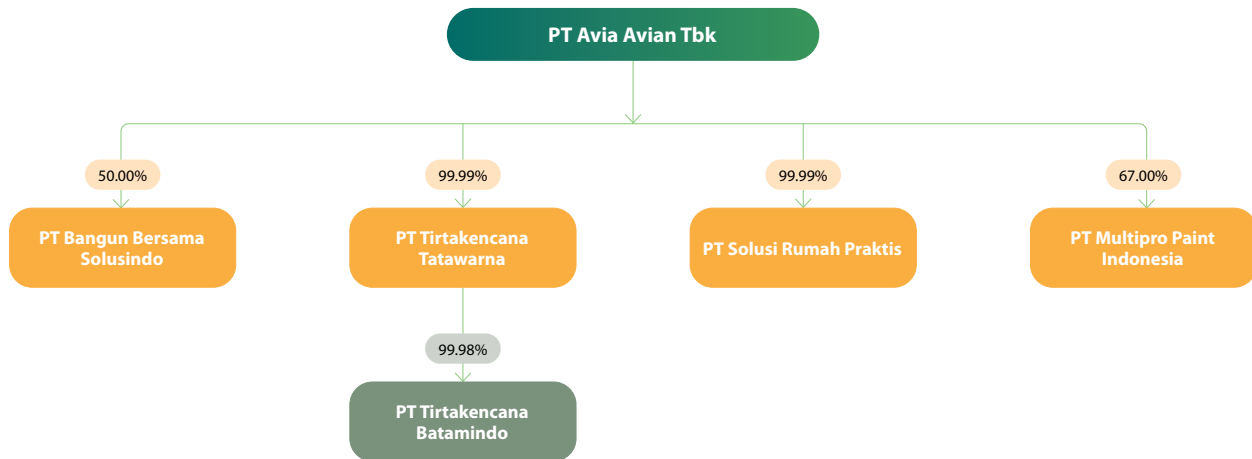


Product Distribution Areas

Wholly-owned Distribution Center	Wholly-owned Mini Distribution Center	Independent Distribution Center	Number of Retail Outlets Supplied
Sumatra 26	Sumatra 5	Sumatra 8	Sumatra 11,326
Java 54	Java 0	Java 17	Java 32,026
Kalimantan 15	Kalimantan 2	Kalimantan 4	Kalimantan 5,548
Sulawesi 14	Sulawesi 2	Sulawesi 5	Sulawesi 5,303
Other Areas in Indonesia 15	Other Areas in Indonesia 6	Other Areas in Indonesia 4	Other Areas in Indonesia 4,248
Total 124	Total 15	Total 38	Total 58,451



Group Structure and Subsidiaries



Name	Address	Business Sector	Operational Status	Total Assets Before Elimination (Million Rupiah)
Direct Ownership				
PT Tirtakencana Tatawarna	Jl. Raya Surabaya - Sidoarjo KM. 19, Desa Wadungasih, Kec. Buduran, Kab. Sidoarjo, Jawa Timur, Indonesia.	Wholesale trade of paints, warehousing and storage, and self-owned or leased real estate.	Operating	4,176,481
PT Solusi Rumah Praktis	Avian Brands Building Jl. Ahmad Yani No. 317, Kel. Dukuh Menanggal, Kec. Gayungan, Kota Surabaya, Jawa Timur, Indonesia.	Retail trade of paints, varnishes, and Lacquers, as well as painting.	Operating	1,066
PT Multipro Paint Indonesia	Menara Satu Sentra Kelapa Gading 7 th Floor, Room 6, Jl. Boulevard Kelapa Gading LA 3 No. 1, Kel. Kelapa Gading Timur, Kec. Kelapa Gading, Jakarta Utara, DKI Jakarta, Indonesia.	Paint and printing ink industry, varnish industry (including mastics), wholesale trade of paints, and wholesale trade of various building materials.	Operating	33,043
Indirect Ownership				
PT Tirtakencana Batamindo (melalui PT Tirtakencana Tatawarna)	Komplek Executive Industrial Park Blok D2 No. 8, Kel. Belian, Kec. Batam Kota, Kota Batam, Kepulauan Riau, Indonesia.	Wholesale trade of various building materials, wholesale trade of other construction materials, and retail trade of furniture.	Operating	34,708
Joint-Venture				
PT Bangun Bersama Solusindo	Sequis Tower Level 15, Jl. Jenderal Sudirman Kav. 71, Kel. Senayan, Kec. Kebayoran Baru, Kota Adm. Jakarta Selatan, DKI Jakarta, Indonesia.	Wholesale trade of cement, lime, sand, and stone as construction materials, building materials, as well as basic or industrial chemical materials and goods.	Operating	53,536

Significant Changes in Avian Brands and Supply Chain

[GRI 2-6] [POJK C.6]

In 2024, no significant changes occurred in Avian Brands related to closing or opening new branches, opening or closing new business units, or business mergers

or consolidations. Likewise, with the supply chain, no significant changes impacted Avian Brands in 2024.

Preventive Approaches or Principles

Avian Brands adopts a preventive approach or principle through the risk management system that is structured based on the precautionary principle in all of Avian Brands' operational activities. A full description of the Preventive

Approach or Principle is provided in the Risk Management and Sustainability Opportunities section of the Sustainability Governance chapter of this report.

External Initiatives

In conducting its operational activities, Avian Brands follows and supports several principles and initiatives developed by other organizations, either in the form of certifications or standards for certain areas, which are recognized nationally and internationally. In addition to the list of achievements above, Avian Brands also participated in an external international initiative by becoming one of the signatories of the Anti-Corruption Call to Action with more than 500 other companies worldwide. This initiative was developed at the UN Global Compact Leaders Summit in September 2023 in the United States. The Company's involvement in this initiative can be seen on the UN Global Compact website, <https://unglobalcompact.org/take-action/action/anti-corruption-call-to-action>.

Sriram Kannekanti, Executive Director PROGRESPECT	Heloisa Macari, General Manager Protiviti Brasil	German Prieto, Internal Audit Provincia Seguros
Oscar Santos, CEO Prudens Faber S. de R.L. de C.V.	Rifo Romelio V., CEO PT AfterOil Energi Utama	Bobby Septian Yahya, Audit Internal PT Avia Avian Tbk
Andi Patriana Rahim, President Director PT Global Advis Indonesia	Elim Sritaba, Chief Sustainability Officer PT Indah Kiat Pulp and Paper Tbk	Satrio Anindito, CEO PT Kupuku Metamorfosis Nusantara
Sera Noviany, ESG & Compliance Head	Roy Iman Wirahardja, Compliance and	Bobby D A Joris, Head HCCS







Sustainability Strategy

[POJK A.1]

[CDSB REQ-02]

“The sustainability strategy of Avian Brands is designed to drive every aspect of Avian Brands’ business towards achieving the Sustainable Development Goals (“SDGs”), focusing on four key pillars, namely Product Quality and Environment; Social, Labor and Human Rights; Ethics and Governance; and Sustainable Procurement. By implementing sustainability principles in an integrated manner, Avian Brands is committed to providing added value and excellence to its stakeholders, as well as actively contributing to addressing environmental and social humanitarian issues in the communities around Avian Brands.”



In an effort to maintain its competitive edge in the Indonesian paint manufacturing industry, Avian Brands places sustainability at the very heart of its strategy. Beyond offering high-quality products, we are committed to improving the quality of business practices that promote sustainability in economic, social, environmental, and governance aspects. Our sustainability principles not only influence each operational decision of Avian Brands, but are also designed as part of the efforts to support the achievement of the SDGs as well as global targets established by the government and international organizations.

We believe that consistent implementation of this policy will cement Avian Brands' position as an innovative and responsible industry pioneer. With this approach, Avian Brands aims to meet and exceed the expectations of its stakeholders through creating sustainable added value. To provide a deeper insight into this commitment of Avian Brands, we have established a sustainability policy consisting of a general policy and a specific policy. We are confident that this integrated sustainability strategy will contribute to Avian Brands' long-term goals, deliver sustainable benefits to society, and amplify Avian Brands' contribution to the achievement of the SDGs. Further information on the general and specific sustainability policies of Avian Brands is described as follows:

General Policy [GRI 2-23]

The general sustainability policy of Avian Brands is the foundation for our responsible and sustainable business practices. This general policy is designed to ensure that every aspect of Avian Brands' operation adheres to sustainability principles. By implementing this general policy, Avian Brands seeks to establish a framework that supports long-term sustainability, benefits all stakeholders, and contributes to the broader achievement of the SDGs. Further information on the general sustainability policy of Avian Brands is described as follows:

- 

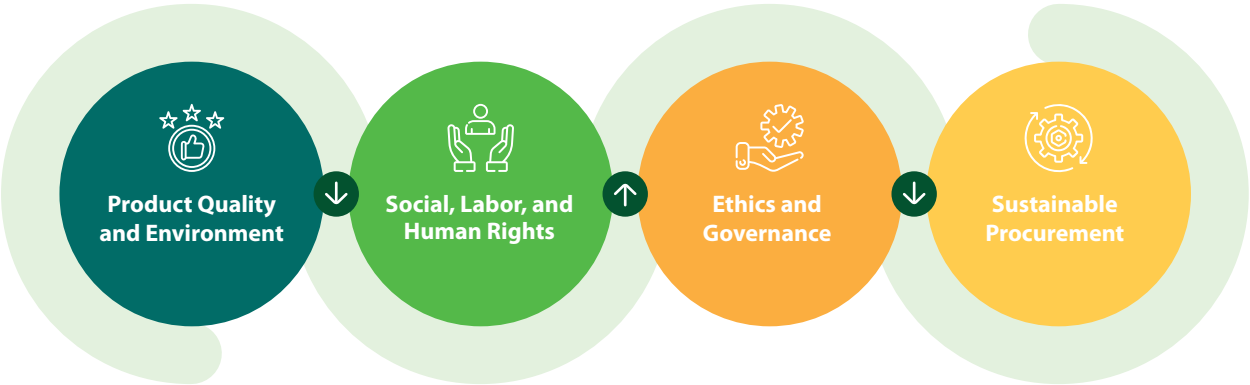
1. Complying with and fulfilling all relevant regulations and requirements of sustainable systems (quality, environmental, social, labor, human rights, ethics, governance, and sustainable procurement) and other requirements set by governments and stakeholders.
- 

2. Planning, implementing, and monitoring best practices of sustainable systems (quality, environmental, social, labor, human rights, ethics, governance, and sustainable procurement).
- 

3. Planning, aligning, implementing, and monitoring our programs related to the Sustainable Development Goals ("SDGs") and continuously improving the programs with an aim to achieve the 17 SDGs.

Specific Policy [GRI 2-23]

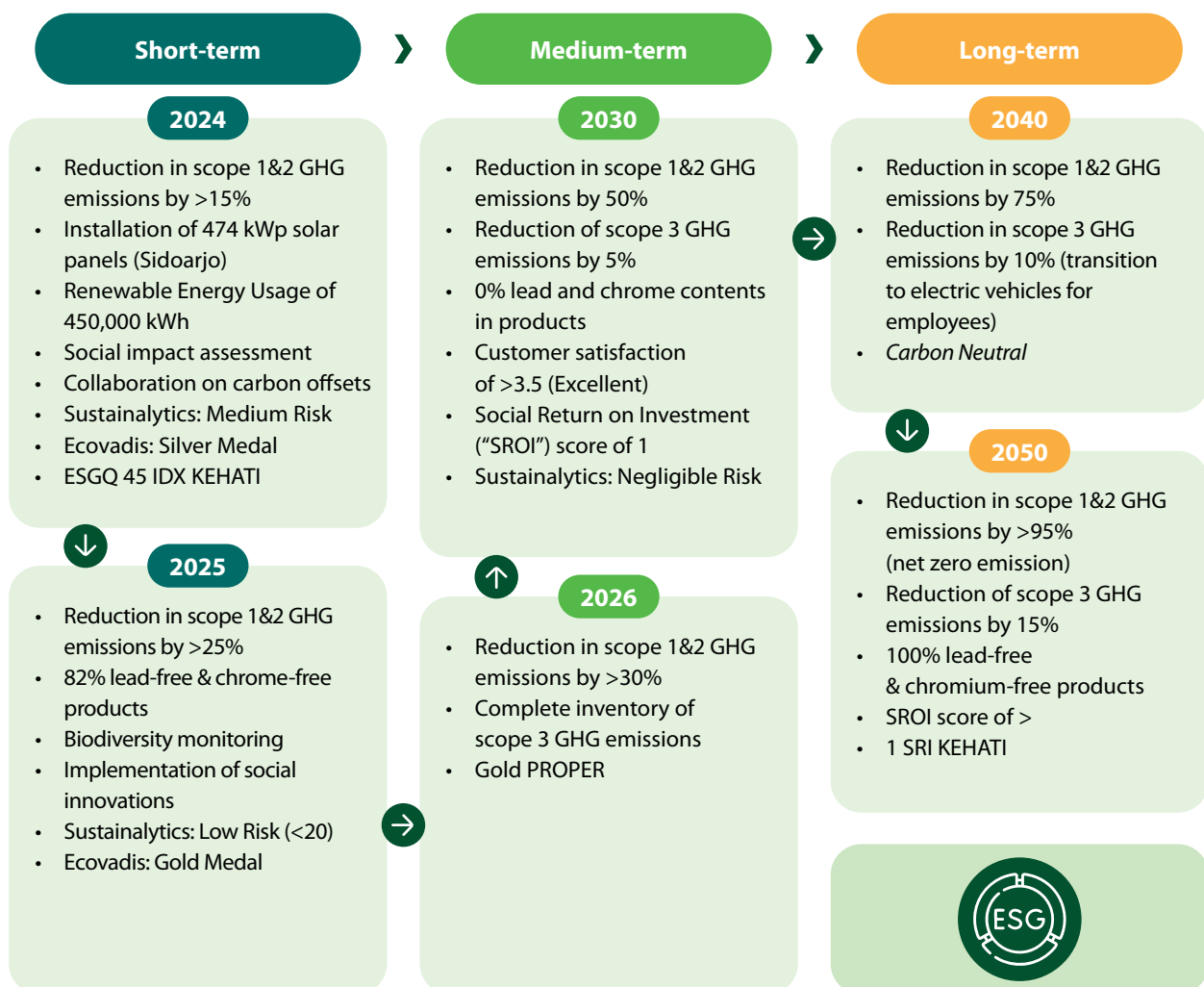
The general sustainability policy of Avian Brands establishes a firm foundation for all our sustainability initiatives and practices. Drawing from this general policy, Avian Brands formulates a specific, more detailed policy to address various aspects of operations in a more specific and targeted manner. This specific policy is designed to integrate sustainability principles, encompassing quality, environment, social, labor, human rights, ethics, governance and sustainable procurement aspects, into four key pillars that underpin the sustainability management and implementation across Avian Brands’ operations. These policy pillars are designed to ensure that every aspect of Avian Brands’ operations effectively contributes to sustainability objectives and reflects its commitment to sustainability standards in every aspect of its operations. Information on each of these specific policy pillars is described as follows:



ESG Roadmap

As a manifestation of its commitment to sustainability, Avian Brands has established a clear and measurable Environmental, Social, and Governance ("ESG") roadmap to achieve short, medium, and long-term sustainability goals. This Roadmap incorporates various strategic initiatives, such as GHG emission reduction, increase of renewable energy use, implementation of social innovations, and comprehensive sustainability management. Each step is designed to support the achievement of global targets, such as net zero emissions, biodiversity, and generating positive social impacts. With this structured approach, Avian Brands is optimistic that it can make tangible contributions to environmental preservation, community welfare, and improved sustainable governance. Information on the ESG roadmap of Avian Brands is described as follows:

ESG Roadmap



Support for Sustainable Development Goals

[GRI 2-24]

In its efforts to achieve sustainable growth, Avian Brands not only focuses on the pursuit of positive economic results, but also remains committed to improving environmental quality as well as the welfare of its employees and surrounding communities. In this regard, we have implemented sustainable governance principles in every aspect of our operations and the policies of Avian Brands. This commitment is an integral part of Avian Brands’ contribution to achieving the SDGs as stipulated by the government. By carrying out this initiative, we aspire to support and accelerate progress towards achieving SDG targets, while ensuring that every step taken by Avian Brands contributes towards a balance between economic growth, environmental protection, social welfare, and sustainable governance. The commitment of Avian Brands in supporting the SDGs is further described as follows:

Product Quality and Environment

6 CLEAN WATER AND SANITATION 	Clean Water and Sanitation	7 AFFORDABLE AND CLEAN ENERGY 	Affordable and Clean Energy
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Responsible Consumption and Production	13 CLIMATE ACTION 	Climate Action



Product Quality and Environment

Sustainability Strategy [POJK A.1] [CDSB REQ-02]

1. Formulating and implementing short-term, medium-term, and long-term goals, objectives, and programs by considering the characteristics, scale, and impact in accordance with the environmental management system, energy management system, and green industry, while continuously innovating.
2. Improving quality, competitive, and environmentally friendly products with efficient production costs.
3. Improving service quality, ensuring timely product delivery, meeting customer demands, and providing added value for customers.
4. Opting for materials and machinery with efficient energy use and low greenhouse gas effects for the manufacturing process.
5. Implementing energy efficiency measures and maximizing the use of new renewable energy through monitoring, implementing, and encouraging design or development activities across the entire Avian Brands.
6. Conducting efforts to reduce greenhouse gas emissions for scopes one and two through monitoring and implementation across the entire Avian Brands operations, up to reporting to stakeholders.
7. Encouraging the use of renewable materials and environmentally friendly chemicals.
8. Implementing raw material efficiency through monitoring, implementing, and encouraging design or development activities across the entire Avian Brands.
9. Using water optimally and efficiently in Avian Brands' activities as well as carrying out water conservation programs.
10. Conducting maintenance and control of air pollution control equipment and machinery.
11. Reducing and controlling Hazardous Material and Hazardous Waste.
12. Controlling non-hazardous solid waste through 3R (Reduce, Reuse, Recycle).
13. Conducting an inventory of water usage, outlets of wastewater, Hazardous and Non-Hazardous Waste, and air pollution.
14. Undertaking efforts to protect and conserve biodiversity.
15. Providing socialization of information related to the safety and security of product applications.
16. Identifying, conducting, and evaluating all company activities through Life Cycle Assessment/LCA integrated with environmental, energy, and greenhouse gas emission aspects.
17. Involving the community in continuous improvement of the environmental management system.

Social, Labor, and Human Rights

4 QUALITY EDUCATION



Quality Education

5 GENDER EQUALITY



Gender Equality

8 DECENT WORK AND ECONOMIC GROWTH



Decent Work and Economic Growth

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Industry, Innovation, and Infrastructure

Sustainability Strategy [POJK A.1] [CDSB REQ-02]

1. Ensuring that all personnel within Avian Brands are treated fairly and with dignity based on human rights principles.
2. Ensuring proper and regular participatory consultation processes with all stakeholders.
3. Providing safe and healthy working environments to eliminate hazards and reduce OHS (Occupational Health and Safety) risks.
4. Creating a work environment that is safe, comfortable, motivating, respectful, and free from all forms of harassment.
5. Providing funds and commitment to support the improvement of company personnel's knowledge, skills, and competence.
6. Ensuring workers are above 18 years of age and that working hours and wage payments are in accordance with applicable laws and regulations and that there is no human trafficking.
7. Providing equal employment opportunities and treatment regardless of gender, race, religion, color, ethnicity, class, and non-discrimination to persons with disabilities.
8. Ensuring employee preparedness for retirement.
9. Upholding the freedom of assembly, expression, and participation in labor organizations/unions in accordance with the prevailing laws and regulations as well as providing room to negotiate and consult with Avian Brands.
10. Respecting the rights of local communities, including indigenous and traditional communities.
11. Participating in community empowerment.
12. Respecting the right of individuals to act without coercion and to maintain control over their personal information, as long as it does not relate to or impact Avian Brands.



Ethics and Governance

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



**Industry, Innovation, and
Infrastructure**

16 PEACE, JUSTICE AND
STRONG INSTITUTIONS



**Peace, Justice, and
Strong Institutions**

Sustainability Strategy [POJK A.1] [CDSB REQ-02]

1. Preventing and taking action against corruption, bribery, fraud, and money laundering.
2. Conducting recruitment and selection of employees free of charge.
3. Avoiding conflict of interest between employees within Avian Brands.
4. Maintaining the ethics and confidentiality of company and supplier data.
5. Providing reliable infrastructure to manage all forms of risks or threats related to Avian Brands' data security and keeping up with technological developments.
6. Ensuring secure, accurate, available data, ease of connection and a variety of user-friendly programs.
7. Ensuring Avian Brands' neutrality towards any political interests or groups by not being involved materially or non-materially.

Sustainable Procurement

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



**Responsible Consumption and
Production**

17 PARTNERSHIPS
FOR THE GOALS



Partnerships for the Goals

Sustainability Strategy [POJK A.1] [CDSB REQ-02]

1. Selecting suppliers using environmental criteria.
2. Undertaking efforts to reduce scope three greenhouse gas emissions through supplier socialization and monitoring.
3. Selecting suppliers using social and human rights criteria.
4. Providing equal rights and opportunities to all local suppliers and women business owners.
5. Evaluating suppliers' compliance with all Occupational Health and Safety (OHS) laws and regulations.
6. Selecting vendors and suppliers that do not have mineral conflicts in their procurement practices.
7. Selecting qualified and competitively priced suppliers in a transparent manner.
8. Supplier selection is not based on kinship interests, providing opportunities for multiple vendors to enter the tender process.



Sustainability Strategy related to Climate Change

[GRI 201-2]

[TCFD STRA.a, STRA.b, STRA.c]

Avian Brands has identified various short-, medium-, and long-term risks and opportunities related to climate change. In the short term, the main risks include operational disruptions due to extreme weather, such as floods and heat waves, which may affect supply chains and raise energy and transportation expenses. However, this also creates opportunities for innovations in environmentally friendly products that meet the demands of increasingly sustainability-conscious customers. In the medium term, risks such as stricter environmental regulations, including carbon taxes and energy efficiency requirements, may increase the costs incurred by Avian Brands. However, this also opens opportunities for Avian Brands to adopt green technologies and improve operational efficiency, as well as expand the market for environmentally friendly products. In the long term, risks related to climate change, such as rising global temperatures and changing weather patterns, may result in raw material scarcity and increased production costs. However, opportunities also arise through developing more sustainable business activities, such as renewable energy diversification and environmentally friendly product innovation.

In response to these challenges, Avian Brands has formulated a formidable strategy that is resilient to climate-related risks and opportunities, taking into account the transition to a low-carbon economy in line with a global warming scenario of 2°C or lower. Climate-related risk and opportunity

assessments have been prepared by Avian Brands based on the TCFD framework. We believe that Avian Brands' strategy may be affected by climate risks in terms of supply chain resilience and increased operating expenses due to stricter environmental regulations. This potential increase in costs could affect the revenue and financial position of Avian Brands. Therefore, Avian Brands actively reviews and adjusts its strategies to address these potential risks by investing in green innovations and technologies, as well as improving efficiency in resource management practices.

Avian Brands is making numerous efforts to address financial risks attributable to climate change, by allocating capital expenditure/capex of 0.91% to environmentally friendly product research and development as well as procurement of low-emission forklifts. In addition, Avian Brands continues to innovate to improve energy efficiency across all operational lines. Financial planning is also adjusted to include investments in low-emission technologies, as well as preparation for changing regulations and market trends that are increasingly oriented towards sustainability. Strategically, Avian Brands allocates an operating expense/opex budget of IDR355.16 million to diversify renewable energy use and IDR110.00 million for tree planting programs as part of its carbon offset strategy. With this approach, Avian Brands seeks to mitigate climate risks while capitalizing on growth opportunities arising from such a transition to a green economy.



2024 Sustainability Progress



Product Quality and Environment

Sustainability Target [TCFD MET.c]

Sustainability Performance Achievements [TCFD MET.c]



Increasing the number of environmentally friendly product mix

A total of 34 products have received Singapore Green Label certification.



Achieving lead-free and chrome-free products by 2035.

- Avian Brands successfully increased the number of water-based paint products to 82.17%.
- Only 10.40% of paint products contains lead and chrome.



Improving customer satisfaction.

The 2024 customer satisfaction survey saw an improvement compared to 2023, from 3.40 to 3.41 on a scale of 4.00 with a good category. The assessment included product quality, delivery quality, and service quality.



Reducing Scope 1 and 2 GHG emissions by 50.00% in 2030, compared to the 2021 baseline.

Avian Brands has successfully implemented various GHG emissions efficiency programs, achieving the following results in 2024:

- Reducing Scope 1 and 2 GHG emissions by up to 15,99%, compared to the 2021 baseline.
- Lowering energy intensity by 5.11%;
- Increasing solar panel installations by 1,052 units, bringing the total installations to 2,280 units (1,582 at the Sidoarjo plant and 698 at the Serang plant);
- Increasing the use of renewable energy mix by 559,201 kWh or equivalent to 2,013.12 GJ; and
- Replacing 6 units of diesel forklifts with electric forklifts (5 at the Sidoarjo plant and 1 at the Serang plant).



Sustainability Target [TCFD MET.c]

Sustainability Performance Achievements [TCFD MET.c]



Planting trees that can sequester up to 6,692,800 kgCO₂e of carbon by 2030.

Avian Brands has planted trees in certain locations as well as in the vicinity of its plants, with the following description:

- Planting a total of 15,000 trees in the last 3 years on the slopes of Mount Arjuno (5,000 in 2024, 5,000 in 2023, and 5,000 in 2022) with a total potential carbon sequestration of 4,017,645 KgCO₂e;
- Planting a total of 5,625 trees consisting of 162 species in the areas of Sidoarjo and Serang plants, with a total carbon sequestration of 458,055 KgCO₂e; and
- Planting a total of 169 trees consisting of 4 species around the TKTW operational area, with a total carbon sequestration of 359,328 KgCO₂e.



Reducing Scope 3 GHG emissions by 5.00% in 2035, compared to the 2024 baseline.

Avian Brands has carried out various programs in order to identify and reduce the amount of Scope 3 GHG emissions, as follows:

- Total Scope 3 GHG emissions in 2024 of 154,786.52 tonsCO₂e;
- Organizing socialization on Scope 3 GHG emissions reporting to all key suppliers;
- Conducting on-site audits of key suppliers and collecting data related to Scope 3 GHG emissions reporting; and
- Conducting an inventory of Scope 3 GHG emissions data in accordance with GHG Protocol guidelines.



Reducing water usage intensity.

Avian Brands has carried out various programs in order to reduce the intensity of water usage, as follows:

- Utilizing the Rainwater Harvesting system; and
- Using reused water from tank washing as a raw material mixture.



Improving waste management.

Avian Brands has implemented an integrated waste management program, leading to the following results:

- Reduction in disposed Hazardous Waste reaching 17.23%; and
- Product waste recycling ratio reaching 16.97 kg/ton.





Social, Labor, and Human Rights

Sustainability Target



Achieving zero Fatality and zero Lost Time Injury ("LTI").



Increasing the number of employee training hours.



Increasing the number of community empowerment programs and their beneficiaries.

Sustainability Performance Achievements

Avian Brands successfully achieved OHS performance targets related to the number of Fatalities and zero LTI.

Avian Brands successfully exceeded its target for employee training hours, reaching 144,528.75 hours.

Avian Brands realized various community empowerment programs, as follows:

- In the environmental pillar, Avian Brands successfully conducted 164 programs, among them was the *Desa Hijau Berseri (Bersih and Lestari)* (Clean and Sustainable Green Village) Program, focusing on improving the food security of communities in Wadungasih Village, Sidoarjo;
- In the education pillar, Avian Brands successfully conducted 25 programs, including scholarships for 25 children of employees; and
- In the disaster response pillar, Avian Brands successfully conducted 6 programs, one of which was the distribution of flood disaster relief.



Ethics and Governance

Sustainability Target



- **Enforcing a culture of anti-corruption, anti-bribery, and anti-fraud within the environment of Avian Brands and all partners.**
- **Protecting confidentiality of information and preventing data breaches.**

Sustainability Performance Achievements

Avian Brands has implemented sustainability governance programs in all lines of its operation, with the following achievements:

- Effective implementation of the *whistleblowing* system, with 3 reports submitted through the whistleblowing system in 2024. Based on the report verification results, there were no reports related to anti-corruption violations;
- However, the Internal Audit Unit found 1 case of alleged anti-corruption violation (minor risk category) through its audit activities; and
- All acts above have been resolved in accordance with the procedures and regulations of Avian Brands.



Sustainable Procurement

Sustainability Target



Ensure that all suppliers of Avian Brands have complied with the sustainability aspects as stipulated by Avian Brands.

Sustainability Performance Achievements

Avian Brands has realized various programs to improve the implementation of sustainability practices throughout the supply chain, as follows:

- Conducting an assessment of 20% of key suppliers which contribute to 80% of the total purchase value;
- Conducting socialization of sustainability policy to all key suppliers;
- Conducting training on scope 3 GHG emissions disclosure to key suppliers; and
- Ensuring suppliers do not have mineral conflicts.



Evaluation of Sustainability Strategy Implementation

Avian Brands periodically evaluates the effectiveness of the implementation of sustainability strategies and initiatives under the pillars of Product Quality and Environment; Social, Labor and Human Rights; Ethics and Governance; and Sustainable Procurement. This is part of Avian Brands efforts to ensure that Avian Brands' targets and

objectives in sustainability aspects can be achieved with optimal results. Evaluation of sustainability strategy implementation involves the top management along with related work units. **[GRI 3-3]**

Challenges and Issues in Implementing Sustainability Principles and Future Strategies **[POJK E.5]**

The implementation of sustainability principles in the operational activities of Avian Brands, has faced various challenges from multiple sources, both internal and external. These challenges encourage Avian Brands to constantly adapt and seek innovative solutions. In responding to them, Avian Brands is committed to implementing proactive approaches, which involve continuous evaluation and dynamic adjustment of strategies. By effectively identifying and addressing these challenges, Avian Brands strives to not only meet sustainability standards, but also to strengthen its position in facing the changes and developments in the business environment. Information on those challenges and Avian Brands' responses thereto, are described as follows:

Avian Brands Challenges and Response



Internal Challenges

Avian Brands Response

- | | |
|---|---|
| <p>1 Building sustainability awareness and culture.</p> | <p>→ Avian Brands periodically conducts socialization and training on sustainability for all employees.</p> |
| <p>2 Producing environmentally friendly products requires the use of high-quality raw materials that adhere to sustainability standards. The use of these raw materials generally results in higher costs compared to conventional products. This results in increased production costs as well as the cost of goods sold for environmentally friendly products.</p> | <p>→ Avian Brands implements several key strategies, including improving operational efficiency through production technology, establishing partnerships with sustainable suppliers to obtain high-quality raw materials at competitive prices, and continuous research and development to explore cost-effective innovations that meet sustainability standards.</p> |



External Challenges

- 1 High demands from external stakeholders, especially investors, on Avian Brands' sustainability achievements in a fairly short time.
- 2 Emerging new regulations and policies on sustainability and reporting thereof, both domestic and international.
- 3 Limited customer understanding and awareness of green products.
- 4 Environmentally friendly products typically come with relatively higher selling prices than conventional products, which can influence customer decisions.

Avian Brands Response

- Avian Brands actively realizes its sustainability commitments by establishing targets and implementing effective strategies to deliver tangible results, as reflected in improved ESG rating scores.
- Avian Brands continuously keeps updated with sustainability policy developments and makes maximum adjustments to meet these requirements.
- Avian Brands implements its strategy by educating and raising awareness of the customers on the long-term value of environmentally friendly products, including their health and environmental impact. In addition, Avian Brands strives to offer products at a wide range of prices in order to reach a broader market without compromising on quality and sustainability.

In addition to the above challenges, Avian Brands also sees opportunities from the implementation of sustainability principles that can directly improve Avian Brands' quality and positive image. We are optimistic that consistent and comprehensive implementation of sustainability principles can foster robust business resilience that will strengthen Avian Brands' competitiveness. Research and development initiatives undertaken by Avian Brands to create high-quality and environmentally friendly products provide opportunities and strengths for Avian Brands to remain the public's first choice.



Highlights of Events in 2024

January



Petik Laut CSR Program: Avian Brands Organized Boat Painting Competition in Manokwari, West Papua

Avian Brands Peduli, in collaboration with Depo Makmur Manokwari, organized a painting competition for 50 fishing boats at Ketapang Harbor, Manokwari in celebration of the 169th Anniversary of the Gospel Proclamation. Avian Brands provided wood and metal paints to decorate fishing boats, support the community of Mansinam Island, and strengthen its commitment to the environmental pillar. This CSR program reflects the spirit of #JadiBaruLagi, bringing positive change to Indonesia's land and seas.

February



Environmental Protection Program: Avian Brands Conducted Ceremonial Planting of 5,000 Trees on the Slopes of Mount Arjuno

In 2023, Avian Brands conducted a ceremonial planting of 5,000 trees in the Jendela Langit Tourism Area, Prigen, Pasuruan, as part of its ongoing efforts to reduce the impact of climate change. Up to 2024, Avian Brands has planted a total of 15,000 trees with an estimated carbon emission sequestration of up to 4,017,645 tonsCO₂e. With this contribution, Avian Brands is able to keep making sustainable positive impacts on carbon emission reduction and nature conservation.

March



Avian Brands Peduli: Avian Brands Distributed Staple Food Packages to Sidoarjo Residents

In the month of Ramadan of 2024, Avian Brands distributed 500 staple food packages to Sidoarjo residents through the Avian Brands Peduli program, containing rice, flour, sugar, cooking oil, tea, and instant noodles, as a manifestation of Avian Brands' concern for the community. This program reflected Avian Brands' commitment to making a positive impact and fostering the spirit of giving and solidarity in Indonesia.

April


Avian Brands Peduli: Painting a Bright Future for Children at Peduli Anak Foundation

Avian Brands contributed to the educational sector by supplying 2,633 kg of paint for the construction of a Child Care Center in Sumbawa. Included in this aid were several of Avian Brands' flagship products, such as Sunguard Emulsion, Avitex Gold, wood and metal paints, and primers. Avian Brands continues to positively contribute to the community, and is determined to keep bringing new colors and hope to children in Indonesia.

May


Avian Brands was Selected as a Speaker on Environmental Management at the Environmental Agency of East Java Province Event

Avian Brands was the only private sector speaker at the Workshop for Business and/or Manufacturing Activities Monitoring, organized by the Environmental Agency of East Java Province. The Quality Assurance & Sustainability Manager, Mr. Eko Hajar Prakoeswo, delivered a presentation on emissions, energy and waste management. The presence of Avian Brands as a presenter indicated the government's recognition of its success in environmental management, being the only paint company in Indonesia to achieve the Green PROPER award for three consecutive years, from 2022 to 2024.

Juni


Inclusion in SRI-KEHATI and ESGSKEHATI Indexes as Proof of Avian Brands' Sustainable Business Practices

Avian Brands made history through its inclusion as a constituent of the SRI-KEHATI Index for the period of June 3, 2024, to November 29, 2024, as announced by the Indonesia Stock Exchange (IDX) on May 27, 2024. The index features the 25 best stocks based on ESG performance and liquidity assessment. In addition, Avian Brands was also included in the IDX KEHATI Sector Leaders ESG Index (ESGSKEHATI) in this period, showing a remarkable achievement which followed its inclusion in the ESGQKEHATI Index.



July



Avian Brands Received the 2024 ESG Award as Best Issuer in the Capital Market Sector

A number of issuers and financial institution companies received the 2024 ESG Award from Yayasan Kehati for the Capital Market category, as announced on Tuesday, July 30, 2024. Avian Brands was awarded the Best Issuer category for the implementation of environmental, social, and governance aspects. Executive Director of Yayasan Kehati, Riki Frindos, emphasized the significance of promoting ESG and sustainable economy, shifting from a high to a low carbon economy and from a linear to a circular economy.

August



Avian Brands Peduli: Launching of New CSR Innovations in Wadungasih Village, Through the Processing of Catfish and Moringa Leaves for Economic Empowerment of the Community

Avian Brands conducted a community empowerment program in Wadungasih Village, focusing on improving the community's food security. Activities included diversification of urban farming plants, farming of catfish, workshop on processing food from moringa leaves and catfish, procurement of segregated waste bins, training of environmental activists, and revitalization of waste bank facilities.

September



Avian Brands Honored as the Winner of the 2023 Annual Report Award ("ARA")

Avian Brands was named winner of the 2023 ARA Awards in the "Non-State-owned/Local Government-owned Enterprise/Non-Financial Enterprise" category. The award recognized the disclosure of information in the Annual Report and Sustainability Report as well as best practices in corporate governance, which are constantly updated to align with current developments.

October


Avian Brands has Implemented the INDI 4.0 Assessment Verification by the Ministry of Industry of the Republic of Indonesia

The INDI 4.0 is a reference index used by both the industry and the government to assess the level of industry preparedness in adopting technologies and systems that support the industrial revolution 4.0. The assessment method was carried out in two stages, starting with completing online surveys, and followed by field verification at the Sidoarjo Head Office. Avian Brands achieved the “mature” category in its preparedness results.

November


Avian Brands Held Annual MCU: Evidence of Avian Family's Concern for Health

Avian Brands held another Medical Check Up (“MCU”) attended by 1,019 employees, including outsourced employees. This MCU was designed to monitor employees’ health while detecting potential occupational illnesses. This reflects Avian Brands’ tangible commitment to the health and well-being of all employees, without exception.

December


Avian Brands Received the Green Industry Leader Award at the 2024 Green Future Summit

This award was presented in recognition of Avian Brands’ commitment to integrating sustainable practices that positively impact the environment. As part of its continuous efforts to support efficient and environmentally friendly management of natural resources, Avian Brands continues to innovate in sustainable products and business processes.



Awards, Assessments, and Certifications

AWARDS

Through consistent implementation of best business practices, Avian Brands has achieved positive recognition and appreciation from various stakeholders. These awards highlight Avian Brands' dedication to innovating and operating to the highest standards, and reflect its efforts to meet and even exceed expectations. These accomplishments not only cement Avian Brands' reputation as a company that is committed to quality and integrity, but also exemplify our core values towards sustainability, which are implemented in every aspect of Avian Brands' activities. Information regarding awards received by Avian Brands throughout 2024 is described as follows:

1



2024 ESG Award as Best Issuer in the Capital Market Sector

Organizer : Yayasan Keanekaragaman Hayati Indonesia ("KEHATI")
Recipient : PT Avia Avian Tbk
Period : 2024

2



2024 Katadata Environmental, Social, & Governance Award ("KESGI")

ESG Award in the Chemicals Sector for the Environment Category

Organizer : Katadata
Recipient : PT Avia Avian Tbk
Period : 2024

3

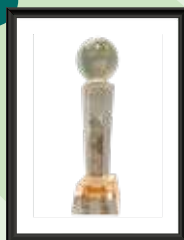


Recognition for Avian Brands' Initiatives in Promoting Blood Donation in 2023

Ninth (IX) Highest Number of Blood Donation (308 Blood Bags)

Organizer : Indonesia Red Cross of Sidoarjo Regency
Recipient : PT Avia Avian Tbk
Period : 2024

4



2023 Annual Report Award

Organizer : National Committee on Governance Policy (*Komite Nasional Kebijakan Governansi* or "KNKG")
Recipient : PT Avia Avian Tbk
Period : 2024

5



Green Industry Leader at the 2024 Green Future Summit

Organizer : Sun Energy
Recipient : PT Avia Avian Tbk
Period : 2024

6



National PROPER Green Rating

Organizer : Ministry of Environment and Forestry of the Republic of Indonesia
Recipient : PT Avia Avian Tbk
Period : 2023 - 2024



Top 50 Big Capitalization Public Listed Company

Organizer : Indonesian Institute for Corporate Directorship
Recipient : PT Avia Avian Tbk
Period : 2024



Forbes “200 Best Under A Billion 2024”

Organizer : Forbes
Recipient : PT Avia Avian Tbk
Period : 2024

ASSESSMENT

Recognition from various rating agencies on Avian Brands’ sustainability performance, particularly for ESG aspects, reflects Avian Brands’ achievement in implementing best practices in each sustainability dimension. These assessments underscore our dedication to operating responsibly and integrating ESG principles into all operations of Avian Brands. In addition, the successful achievement of these ratings indicates that Avian Brands’ sustainability strategies have proven effective in positively impacting the environment and surrounding communities. Information regarding ratings received by Avian Brands throughout 2024 is described as follows:



Silver Medal

Organizer : EcoVadis
Recipient : PT Avia Avian Tbk
Period : 2024



Medium Risk

Organizer : Morningstar Sustainalytics
Recipient : PT Avia Avian Tbk
Period : 2024



CERTIFICATION

Avian Brands' commitment to responsible business practices is reflected in our efforts to comply with all applicable laws and regulations, as well as to implement the best national and international standards relevant to our industry. We believe that obtaining relevant certifications is a crucial step in ensuring that Avian Brands' operational activities remain professionally and properly managed, and relevant to the latest developments in the industry. By upholding this commitment, we strive to maintain the quality and integrity of Avian Brands' operations, while adapting to best standards and practices that promote the sustainability and growth of Avian Brands. Information regarding certifications held by Avian Brands up to the end of 2024 is described as follows:

International Standardization Organization ("ISO")

The ISO certification is an international standard used to assess and recognize Avian Brands' management systems in various sectors. This certification reflects Avian Brands' commitment to operating with the principles of efficiency, quality, sustainability and safety. By obtaining the ISO certifications in several key areas, Avian Brands ensures the implementation of best practices that comply with global standards, thus supporting Avian Brands' performance in creating a safe, efficient and sustainable work environment. By the end of 2024, Avian Brands had obtained 5 ISO certifications in several areas, as described below:

Name of Certification	Organizer	Validity Period
ISO 14001:2015 on Environmental Management System ¹	PT Lloyd's Register Indonesia	Until February 18, 2025
ISO 50001:2018 on Energy Management System ²	PT Lloyd's Register Indonesia	Until March 2, 2025
ISO/IEC 27001:2013 on Information Security Management System ³	Intertek Certification Limited	Until October 31, 2025
ISO 9001:2015 on Quality Management System ⁴	LRQA Limited	Until February 27, 2027
ISO 45001:2018 on Occupational Health and Safety Management System ⁵	LRQA Limited	Until October 26, 2027

1



2



3



4



5



Indonesian National Standard (“SNI”)

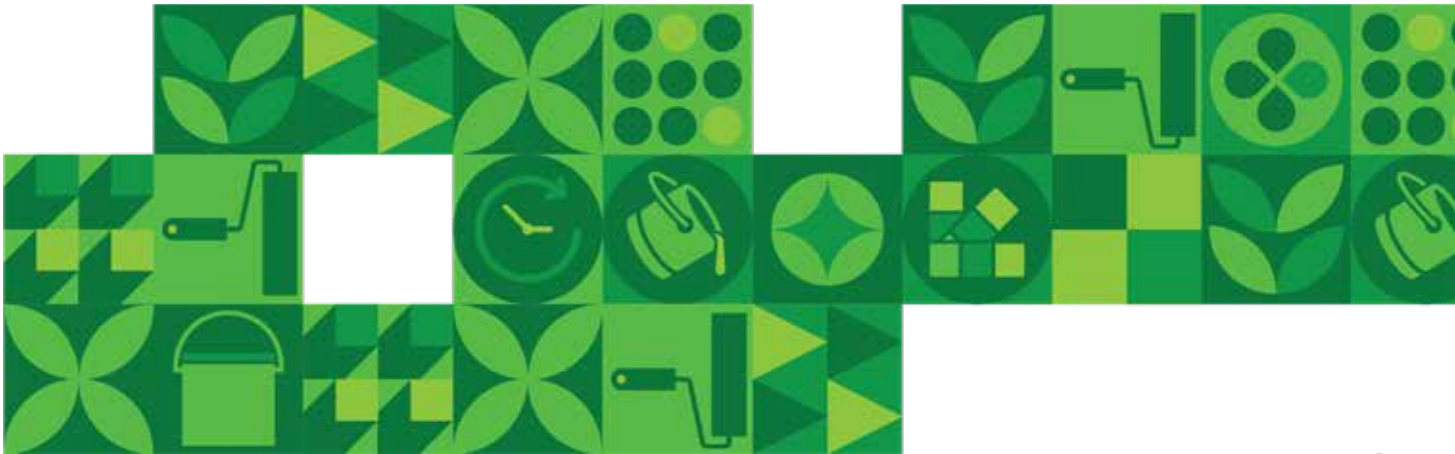
The SNI is a standard applied in Indonesia to ensure the quality, safety, and performance of manufactured products in accordance with applicable requirements. The SNI certification reflects Avian Brands’ commitment to delivering high-quality products that not only comply with national quality standards, but are also competitive in a wider market. With this certification, Avian Brands continues to solidify its position in the domestic market, while simultaneously promoting the achievement of better standards of quality in every product offered. By the end of 2024, Avian Brands had obtained 2 SNI standards for 7 products, as described below:

Name of Certification	Product	Type	Organizer	Organizer
SNI 3564:2014 ❶	Sunguard	Exterior	Chempack Product Certification Institute of the Center for Standardization, and Services of Chemical, Pharmaceutical and Packaging Industry, Ministry of Industry of the Republic of Indonesia	Until November 3, 2026
SNI 3564:2014 ❷	Aquamatt, Aries Gold, Avitex, Everglo, Supersilk, and No Odor	Interior		

1



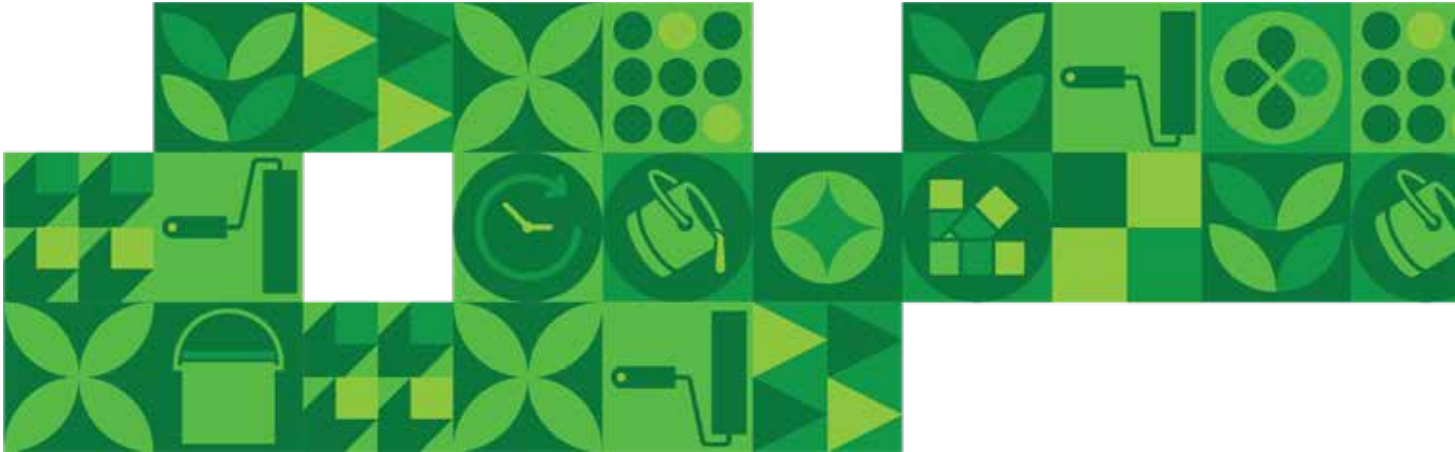
2



Singapore Green Label (“GLS”)

The GLS certification is a recognition for environmentally friendly products that are assessed through strict processes in various aspects, from environmentally friendly requirements for end users, to consideration of the entire product life cycle by means of life cycle analysis. This certification is a testament to Avian Brands’ commitment to manufacturing environmentally friendly products that are safe for customers. This widely recognized certification lends credibility through international accreditation and ensures that Avian Brands’ products comply with stringent sustainability standards. In addition to opening up new market opportunities, this certification also brings competitive advantages, reduces environmental impact, and improves production efficiency, while simultaneously saving costs. Among Avian Brands’ flagship products that have obtained GLS certification are those of the Avitex series, and by the end of 2024, a total of 34 Avian Brands’ products are GLS-certified, as described below:

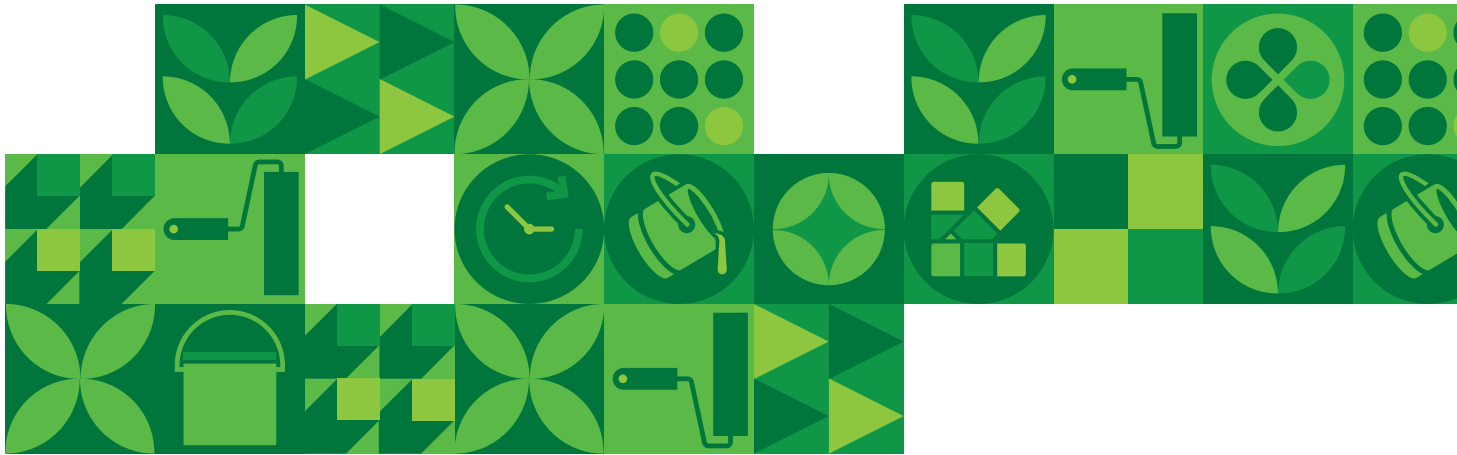
Product	Organizer	Validity Period
Avitex Alkali Resisting Primer ¹	Singapore Environment Council	Until January 18, 2025
Avitex Wizz ²	Singapore Environment Council	Until March 22, 2025
Brilliant Exterior ³	Singapore Environment Council	Until June 13, 2025
No Drop Basic ⁴	Singapore Environment Council	Until June 13, 2025
Avitex Emulsion ⁵	Singapore Environment Council	Until June 13, 2025
Brilliant Cat Tembok Interior ⁶	Singapore Environment Council	Until July 18, 2025
Sunguard ⁷	Singapore Environment Council	Until November 24, 2025
Everglo ⁸	Singapore Environment Council	Until November 24, 2025
Supersilk ⁹	Singapore Environment Council	Until November 24, 2025
Avitex Dapur & Kamar Mandi ¹⁰	Singapore Environment Council	Until November 24, 2025
Aquamatt ¹¹	Singapore Environment Council	Until November 24, 2025
Lenkote Alkali Resisting Primer ¹²	Singapore Environment Council	Until November 24, 2025
No Odor ¹³	Singapore Environment Council	Until November 24, 2025
Supersilk Semi Kilap ¹⁴	Singapore Environment Council	Until November 24, 2025
No Drop Anti Panas ¹⁵	Singapore Environment Council	Until December 22, 2025
Avitex Gold ¹⁶	Singapore Environment Council	Until December 22, 2025
Avitex 4 Kids ¹⁷	Singapore Environment Council	Until February 26, 2026
Everglo Kids Care ¹⁸	Singapore Environment Council	Until February 26, 2026
Avian Cat Lapangan Waterbase ¹⁹	Singapore Environment Council	Until March 19, 2026
No Drop Beton dan Batu Alam ²⁰	Singapore Environment Council	Until March 19, 2026
No Drop Kolam Ikan ²¹	Singapore Environment Council	Until March 19, 2026
Supersilk Anti-Noda ²²	Singapore Environment Council	Until May 29, 2026
Lenkote Home Deco Metallic Paint Gold ²³	Singapore Environment Council	Until July 24, 2026
Sunguard All-In-One ²⁴	Singapore Environment Council	Until August 7, 2026
Avitex Anti Viruz ²⁵	Singapore Environment Council	Until August 19, 2026
Home Deco Glow In The Dark Interior Paint ²⁶	Singapore Environment Council	Until August 19, 2026
Home Deco Magnetic Interior Paint ²⁷	Singapore Environment Council	Until August 19, 2026
Supersilk Basic ²⁸	Singapore Environment Council	Until September 2, 2026
Home Deco Glitz ²⁹	Singapore Environment Council	Until November 9, 2026
Wood Eco Woodstain Water Based ³⁰	Singapore Environment Council	Until November 9, 2026
Avitex Eksterior ³¹	Singapore Environment Council	Until November 9, 2026
Boyo Special Politur Vernis Water Based ³²	Singapore Environment Council	Until November 9, 2026
No Lumut Water-Based ³³	Singapore Environment Council	Until November 9, 2026
Avitex One Coat ³⁴	Singapore Environment Council	Until December 21, 2026



Domestic Level (*Tingkat Komponen Dalam Negeri* or “TKDN”)

The TKDN certification is a recognition of products that utilize domestic components and raw materials, helping to empower domestic industries and national economic independence. Avian Brands remains committed to obtaining this certification as part of its sustainability strategy and contribution to domestic economic development. Among its flagship products that have obtained TKDN certification is the Sunguard All-In-One, which prides itself on high quality with predominantly domestic components. In total, by the end of 2024, 36 Avian Brands products have successfully obtained TKDN certification as described below:

Product	Organizer	Validity Period
Aries Gold ❶	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Avian Cat Aluminium ❷	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Avian Cat kayu dan Besi ❸	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Avitex Alkali Resisting Primer ❹	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Avitex Anti Viruz ❺	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Avitex Cat Genteng & Seng ❻	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Avitex Eksterior ❼	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Avitex Plamir Tembok ❽	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Avitex ❾	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Boyo Politur Vernis Solvent Based ❿	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Lenkote Wall Sealer ⓫	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
No Drop Anti Panas ⓬	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
No Drop ⓭	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
No Odor Medicare ⓮	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Supersilk Anti Noda ⓯	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Suzuka Cat Duco Otomotif ⓰	Kementerian Perindustrian Republik Indonesia	Until September 15, 2026
Avian Paving Paint ⓱	Kementerian Perindustrian Republik Indonesia	Until October 19, 2026
Avian Roadline Paint ⓲	Kementerian Perindustrian Republik Indonesia	Until October 19, 2026
Avitex Gold ⓳	Kementerian Perindustrian Republik Indonesia	Until October 19, 2026
Sunguard All-In-One ⓴	Kementerian Perindustrian Republik Indonesia	Until October 19, 2026
Sunguard ⓵	Kementerian Perindustrian Republik Indonesia	Until October 19, 2026
Supersilk ⓶	Kementerian Perindustrian Republik Indonesia	Until October 19, 2026
Cat Besi Anti Karat Avian 3 in 1 ⓷	Kementerian Perindustrian Republik Indonesia	Until July 12, 2027
GM 420 Perekat Keramik Ekonomis ⓸	Kementerian Perindustrian Republik Indonesia	Until September 4, 2027
GM 510 Tile Grout ⓹	Kementerian Perindustrian Republik Indonesia	Until September 4, 2027
No Drop Mortar Anti Bocor ⓺	Kementerian Perindustrian Republik Indonesia	Until September 4, 2027
Avia Thinner Lacquer A Special ⓻	Kementerian Perindustrian Republik Indonesia	Until September 4, 2027
Avian Thinner B Asli ⓼	Kementerian Perindustrian Republik Indonesia	Until September 4, 2027
Pro-X 207 ⓽	Kementerian Perindustrian Republik Indonesia	Until September 5, 2027
GM 270 Acian Putih ⓾	Kementerian Perindustrian Republik Indonesia	Until September 5, 2027
GM 380 Perekat Bata Ringan ⓿	Kementerian Perindustrian Republik Indonesia	Until September 5, 2027
Avian Cling Water Based ⓿	Kementerian Perindustrian Republik Indonesia	Until November 18, 2027
Avitex Wizz ⓿	Kementerian Perindustrian Republik Indonesia	Until November 18, 2027
Avian Cling Synthetic ⓿	Kementerian Perindustrian Republik Indonesia	Until November 18, 2027
Avian Cling Zinc Chromate ⓿	Kementerian Perindustrian Republik Indonesia	Until November 18, 2027
Avian Zinc Chromate ⓿	Kementerian Perindustrian Republik Indonesia	Until November 18, 2027



Other Certifications

In addition to obtaining ISO, SNI, GLS, and TKDN certifications, Avian Brands has also obtained the Green Industry Certificate from the Green Industry Certification Institute of the Center for Standardization and Services of Chemical, Pharmaceutical, and Packaging Industry, Ministry of Industry of the Republic of Indonesia. This is given in recognition of Avian Brands' efforts in implementing sustainability principles in industrial processes, from energy efficiency to resource management and the reduction of environmental impacts. This Green Industry Certificate is valid until September 7, 2026, confirming Avian Brands' commitment to continuously innovate and improve environmental performance in all operational activities, in line with the objective to support the development of environmentally friendly industries in Indonesia.



Membership in Associations

[GRI 2-28] [POJK C.5]

In an effort to expand its network and stay informed of the latest developments in the business environment, Avian Brands actively joins various associations relevant to its business activities and status as a public company. Membership in these associations allows Avian Brands to participate in important industry conversations, gain valuable insights, and adapt to changing regulations and market trends. This involvement not only supports the development of Avian Brands’ business strategies, but also reinforces its commitment to responsive and sustainable business practices. Information regarding Avian Brands’ membership in associations is described below:



Indonesian Paint Producers Association

Scale : National
Status of Avian Brands: Member



Indonesian Public Listed Companies Association

Scale : National
Status of Avian Brands : Member



Indonesian Synthetic Resin Association

Scale : National
Status of Avian Brands : Member







Determination of Contents and Materials of Report

“Determination of contents and materials of Avian Brands’ Sustainability Report is carried out through identification processes involving internal and external stakeholders. Through such involvement, we collect inputs from various parties related to Avian Brands’ operations, taking into account key issues relevant to the paint industry sector, such as the economic, environmental, social and governance impacts. These material topics are then prioritized based on their relevance and significance to the sustainability of Avian Brands, allowing us to present transparent and accurate information while supporting the achievement of Avian Brands’ sustainability goals.”



Stakeholder Engagement

[GRI 2-29]

[POJK E.4]

[SASB RT-CH-210a.1.]

For us, stakeholders mean entities or individuals affected by the activities, products and services of Avian Brands. On the other hand, they also play a critical role in influencing the successful implementation of Avian Brands' strategies and achievement of its objectives. Therefore, stakeholder engagement is an essential step to understand and address the needs of each group in an appropriate and responsible manner, consistent with applicable regulations. We do this by maximizing our resources, while ensuring that every action of Avian Brands supports the long-term interests of our stakeholders as well as the operational viability of Avian Brands. In the process, Avian Brands constantly pays attention to compliance with corporate social responsibility, concern for environmental issues, and taking into account the priority scale in building communication with various strategic partners.

Avian Brands identifies internal and external stakeholder groups. Internal stakeholders consist of Shareholders and Investors, as well as employees. On the other hand, external stakeholders include suppliers, communities, governments, store customers, and product users. Certain other stakeholder groups that are not significant, such as distributors and mass media, are not included in this report, as they are not relevant to the Avian Brands' business.

Internal Stakeholders

Shareholders and Investors

1



Significant Topics and Stakeholders' Needs

- Business development;
- Financial and operational performance; and
- Dividend payment.

Method of Engagement and Frequency of Implementation

- Convention of General Meeting of Shareholders annually or as needed.
- Submission of Annual Report and Sustainability Report on a yearly basis; and
- Provision of facilities for information access.

Response to Stakeholders' Needs

- Strategizing to improve economic performance and business sustainability;
- Adjusting the implementation of sustainability principles in Avian Brands;
- Stipulating policy on dividend payment; and
- Providing the latest information about Avian Brands on various media, such as Avian Brands and stock exchange websites.

Employees

2



Significant Topics and Stakeholders' Needs

- Fair and responsible management of labor practices;
- Occupational health and safety ("OHS");
- Business continuity; and
- Competence and career development.

Method of Engagement and Frequency of Implementation

- Provision of employee complaint facilities;
- Convention of meetings between management and employee representatives through the Bipatrit Cooperation Agency as needed; and
- Implementation of complaints surveys as needed.

Response to Stakeholders' Needs

- Preparing and complying with employment contracts and company regulations related to labor management;
- Providing adequate OHS facilities and/or infrastructures in all operational areas; and
- Organizing education and training activities as well as promotions.

External Stakeholders

Supplier

1



Significant Topics and Stakeholders' Needs

- Fair and transparent procurement practices;
- Compliance with employment contracts;
- Productive and mutual business relationships; and
- Environmentally friendly supply chain strategies.

Method of Engagement and Frequency of Implementation

- Convention of meetings with suppliers as required;
- Periodic audits and assessments of vendors; and
- Provision of complaint facilities for suppliers.

Response to Stakeholders' Needs

- Preparing employment contracts that are favorable to both parties;
- Procuring goods and services in accordance with GCG principles;
- Complying with the obligations as stipulated in the employment contracts; and
- Ensuring vendors have implemented business practices that consider environmental impacts.



General Public

2



Significant Topics and Stakeholders' Needs

- Health and safety operations;
- Avian Brands' participation in helping to improve the welfare of the community; and
- Community development program.

Method of Engagement and Frequency of Implementation

Provision of communication and complaint facilities for the surrounding community.

Response to Stakeholders' Needs

- Creating employment opportunities for local communities; and
- Implementing CSR programs for the community through Avian Brands *Peduli*.

Government

3



Significant Topics and Stakeholders' Needs

- Compliance with relevant applicable regulations;
- Payment of tax obligations and non-tax state revenues (*penerimaan negara bukan pajak* or "PNBP"); and
- Disclosure of violations.

Method of Engagement and Frequency of Implementation

- Submission of Annual Reports, Sustainability Reports, and other reports on a quarterly and annual basis;
- Payment and reporting of taxes and PNBP on a monthly or annual basis; and
- Provision of violation reporting through a whistleblowing system.

Response to Stakeholders' Needs

- Ensuring compliance with all regulations applicable to Avian Brands;
- Paying tax and PNBP obligations;
- Conducting certifications and assessments by external parties; and
- Disclosing incidents of violations that occur within Avian Brands.

Store Customer

4



Significant Topics and Stakeholders' Needs

- Product and service information;
- Marketing communications;
- Quality of products and services;
- Product labeling;
- Customer opinions and needs; and
- Improvement of customer satisfaction.

Method of Engagement and Frequency of Implementation

- Implementation of customer satisfaction surveys as required; and
- Provision of complaint facilities for customers.

Response to Stakeholders' Needs

- Updating product and service information;
- Registering Avian Brands' products with certification bodies; and
- Maintaining product and service quality, including customer health and safety aspects.

Product-Using Customers

5



Significant Topics and Stakeholders' Needs

- Product and service information;
- Marketing communications;
- Quality of products and services;
- Product labeling;
- Customer opinions and needs; and
- Improvement of customer satisfaction.

Method of Engagement and Frequency of Implementation

- Implementation of customer satisfaction surveys as required; and
- Provision of complaint facilities for customers.

Response to Stakeholders' Needs

- Updating product and service information;
- Registering Avian Brands' products with certification bodies; and
- Maintaining product and service quality, including customer health and safety aspects.



Material Topics of Sustainability Report

We prepared the Sustainability Report as a means of communication to stakeholders, which contains Avian Brands' sustainability performance in 4 main pillars, namely Product Quality and Environment; Social, Labor, and Human Rights; Ethics and Governance; and Sustainable Procurement. Publication of this report reflects our commitment to accountability and transparency by presenting a comprehensive picture of the impact of Avian Brands' operations on economic, environmental and social conditions in the surrounding areas. More than just a reporting instrument, this Sustainability Report also serves as concrete evidence of Avian Brands' contribution to achieving the SDGs. Thus, this report is a testament to our active role in integrating sustainability into every aspect of Avian Brands' business operations and strategies.

In preparing this Sustainability Report, we refer to the reporting principles outlined in GRI 1: 2021 Baseline. This approach ensures that Avian Brands' Sustainability Report is prepared based on credible and accountable international standards, ensuring that the information presented is relevant, accurate and comprehensive. These principles help us to identify and highlight the most significant material topics, ensuring that any issues that matter to our stakeholders and Avian Brands are addressed proportionally. The reporting principles outlined in GRI 1: 2021 baseline are further described as follows:

- 
Accuracy 1
 We report accurate and sufficiently detailed information to enable a comprehensive and relevant assessment of Avian Brands' impacts and contributions.
- 
Balance 2
 We report information in a neutral manner and provide a balanced picture of Avian Brands' impacts and contributions.
- 
Clarity 3
 We present information in a way that is accessible and understandable.
- 
Comparability 4
 We select, compile, and report information consistently to enable stakeholders to analyze changes and progress made in managing Avian Brands' impacts and contributions over time and to analyze these impacts in relation to the impacts of other organizations.
- 
Completeness 5
 We provide sufficient information to assess Avian Brands' impacts and contributions during the reporting period.
- 
Sustainability Context 6
 We report information on Avian Brands' contributions in the broader context of sustainable development.
- 
Timeliness 7
 We report information regularly and make it available in a timely manner for stakeholders to make informed decisions.
- 
Verifiability 8
 We collect, record, compile, and analyze information so that the information presented can be scrutinized to determine its quality.

Identification and Determination of Priority Topics [GRI 3-1]

In the previous period, we have implemented a process of identifying and prioritizing topics to be discussed in the Sustainability Report through the active involvement of both internal and external stakeholders of Avian Brands. Each stakeholder group has shared their views and input on sustainability topics that they deem important and prioritized. The process we have implemented in identifying and determining material topics for the Sustainability Report is described as follows:



We have engaged the perspectives of relevant stakeholders and experts in the process of determining priorities of material topics. Through this process, we discovered significant issues relevant to the chemical manufacturing industry standards, particularly for paint manufacturing. The feedback we received remains our primary reference in determining the material topics to be addressed in the Sustainability Report, ensuring that any issues of importance to stakeholders remain well accommodated and at the center of Avian Brands' attention.

List of Material Topics [GRI 3-2]

We compiled the list of material topics for this Sustainability Report based on the results of identification, derived from the stakeholder engagement conducted by Avian Brands in the previous period. We observe that the inputs from the previous survey remain relevant as references in preparing this year's Sustainability Report. Given the adequacy and validity of the information collected, we have determined that the material topics of discussion in this Report have not changed compared



to the previous period. In addition, these topics have also been selected based on their impacts on Avian Brands and its stakeholders, and therefore are deemed relevant for the present time. Information regarding the material topics of Avian Brands' 2024 Sustainability Report is described as follows:

List of Material Topics and Explanations

Product Quality and Environment

Material Topic : Responsible Procurement of Raw Materials & Products

Sub-Topic

- Percentage of renewable materials;
- Percentage of recycled materials used;
- Percentage of product packaging recovered and reprocessed by Avian Brands; and
- Sustainable products launched by Avian Brands.

GRI-Standard Disclosures

GRI 301

Relation to SDGs



Material Topic : Environmental Protection

Sub-Topic

- Environmental and ecological protection;
- Water management;
- Energy management and reduction practices;
- Waste management and reduction; and
- Material recycling.

GRI-Standard Disclosures

GRI 302

GRI 303

GRI 306

Relation to SDGs



Material Topic : Climate Change Actions

Sub-Topic

- Transition to clean and affordable energy
- GHG emission reduction target (Scope 1, 2, 3);
- Monitoring and evaluation of GHG emissions; and
- Carbon neutral and Net Zero Carbon commitments.

GRI-Standard Disclosures

GRI 305

Relation to SDGs



Social, Labor, and Human Rights

Material Topic : Public Impact and Relations

Sub-Topic

- Community development programs or welfare activities (CSR);
- Community engagement;
- Impact assessment; and
- Total employees recruited from local communities.

GRI-Standard Disclosures

GRI 202

GRI 413

Relation to SDGs



Material Topic : Talent/Skill Attraction and Retention

Sub-Topic

- Employee training and career development;
- Employee benefits; and
- Employee retention.

GRI-Standard Disclosures

GRI 401 GRI 404

Relation to SDGs



Material Topic : Occupational Health, Safety, and Security

Sub-Topic

- OHS management system;
- Prevention of occupational accidents or disasters;
- Employee participation and training on OHS;
- Hazard identification;
- Incident assessment and investigation; and
- Promoting worker or employee health.

GRI-Standard Disclosures

GRI 403

Relation to SDGs



Material Topic : Human Rights

Sub-Topic

- Diversity of employee composition;
- Hiring people with disabilities;
- Female proportion;
- Decent and equal wages;
- Care and concern for employees;
- No discrimination;
- Elimination of child and forced labor;
- No sexual harassment; and
- Rights of local communities.

GRI-Standard Disclosures

GRI 202 GRI 405 GRI 406 GRI 408
GRI 409

Relation to SDGs



Material Topic : Labor Management/Relations

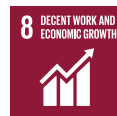
Sub-Topic

- Freedom of association;
- Mutual negotiation;
- Labor practice complaint mechanism; and
- Minimum notice of changes in the work environment.

GRI-Standard Disclosures

GRI 402 GRI 407

Relation to SDGs



Material Topic : Customer Relationship Management

Sub-Topic

- Product quality and safety;
- Customer opinions and needs;
- Product labelling;
- Marketing communications; and
- Improvement of customer satisfaction.

GRI-Standard Disclosures

GRI 416 GRI 417

Relation to SDGs





Ethics and Governance

Material Topic : Corporate Governance and Operational Performance

Sub-Topic

- Corporate governance mechanisms;
- Governance structure and composition;
- Composition and selection of the Board of Commissioners and the Board of Directors;
- Diversity of the Board of Commissioners and the Board of Directors;
- Independence of the Board of Commissioners and the Board of Directors;
- Remuneration policy;
- The role of the highest governance organ in sustainability; and
- External guarantees.

GRI-Standard Disclosures

GRI 2

Relation to SDGs



Material Topic : Integrity Management and Compliance with Laws and Regulations

Sub-Topic

- Code of conduct;
- Healthy business competition;
- Anti-Corruption;
- Taxation governance;
- Political contributions;
- Compliance with laws and regulations (economic, environmental, social); and
- Disclosure of violations.

GRI-Standard Disclosures

GRI 205

GRI 207

GRI 415

Relation to SDGs



Material Topic : Information Safety Management

Sub-Topic

- Information security policies and systems;
- Information breach risk control and measures; and
- Protection of data security of all company stakeholders.

GRI-Standard Disclosures

-

Relation to SDGs

-



Sustainable Procurement

Material Topic : Supply Chain Management

Sub-Topic

- Sustainable procurement and supply chain measures (policies, assessments, training, documentation, and reporting for suppliers); and
- Environmentally friendly supply chain strategies.

GRI-Standard Disclosures

GRI 308

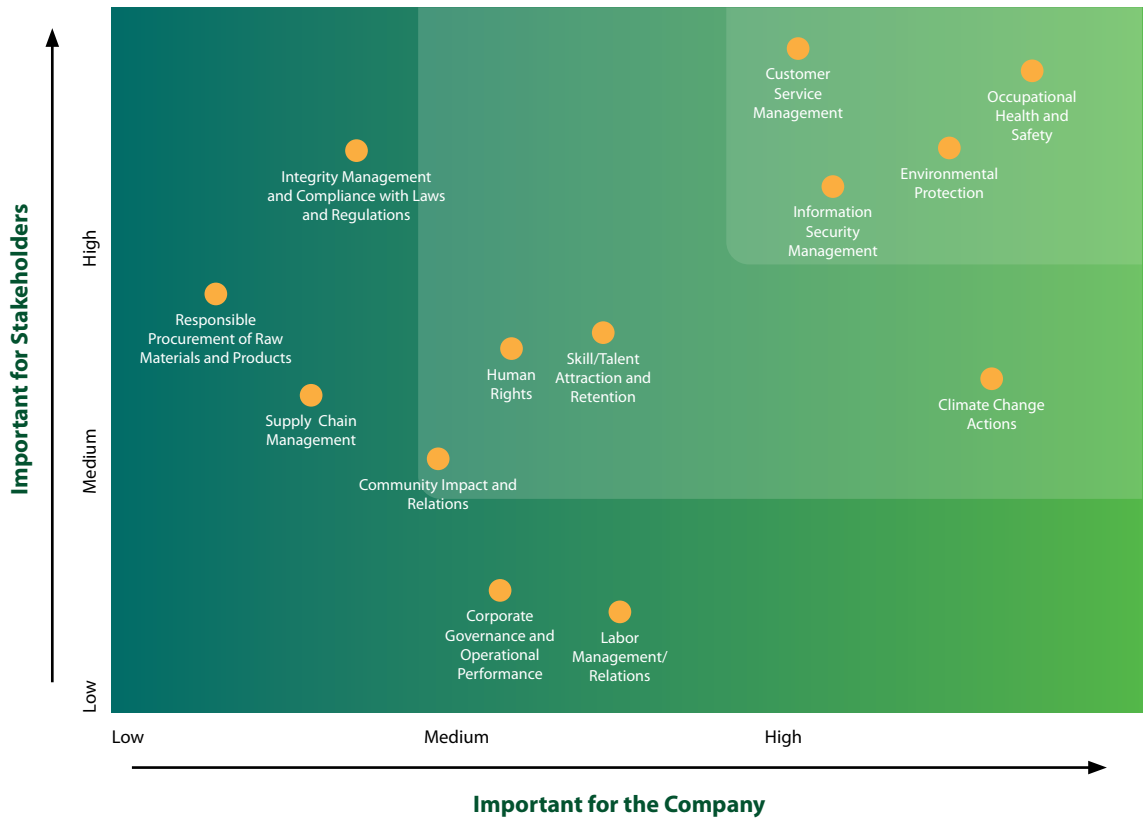
GRI 414

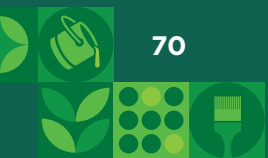
Relation to SDGs



Material Level

Furthermore, to determine the level of materiality of the Sustainability Report content, a mapping of material topics was conducted based on a stakeholder survey. The mapping results show an overview of the materiality level of the Sustainability Report content below:







Sustainability Governance



“Sustainability governance serves not only as a foundation for Avian Brands in implementing responsible business practices, but also a means to ensure that all operational activities consistently contribute to stakeholder interests in economic, environmental, social, and governance aspects. With this approach, Avian Brands remains committed to delivering sustainable added value to all stakeholders in line with its sustainability commitment, which serves as a key pillar in the business strategies of Avian Brands.”

Avian Brands Achievements [GRI 3-3]



Avian Brands has a sustainability governance policy in place.



Avian Brands has conducted Risk & Opportunity Assessments, based on ISO 9001, ISO 14001, ISO 50001, and ISO 45001.



The proportion of female representation on the Board of Directors has reached 20.00% since 2022.

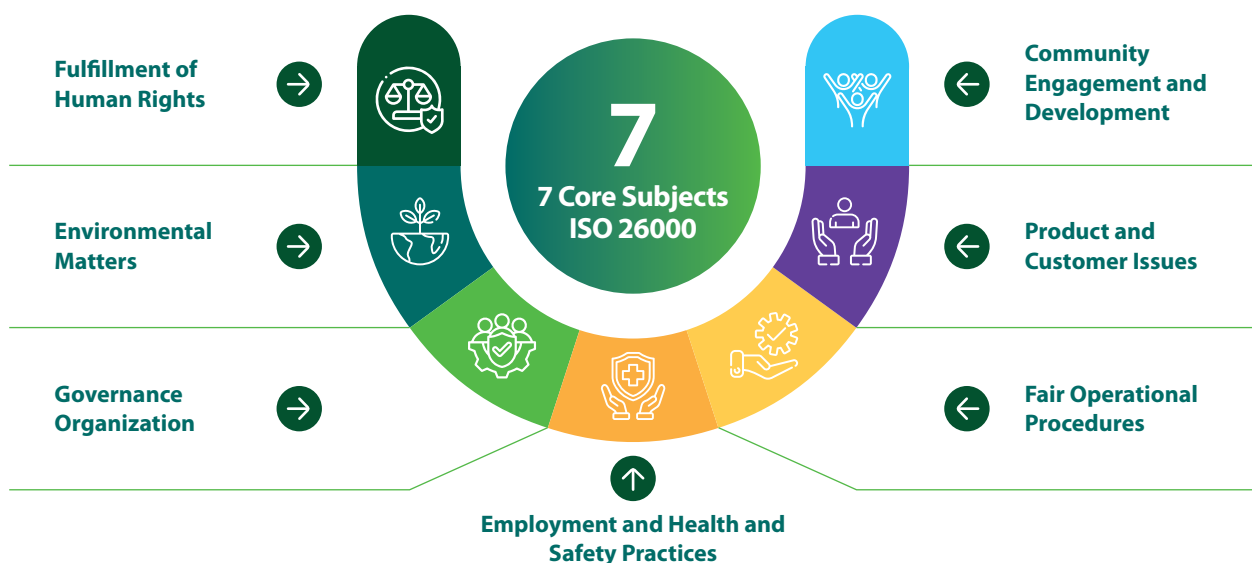


During the reporting year, Avian Brands was not subject to any fines or significant legal actions, both from authorized institutions as well as from the Financial Services Authority and the Indonesia Stock Exchange.

Commitment to Sustainability Governance

Commitment to sustainability governance is a key pillar that underpins Avian Brands' business continuity in order to ensure that every step is taken in accordance with sustainability principles. This sustainability governance is the basis for Avian Brands' management processes and mechanisms, which are based on laws and regulations as well as business ethics. Moreover, sustainability governance also emphasizes concern for all stakeholders as a key priority. Therefore, every policy and business decision always weigh their impact on the communities, the environment, and other stakeholders.

Through consistent implementation of sustainability governance, we strengthen Avian Brands' operational foundation and ensure that all stakeholders receive optimal benefits from our business activities. This commitment also encompasses proactive efforts in identifying, mitigating, and minimizing risks with potential adverse impacts, both on the business and the environment. Thus, sustainability governance is more than just a duty but is also a long-term strategy that brings together legal compliance with social responsibility. Therefore, Avian Brands can continue to grow sustainably while maintaining trust and reputation in the eyes of stakeholders. Avian Brands implements sustainability governance in accordance with applicable laws and regulations as well as the 7 core subjects set out in the ISO 26000 on Social Responsibility, as described below:



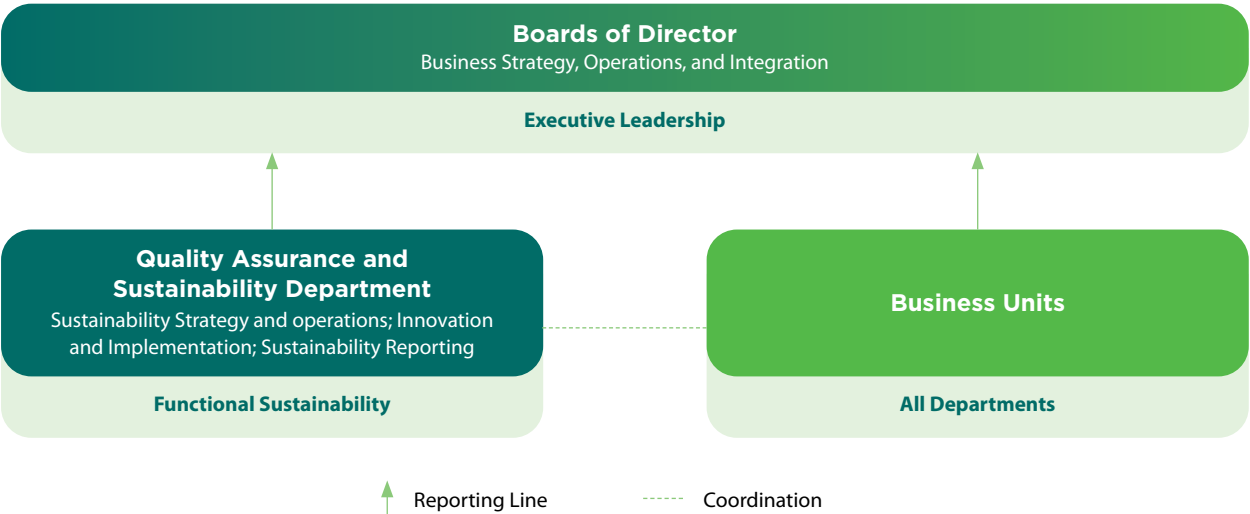
Structure of Sustainability Governance [GRI 2-11, 2-13]

Avian Brands remains committed to establishing a sustainability organization, comprising a dedicated Department tasked with bringing sustainability to the core of its operational program strategies, in order to generate sustainable positive impacts for the community, the environment, the Shareholders, and other stakeholders. Such a department is the Quality Assurance & Sustainability Department (“QAS”), which is under the direct leadership of the Board of Directors. The Board of Directors is responsible for ensuring the implementation of Avian Brands’ sustainability Vision and Mission, while also providing strategic direction on sustainability initiatives. This includes engaging relevant internal stakeholders and ensuring that sustainability aspects, including ESG management, are effectively carried out and thoroughly considered in every decision and strategy undertaken by Avian Brands.

The implementation of sustainability initiatives is then delegated to the relevant Departments, ensuring alignment with the established plans. To ensure effectiveness, regular monitoring and evaluation are conducted through periodic meetings and structured reports. The QAS Department also plays a role in assessing and managing risks and opportunities related to decarbonization strategies, risk mitigation, climate change, and ESG rating improvements, to help Avian Brands navigate global challenges and create sustainable positive impacts.

As part of efforts to strengthen sustainability governance, the QAS Department facilitates cross-functional coordination and ensures that sustainability principles are integrated into all aspects of Avian Brands’ operations. This includes formulating climate change mitigation and adaptation strategies, upholding human rights, and raising awareness of the importance of sustainability among employees and business partners. Through this approach, Avian Brands demonstrates its commitment to not only fulfilling environmental and social responsibilities, but also to creating added values in line with the Sustainable Development Goals. Thus, the QAS Department serves as a key pillar in ensuring that Avian Brands continues to grow sustainably while making tangible contributions to the community, the environment, and all stakeholders.

The diagram below outlines the sustainability governance structure of Avian Brands:



The Role of the Highest Governance Organ in Overseeing Impact Management [GRI 2-9, 2-12] [CDSB REQ-01]

GMS demonstrates its commitment to supporting sustainability programs by approving, supervising, and evaluating Avian Brands strategies and targets, aligned with Sustainable Development Goals, Avian Brands' Vision and Mission, and materiality topics.

Governance Organ	Description
GMS	The GMS is a governance organ that has the power not granted to the Board of Directors nor the Board of Commissioners within the limits stipulated by the Limited Liability Company Law and/or the Articles of Association, as well as a medium for Shareholders to make important decisions related to long-term business continuity.
The Board of Commissioners	The Board of Commissioners has the duties and responsibilities of supervising and advising the Board of Directors in managing Avian Brands' strategy, including implementing GCG principles. The Board of Commissioners is assisted by the Audit Committee, the Nomination and Remuneration Committee, and the Good Corporate Governance Committee.
The Board of Directors	The Board of Directors has the duties and responsibilities of managing Avian Brands' business operations, including managing economic, environmental, social, and governance risks with representative and managerial authority. The implementation of the duties of the Board of Directors is supported by the Corporate Secretary, the Internal Audit Unit, the Related Party Transaction Committee, as well as management in the Work Units performing direct operational activities. [GRI 2-11]
The Audit Committee	The Audit Committee has the duties and responsibilities to assist the Board of Commissioners in performing supervisory functions, including monitoring and evaluating the implementation of the internal control system, assessing the implementation of activities and audit results carried out by internal and external auditors, reviewing financial information to be issued by Avian Brands, and monitoring compliance with applicable laws and regulations.
The Nomination and Remuneration Committee	The Nomination and Remuneration Committee has the duties and responsibilities to assist the Board of Commissioners in supervising the implementation of the nomination and remuneration process to ensure that it is objective, effective, and efficient, as well as to improve the quality, competence, and responsibility of the Board of Commissioners and the Board of Directors in achieving Vision and Mission of Avian Brands.
The Good Corporate Governance Committee	The Good Corporate Governance Committee has the duties and responsibilities to socialize Business Ethics and Code of Conduct and receive and follow up reports of any complaints of violations of Business Ethics and Code of Conduct committed by Avian Brands personnel.
The Corporate Secretary	The Corporate Secretary has the duties and responsibilities as the liaising party between Avian Brands and the stakeholders, especially Shareholders, capital market authorities, and the public, as well as ensuring Avian Brands compliance with laws and regulations, especially in the capital market sector.
The Internal Audit Unit	The Internal Audit Unit has the duties and responsibilities to conduct assurance activities and provide professional, independent, and objective opinions to the Board of Directors on Avian Brands' business activities. In addition, the Internal Audit Unit is expected to assist Avian Brands in increasing value and improving operations, through a systematic approach by evaluating and improving the effectiveness of risk management, internal control, and GCG processes in Avian Brands.
The Related Party Transaction Committee	The Related Party Transaction Committee has the duties and responsibilities to support the implementation of the duties of the Board of Directors, particularly in terms of managing Avian Brands' transactions with affiliated parties through the provision of input and advice concerning related party transactions conducted by Avian Brands and its business groups, so that such related party transactions are conducted in accordance with generally accepted business practices, applicable laws and regulations, and comply with fair transaction principles.



Information related to the Board of Commissioners and the Board of Directors

Composition of The Board of Commissioners as of December 31, 2024 [GRI 2-9]

Name	Position	Gender	Term of Office	Educational Background and Skills
Hermanto Tanoko	President Commissioner	Male	2021 - 2026	Management
Mohammad Noor Rachman Soejoeti	Independent Commissioner	Male		Economy

Composition of the Board of Directors as of December 31, 2024 [GRI 2-9]

Name	Position	Gender	Term of Office	Educational Background and Skills
Wijono Tanoko	President Director	Male	2021 – 2026	Sales and Marketing
Ruslan Tanoko	Vice President Director	Male		Chemical Engineering
Robert Christian Tanoko	Director	Male		Business and Trading
Kurnia Hadi Sinanto	Director	Male	2022 – 2026	Accounting
Angelica Tanisia Jozar	Director	Female		Engineering

Separation of Roles and Responsibilities of the Board of Commissioners and the Board of Directors

Avian Brands has established Governance Guidelines for Public Companies, that regulate the separation of roles, duties, and responsibilities between the Board of Commissioners and the Board of Directors. More detailed information on the duties and responsibilities of the Board of Commissioners is stipulated under the Board of Commissioners Charter, while the separation of duties and responsibilities among the Board of Commissioners is stipulated based on the Minutes of the Board of Commissioners Meeting No. 006/AA/BAR/KOM/IX/2023 dated September 19, 2023. Both guidelines, in general, regulate the duties of the Board of Commissioners in supervising and providing strategic directions to the Board of Directors. Likewise, the duties and responsibilities of the Board of Directors are stipulated under the Board of Directors Charter, while the separation of responsibilities of the Board of Directors is stipulated under the Circular Resolution of the Board of Directors No. 013/AA/SK/DIR/IX/2023 dated September 20, 2023. Both guidelines, in general, regulate matters relating to the operational management of Avian Brands.



Furthermore, Avian Brands has also established policy on the Board of Commissioners Reserved Matters, that require Board of Commissioners' approval before implementation by the Board of Directors, such as:

1. To sell, encumber, or otherwise dispose of the rights to the immovable property of Avian Brands;
2. To bind Avian Brands as guarantor;
3. To establish a new business or to participate;
4. To transfer investments in other companies, both domestic or foreign;
5. To receive a monetary loan from any party;
6. To grant monetary loan to any party, except in the ordinary course of business and loans to employees and Subsidiaries of Avian Brands; and
7. To open branches or representative offices, both inside and outside the territory of the Republic of Indonesia.

Information related to the implementation of duties, authorities, and responsibilities of the Board of Directors and the Board of Commissioners, is further provided in the 2024 Annual Report of PT Avia Avian Tbk, which is prepared independently from this Sustainability Report.

Diversity of the Board of Commissioners and the Board of Directors in 2024 [GRI 3-3, 405-1]

Age	Male	Female	Total
Diversity of the Board of Commissioners			
>50 Years Old	2	-	2
30 –50 Years Old	-	-	-
<30 Years Old	-	-	-
Total Members of the Board of Commissioners	2	-	2
Ratio of Members of the Board of Commissioners (%)	100.00	-	100.00
Diversity of the Board of Directors			
>50 Years Old	2	-	2
30 – 50 Years Old	2	1	3
<30 Years Old	-	-	-
Total Members of the Board of Directors	4	1	5
Ratio of Members of the Board of Directors (%)	80.00	20.00	100.00

Avian Brands gradually ensures that the composition of the Board of Commissioners and the Board of Directors reflects gender balance, with no one gender dominating the other. As part of this initiative, Avian Brands has included female representation in its upper management through the appointment of Mrs. Angelica Tanisia Jozar as Director. With this appointment, the proportion of female representation on the Board of Directors has reached 20.00% since 2022. Avian Brands considers gender diversity as a strategic step that provides various fresh perspectives, that contribute to improving decision-making quality at the upper management level.

The proportion of Senior Management Coming from Local Communities [GRI 202-2]

Avian Brands is committed to involving workers from the local communities in its organizational structure. As such, by the end of the reporting period, 100.00% of the key positions in Avian Brands are held by Indonesian nationals, with some positions held by employees coming from the operating areas of each business unit. This reflects Avian Brands' efforts to empower local human resources and strengthen relationships with surrounding communities.



Nomination and Remuneration of the Board of Commissioners and the Board of Directors [GRI 2-10, 2-19, 2-20]

Nomination of the Board of Commissioners and the Board of Directors

Avian Brands has in place, the Succession Policy in the Nomination Process for Members of the Board of Commissioners and the Board of Directors of PT Avia Avian Tbk, stipulated on December 27, 2021. This policy is designed to ensure the selection of suitable, competent candidates who are well suited to the long-term strategy of Avian Brands. The nomination process for the Board of Commissioners and the Board of Directors begins with identifying needs based on competence and expertise analysis, and followed by in-depth evaluation of the qualifications, experience and track record of potential candidates. The Nomination and Remuneration Committee is instrumental in overseeing and recommending the most qualified candidates to the Board of Commissioners, taking into account their integrity, leadership and competence. Each stage of nomination upholds transparency, accountability, independence and objectivity, ensuring selected candidates' suitability with the Vision and Mission of Avian Brands, as well as commitment to promoting long-term growth and sustainability.

The nomination process for the Board of Commissioners and the Board of Directors also consistently emphasizes the fulfillment of criteria and requirements set forth in the Board of Commissioners Charter and the Board of Directors Charter. The specific criteria that have been established include:

1. Be of good character, morals, and integrity;
2. Capable of performing legal acts and committed to complying with laws and regulations;
3. Within 5 years prior to appointment and during his/her term of office:
 - A. Has never been declared insolvent;
 - B. Has never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared insolvent;
 - C. Has never been convicted of a criminal act that causes harm to state finances and/or related to the financial sector; and
 - D. Has never been a member of the Board of Directors and/or a member of the Board of Commissioners that, during its term of office:
 - 1) has previously failed to convene an Annual General Meeting of Shareholders;
 - 2) has had a previous report of responsibility as a member of the Board of Directors and/or member of the Board of Commissioners refused by the GMS, or has failed to submit a report of responsibility as a member of the Board of Commissioners to the GMS; and
 - 3) has caused a company that holds a license, approval, or registration from the Financial Services Authority to fail to fulfill its obligation to provide Annual Reports and/or Financial Statements to the Financial Services Authority;
4. Possess knowledge and/or expertise in the areas required by Avian Brands; and
5. Has not been found guilty by a court decision.



Remuneration of the Board of Commissioners and the Board of Directors

Meanwhile, the procedure and basis for determining remuneration for the Board of Commissioners and Directors of Avian Brands, is based on the GMS resolution in which the authority may be delegated to the Board of Commissioners who takes into consideration the opinions and recommendations of the Nomination and Remuneration Committee. The structure and amount of remuneration for the Board of Commissioners and Board of Directors of Avian Brands are carefully regulated to ensure fairness, transparency, and consistency with each member's performance and responsibilities. Determination of remuneration amount also takes into account various factors, such as industry standards in line with Avian Brands' business scale and activities, duties and responsibilities related to performance achievement, performance targets of each member, as well as the balance between fixed and variable allowances.

Disclosure of more detailed information concerning nomination and remuneration, including the amount of remuneration, for members of the Board of Commissioners and Board of Directors is presented in the 2024 Annual Report of PT Avia Avian Tbk, which is prepared independently from this Sustainability Report.

Assessment of the Performance of the Board of Commissioners and the Board of Directors

Policy concerning the performance assessment of the Board of Commissioners of Avian Brands, is based on the Performance Assessment Policy of the Board of Commissioners and the Board of Directors of PT Avia Avian Tbk, adopted on December 27, 2021, as well as other relevant regulations. The policy stipulates that assessment is conducted collegially by members of the Board of Commissioners, and not individually. This assessment is designed to measure the effectiveness and cooperation of the Board of Commissioners in carrying out its supervisory duties over the management of Avian Brands and in providing strategic advice to the Board of Directors. The assessment process is periodically conducted every year, taking into account the achievement of various key aspects, such as:

1. Supervising the management of Avian Brands carried out by the Board of Directors;
2. Reviewing, examining and approving the annual work plan of Avian Brands;
3. Carrying out specific tasks assigned to the Board of Commissioners in accordance with the Articles of Association of the Avian Brands, the applicable laws and regulations, and/or the GMS resolutions;
4. Carrying out duties and responsibilities in accordance with the provisions of the Articles of Association of Avian Brands and the GMS resolutions;

5. Complying with the Articles of Association of the Avian Brands as well as the applicable laws and regulations, and obligation to carry out their duties based on the principles of professionalism, efficiency, transparency, independence, accountability, responsibility, and fairness, including conducting Board of Commissioners Meetings in accordance with applicable regulations;
6. Evaluating performance during the financial year, assessed based on the effectiveness of supervision and contribution to achieving Avian Brands' strategic targets;
7. Measuring the Board of Commissioners' competence in carrying out its duties and responsibilities, including knowledge and expertise relevant to the Avian Brands' industry; and
8. Measuring level of attendance at Board of Commissioners meetings, both internal meetings and joint meetings with the Board of Directors.

Likewise, performance assessment of the Board of Directors is conducted with a similar approach under the same policy, under which assessment is conducted collegially by the Board of Commissioners as well as the Board of Directors itself. The assessment's main objective is to evaluate the effectiveness of leadership and cooperation among members of the Board of Directors in the overall management of Avian Brands. Aspects of the assessment include the following:

1. Leading, managing and controlling the company in accordance with the objectives of Avian Brands;
2. Taking measures to improve the efficiency and effectiveness of Avian Brands;
3. Controlling, maintaining and managing assets of Avian Brands;
4. Preparing annual work plan which contains Avian Brands' annual budget and submitting it to the Board of Commissioners for approval before the start of the next financial year;
5. Carrying out duties and responsibilities in accordance with the provisions of the Articles of Association of Avian Brands and the GMS resolutions;
6. Complying with the Articles of Association of Avian Brands as well as the applicable laws and regulations, and obligation to carry out their duties based on the principles of professionalism, efficiency, transparency, independence, accountability, responsibility, and fairness, including conducting Board of Directors Meetings in accordance with applicable regulations;
7. Evaluating performance during the financial year, assessed based on the achievement of Avian Brands' operational and financial targets;
8. Measuring the Board of Directors' competence in carrying out its duties and responsibilities, including knowledge and expertise relevant to Avian Brands' industry; and
9. Measuring level of attendance at Board of Directors meetings, both internal meetings and joint meetings with the Board of Commissioners.



Disclosure of more detailed information concerning the assessment of performance of the Board of Commissioners and the Board of Directors is presented in the 2024 Annual Report of PT Avia Avian Tbk, which is prepared independently from this Sustainability Report.

Attendance of Board of Commissioners and Board of Directors in Meetings

Board of Commissioners Meeting

The convening of Board of Commissioners meetings is based on the provisions stipulated in OJK Regulation No. 33/2014 and the Articles of Association of Avian Brands, under which internal meetings shall be convened at least once every two months and joint meetings with the Board of Directors shall be convened at least once every four months. Throughout 2024, the Board of Commissioners has convened 6 internal meetings with an average attendance percentage of 100.00%, and 12 joint meetings with the Board of Directors with an average attendance percentage of 91.67%.

Board of Directors Meeting

The convening of Board of Directors meetings is based on the provisions stipulated in OJK Regulation No. 33/2014 and the Articles of Association of Avian Brands, under which internal meetings shall be convened at least once every two months and joint meetings with the Board of Commissioners shall be convened at least once every four months. Throughout 2024, the Board of Directors has convened 12 internal meetings with average attendance percentage of 95.00%, and 12 joint meetings with the Board of Commissioners with average attendance percentage of 91.67%.

Disclosure of more detailed information concerning the attendance in meetings of the Board of Commissioners and the Board of Directors is presented in the 2024 Annual Report of PT Avia Avian Tbk, which is prepared independently from this Sustainability Report.

Competence Development of the Board of Commissioners and the Board of Directors

Avian Brands is committed to continuously improving the competence of the Board of Commissioners and the Board of Directors, through the competence development policy stipulated in the Board of Commissioners Charter and the Board of Directors Charter. This policy requires each member of the Board of Commissioners and the Board of Directors to upgrade their knowledge and skills regarding

the latest developments in the economy, finance, related industries, regulations and other matters related to Avian Brands. Competence development programs include training and education, seminars, visits, benchmarking, and brainstorming sessions. In doing so, Avian Brands ensures that its Board of Commissioners and Board of Directors possess up-to-date insights to inform strategic decision-making that supports sustainable growth and good corporate governance.

Disclosure of more detailed information concerning the competence development programs attended by the Board of Commissioners and the Board of Directors, is presented in the 2024 Annual Report of PT Avia Avian Tbk, which is prepared independently from this Sustainability Report.

Manager of Social and Environmental Sustainability Aspect

[GRI 2-12, 2-13]

[POJK E.1]

The QAS department is key in ensuring that Avian Brands' operations not only meet standards of quality, but also contribute to social and environmental sustainability. With a holistic approach, the QAS Department integrates sustainability aspects in every stage of the business process, creating added value that positively impacts stakeholders.

To promote social sustainability, the QAS Department focuses on conducting Corporate Social Responsibility ("CSR") programs designed to improve community welfare. Through the Avian Brands *Peduli* initiative, which focuses on education, environment, and disaster response programs, Avian Brands aspires to build harmonious relationships with surrounding communities and generate significant social impact.

In the environmental aspect, the QAS Department leads various innovative actions to reduce the ecological impact of Avian Brands' operations. This includes the implementation of environmentally friendly technologies, monitoring of GHG emissions, waste management, and efficient use of resources such as water and energy. These efforts aim to reduce Avian Brands' carbon footprint in a sustainable manner.

Going forward, the QAS Department remains committed to further strengthening Avian Brands' sustainability performance. Key focuses include formulating decarbonization strategies to achieve carbon neutrality, improving collaborations with local communities, and greater transparency through accountable sustainability reporting. Through this commitment, Avian Brands hopes to be a catalyst for positive changes within the industry and the environment.



Governance of Climate Change Management [TCFD GOV.a, GOV.b]

Climate change management is among the central focuses of Avian Brands' sustainability strategy and is a direct responsibility of the Board of Directors. As part of this responsibility, the Board of Directors determines strategies, work programs, and budget allocations required to manage climate risks. Such management is measured through the Key Performance Indicators ("KPIs"), ensuring that all steps are consistent with risk management policy. The Board of Directors is also responsible for implementing strategies to mitigate the impacts of climate change on Avian Brands' operations, while ensuring that each initiative is integrated into the larger risk management system.

In supervising climate change management, the Board of Directors is assisted by the QAS Department together with the Environmental Management Committee. The latter is tasked with managing environmental impacts, including those related to climate change. The QAS department also monitors the ESG Roadmap, which includes Greenhouse Gas emissions, initiatives towards carbon neutrality, as well as the management of climate-related risks.

Risk assessment includes risk identification based on the pillars of product quality, environment, OHS, and climate change. This process also involves the identification of risk types in accordance with the TCFD framework, categorized into two major types: physical risks (e.g., natural disasters, shifts in extreme weather patterns, and rising sea levels) and transition risks (those related to changes in policies, regulations, or technologies focused on reducing carbon emissions).

Climate-related risks could impact various aspects of Avian Brands' operations, including its supply chain, infrastructure, as well as reputation in the eyes of the public and stakeholders. Therefore, Avian Brands ensures that it is equipped with strategies to mitigate climate risks through adaptation to physical changes, as well as proactive measures related to the transition to a low-carbon economy. Overall, holistic management of climate risks involves collaboration between the Board of Directors, the Environmental Management Committee, and the QAS Department, to ensure that Avian Brands is prepared to face climate change impacts and able to capitalize on opportunities arising from the shift towards a more sustainable economy.



Sustainability Risk and Opportunity Management

[GRI 2-25]

[POJK E.3]

[CDSB REQ-03, REQ-06]

[SASB RT-CH-530a.1.]

[TCFD MET.a]

Avian Brands implements sustainability risk management as part of integrated efforts to ensure all aspects of its operations, both social and environmental, are managed with a proactive and sustainable approach. Avian Brands adopts principles of prevention as the main foundation in minimizing the impact of potential events that could harm or compromise business continuity. In this regard, the implemented risk management approach includes a series of systematic processes, starting from risk identification, risk level measurement, regular monitoring, to integrated risk control. This risk management framework is not static, but continuously updated and adjusted to the latest business developments, allowing Avian Brands to adapt to constantly changing market and regulatory dynamics.

At the initial stage, the development of sustainability risk management starts with building a foundational infrastructure that includes comprehensive risk management policies, guidelines and procedures. This infrastructure functions as a guide that must be followed by all risk owners at Avian Brands, with an emphasis on compliance with the risk tolerances established by the Management. By having reliable risk management in place, Avian Brands is able to identify potential risks in advance, allowing for swift and precise mitigation measures to be taken in order to minimize or even eliminate any negative impact. Beyond protecting its assets and reputation, the implementation of effective risk management also plays an important role in creating added value for Avian Brands. This allows Avian Brands to constantly improve operational performance, drive innovation, and strengthen its support in achieving strategic targets, including sustainability aspects. As such, risk management is not merely a means of protection, but also a major engine in realizing Avian Brands' long-term sustainability vision as well as reinforcing stakeholder trust and relationships.

Further information on the objectives of implementing sustainability risk management is described as follows:



1 >

To protect Avian Brands from significant levels of risks that may hinder the achievement of Avian Brands' targets.



2 >

To provide a consistent risk management framework for risks present in business processes and functions within Avian Brands.



3 >

To encourage management to act proactively in reducing the risk of loss and to make risk management a provenance of competitive advantage for Avian Brands.



4 >

To encourage prudent actions in the face of risk, as an effort to maximize Avian Brands value in order to achieve stipulated targets.



5 >

To build an understanding of risk and the importance of risk management, such that it may become a part of Avian Brands culture.

We consistently identify and manage various types of risks that could potentially influence the achievement of strategic and operational objectives of Avian Brands. Each type of risk is carefully analyzed to understand its potential impact, allowing Avian Brands to implement precise and effective mitigation efforts. Through this proactive approach, Avian Brands is committed to minimizing any adverse impacts and optimizing each opportunity to ensure long-term business continuity. Information on the types of risks faced by Avian Brands related to sustainability, as well as strategies for responding to them, are described below.

Risk Profile and Mitigation Measures of Avian Brands

Avian Brands has conducted a Risk & Opportunity Assessment guided by ISO 9001, ISO 14001, ISO 50001, and ISO 45001. In 2024, Avian Brands conducted reviews of the risks identified in its environment. The risk management assessment process is carried out through identifying potential risks, both internal and external to Avian Brands. We also elaborate on the magnitude of the risk's impacts, the frequency at which it is likely to occur, and the mitigation measures taken to anticipate the impacts. Categories of assessed risk systems include quality management systems, Occupational Health and Safety ("OHS"), environment, and energy. Avian Brands successfully identified 98 risks with various scales of potential impacts. In this report, Avian Brands only presents 27 risks. The final results of the risk and opportunity assessment are categorized into 4 levels, namely high, medium, low, and very low.

Level of Risk Impact		
Level	Status	Definition
I	Insignificant	Risk that has no impact.
II	Marginal	Risk that impacts system failure, damage to property (which affects energy), financial loss, non-compliance with requirements, and occupational illnesses and accidents, but that does not result in complaints from concerned parties.
III	Critical	Risk that impacts system failure, damage to property (which affects energy), financial loss, non-compliance with requirements, and occupational illnesses and accidents, resulting in complaints from concerned parties.
IV	Catastrophic	Risk that impacts system failure, damage to property (which affects energy), financial loss, non-compliance with requirements, and occupational illnesses and accidents, resulting in complaints from, and compensation to, concerned parties.

Level of Opportunity Impact		
Level	Status	Definition
I	Minor	No opportunity for improvement.
II	Substantial	Opportunity that may improve the Management System.
III	Serious	Opportunity that will improve the Management System.
IV	Transformative	Opportunity that is certain to improve the Management System.

Level of Risk Likelihood		
Level	Status	Definition
5	Frequent	Frequent occurrence (occurs 4 times a year).
4	Probable	High probability of occurrence (occurs 3 times a year).
3	Occasional	Occasional occurrence (occurs 2 times a year).
2	Remote	Low probability of occurrence (occurs once a year).
1	Improbable	No occurrence (never occurs in a year).

Level of Opportunity Likelihood		
Level	Status	Definition
5	Almost Certain	>75% chance of success in 6 – 12 months.
4	Likely	51 – 75% chance of success in 6 – 12 months.
3	Possible	26 – 50% chance of success in 6 – 12 months.
2	Unlikely	0 – 25% chance of success in 6 – 12 months.
1	Very Unlikely	No chance of improvement.

Risk Likelihood	Level of Risk Impact			
	I Insignificant	II Marginal	III Critical	IV Catastrophic
5 Frequent	Undesirable/Medium	Intolerable/High	Intolerable/High	Intolerable/High
4 Probable	Tolerable/Low	Undesirable/Medium	Intolerable/High	Intolerable/High
3 Occasional	Tolerable/Low	Undesirable/Medium	Undesirable/Medium	Intolerable/High
2 Remote	Negligible/Very Low	Tolerable/Low	Undesirable/Medium	Undesirable/Medium
1 Improbable	Negligible/Very Low	Negligible/Very Low	Tolerable/Low	Tolerable/Low

Risk Level	Risk Mitigation Measures
Intolerable/High	Top priority to be pursued immediately, due to the significant impacts of the resulting risks to Avian Brands. Immediate approval of the budget and mitigation plan is required.
Undesirable/Medium	Second priority after the intolerable risk has been addressed, further corrective actions need to be taken to address the risk.
Tolerable/Low	Actions should be taken if there are resources available or if the risk level is likely to escalate.
Negligible/Very Low	To be noted, action is not a priority.

Opportunity Likelihood	Level of Opportunity Impact			
	I Insignificant	II Marginal	III Critical	IV Catastrophic
5 Almost Certain	Pursue	Pursue	Pursue	Prepare
4 Likely	Pursue	Pursue	Prepare	Periodically Review
3 Possible	Pursue	Prepare	Prepare	Periodically Review
2 Unlikely	Prepare	Prepare	Periodically Review	No Action
1 Very Unlikely	Periodically Review	Periodically Review	No Action	No Action

Opportunity Level	Opportunity Mitigation Efforts
Pursue	Pursue such opportunities for change, to improve existing activity processes.
Prepare	Prepare for possible changes to capture such an opportunity.
Periodically Review	Conduct regular monitoring to measure the level of opportunity.
No Action	No further action is required for managing such an opportunity.



External / Internal Issues	Management System	Risk / Opportunity	R / O	Impact	Likelihood	Risk and Opportunity Evaluation	
						(Impact* Likelihood)	
External Issues							
Legal	• Quality • OHS • Environment • Energy • Social • Governance	Rules or regulations that are not socialized / with inadequate socialization system to Avian Brands.	R	3	2	Undesirable	
Technological	• Environment • Energy	High costs of machinery and equipment with environmentally friendly technology and low energy use.	R	2	3	Undesirable	
	• Quality • Energy	Refurbishment and procurement of more productive and efficient manufacturing machinery/facilities.	O	3	3	Pursue	
Information System	Quality	Potential cyberattacks, data theft, and system hacking.	R	2	2	Tolerable	
Competitive	• Quality • Environment • Energy	More competitors compete to produce environmentally friendly products at affordable prices that are attractive to customers.	R	3	3	Undesirable	
Market	• Quality • Environment • Energy	Environmentally friendly products with high production costs are incompatible with the low purchasing power of the people.	R	3	3	Undesirable	
Customer Health and Safety	Governance	Products that are unsafe or contain hazardous materials.	R	3	2	Undesirable	
Cultural	• OHS • Environment • Energy	Low awareness of contractors or vendors regarding occupational health and safety, environment, and energy consumption.	R	2	3	Undesirable	
Social	• Social • Governance	Workforce reduction, particularly local labors from the surrounding area of Avian Brands, causing social problems for Avian Brands.	R	2	2	Tolerable	
Human Right and Non-Discrimination	Governance	Provide equal rights and opportunities for promotion for all genders.	O	3	4	Pursue	
Environmental	• Quality • Environment • Social • Governance	Availability of natural resources: Diminishing availability of calcium raw materials.	R	3	3	Undesirable	
	• Environment • Governance	Biodiversity Conservation Reduce air pollution in conventional emissions, and strengthen the reputation of Avian Brands.	O	3	4	Pursue	
	Environment	Emission: High score of scope 3 emissions in the supply chain.	R	3	3	Undesirable	

Treatment / Mitigation	Impact	Likelihood	Risk and Opportunity Evaluation	Treatment / Mitigation Step 2
			(Impact* Likelihood)	
- Develop communication between Avian Brands and authorities. - Participate in memberships of associations and professional organizations.	2	2	Tolerable	Periodically monitor every month, through the ministries' official websites.
- Propose prioritization of investments in machines in need of refurbishment. - Consider machinery with environmentally friendly technology and significant energy savings.	2	2	Tolerable	Choose environmentally friendly machinery and equipment at competitive prices.
- Propose prioritization of machinery in need of refurbishment. - Consider significant energy consumption. - Perform quality maintenance on existing machinery.	-	-	-	-
- Implementation of multi-layered security system. - Improvement in firewall.	2	1	Negligible	Cybersecurity training for all employees.
Establish procedures for raw material screening and selection.	2	2	Tolerable	- Modification of products by switching to environmentally friendly raw materials. - Conduct trial orders for new substitute raw materials.
Produce environmentally friendly and energy-efficient products for specific segments that are aware of environmental issues and energy efficiency.	2	2	Tolerable	Conduct continuous efforts of promotion, socialization, and education on the importance of environmentally friendly products and energy efficiency to the customers or the community.
- Conduct rigorous quality testing on all products before marketing them. - Comply with standards of safety regulations.	2	2	Tolerable	Transparency in product labeling (by listing ingredients, instructions for use, and potential risks, in the form of GHS labels).
Conduct routine and periodic awareness socialization related to OHS, environment, and energy to contractors or vendors.	2	2	Tolerable	Conduct vendor assessments on quality, OHS, environment and energy aspects.
- Coordinate with the local government (district and sub-district) to inform them of vacancies. - Prioritize recruitment of workforce from the communities in the surrounding areas of Avian Brands.	-	-	-	-
- Grant promotions without gender discrimination. - Provide equal training and compensation opportunities without gender discrimination.	-	-	-	-
- Conduct more efficient use of calcium raw materials. - Seek out alternative raw materials.	2	2	Tolerable	Purchase calcium from other countries
- Select plants that can sequester the largest amount of carbon emissions. - Produce an ESG report that highlights the contribution of Avian Brands to biodiversity conservation. - Inclusion in the SRI KEHATI index.	-	-	-	-
Raise supplier awareness in reducing emissions.	2	2	Tolerable	Conduct audits of material suppliers and freight forwarders.



External / Internal Issues	Management System	Risk / Opportunity	R / O	Impact	Likelihood	Risk and Opportunity Evaluation
						(Impact* Likelihood)
Climate Change	- Quality - OHS - Environment - Social - Governance	Climate: Heavy rainfall leading to floods that disrupt business operations of Avian Brands.	R	2	2	Tolerable
	- Environment - Social - Governance	Diversification to renewable energy.	O	3	3	Prepare
Local Supplier	- Environment - Governance	Difficulty in ensuring compliance with ESG policies.	R	2	2	Tolerable
Internal Issues						
Governance, Organization Structure, Roles & Responsibilities	- Quality - OHS - Environment - Energy - Social - Governance	Support in finance, leadership, and clear accountability in organizational decision-making.	O	4	4	Pursue
Policy, Objectives & Strategies	- Environment - Social - Governance	Higher operating expenses align with the mandatory reduction of carbon emissions under the government's policy.	R	3	3	Undesirable
	- Environment - Social - Governance	Enhance Avian Brands' reputation through commitment related to climate change.	O	3	4	Pursue
Information System, Information Flow & Decision Making	Quality	Improvement in customer experience.	O	3	4	Pursue
Introduction of New Product, Material, Services, Tools, Software, Premises, Equipment	- Quality - OHS - Environment - Energy	Program improvement through the Suggestion System ("SS") can improve several aspects, both in terms of product quality, delivery quality, cost saving, energy saving, safety, and morale.	O	4	4	Pursue
Human Resource	- Quality - Governance	Difficulty in finding and retaining the right talents.	R	3	2	Undesirable
Working Condition	OHS	Potential for severe fires.	R	3	1	Tolerable
Waste Management	- Environment - Governance	Sustainable waste management.	O	3	3	Prepare
Emission	Environment	Increased carbon footprint from Avian Brands' electricity usage.	R	3	2	Undesirable
	Environment	Establish partnerships with low-emission suppliers.	O	3	3	Prepare
Local Supplier	- Environment - Governance	Excessive dependence on a single supplier.	R	3	1	Tolerable

Treatment / Mitigation	Impact	Likelihood	Risk and Opportunity Evaluation	Treatment / Mitigation Step 2
			(Impact* Likelihood)	
Look for suppliers from areas in proximity to the operations of Avian Brands.	-	-	-	-
Use of solar panels to replace the use of electrical energy sources from third parties.	4	3	Pursue	Use of Renewable Energy Certificate ("REC").
Incorporate several ESG-related compliance policies into the contracts.	-	-	-	-
Propose CAPEX and OPEX budgets related to quality, OHS, environment, and energy as necessary to comply with the regulations.	-	-	-	-
• Use renewable energy sources. • Switch to low-emission energy alternatives.	3	2	Undesirable	Energy Efficiency
• Participate in the global Science-Based Target Initiative ("SBTi"). • Participate in the global Carbon Disclosure Project ("CDP") initiative.	-	-	-	-
• Create Avian Brands app to allow customers to run simulations on the amount of paint needed and the color they prefer. • Customize products as preferred by the customers with the desired amount of colors.	-	-	-	-
• Conduct socialization of program improvement through SS, twice a month to improve the number of Employee Innovation Ratio ("EIR"). • Incorporate EIR targets into CI SPV KPIs.	-	-	-	-
Optimize the recruitment process to improve the accuracy of candidate selection.	2	2	Tolerable	• Development of employee retention programs (performance-based incentives, balanced work environment, career paths, and clear development programs). • Conduct periodic job satisfaction surveys to identify causes of employee turnover.
• Periodically check electrical installations. • Provide active fire safety systems in the form of fire extinguishers, hydrants, fire alarms, sprinklers, heat detectors, and smoke detectors that are in good working condition.	-	-	-	-
• Apply the 3Rs principle (reduce, reuse, recycle). • Use composting technology • Monitoring and reporting of Hazardous Waste through the SIMPEL KLHK. • Reporting of Hazardous Waste manifest through the FESTRONIK. • Conduct training on 3Rs of non-hazardous waste.	3	4	Pursue	Improve innovation in the utilization of Hazardous and Non-Hazardous waste.
• Purchase energy from renewable sources through the REC. • Install solar panels as an alternative source of electricity.	2	2	Tolerable	Increase the use of renewable energy by installing solar panels.
Select suppliers with sustainability certifications (FSC, PEFC, or Green Label).	3	4	Pursue	Request suppliers to obtain such certificates as conditions for partnership.
Diversification of suppliers to reduce dependence on a single supplier.	-	-	-	-



Integrating Climate Risk Management into Decisions of Avian Brands

[SASB RT-CH-530a.1] [TCFD RISK.a, RISK.b, RISK.c]

Avian Brands implements systematic processes to identify and assess climate-related risks, which serve as an integral part of overall risk management. Avian Brands conducts climate-related risk assessments with reference to the TCFD framework that has been integrated with the IFRS S2 Climate-related Disclosures framework. This approach is a form of scenario analysis that considers both transition risk and physical risk factors. The scenario analysis process in climate-related risk assessment is conducted through the following steps:

1. Identification of risk drivers, for both transition risks and physical risks, relevant to Avian Brands;
2. Analysis of potential risks and their likelihood of occurrence, as well as consideration for their implications to overall operational and financial performance;
3. Formulation of mitigation strategies as a response from Avian Brands to potential risks; and
4. Identification of opportunities arising from climate risks that can be further leveraged.

The processes of identifying, assessing, and managing climate-related risks are also integrated into the overall risk management of the organization. This is carried out by involving all lines of management and ensuring that climate-related risks are factored into every strategic decision. This approach allows Avian Brands to mitigate the risks posed by climate change, while capitalizing on opportunities to improve sustainability and competitive edge in the market. This integration builds synergy between sustainability policies and long-term business goals, supporting Avian Brands' vision to continuously improve the quality of business management that is focused on sustainability.

Identification of Transition Risks

Transition risks may arise from the transition towards a more sustainable economy, affecting the way Avian Brands operates and competes in the market. The process of reviewing transition risks identified by Avian Brands refers to the emerging climate change-related policies in Indonesia, such as the potential carbon tax following the ratification of the Tax Harmonization Law. Such a policy could potentially affect the operating expense structure and business strategy of Avian Brands. In addition, technological developments that support clean energy or sustainable business models also potentially transform the market structure and intensify the level of competition. Therefore, it is crucial to properly understand and respond to transition risks in order to maintain Avian Brands' competitiveness and reputation in the long run. A description of the transition risks is as follows:

Drivers of Transition Risk	Risks related to Climate Change	Implications to Finance and Operations	Mitigation Strategies
Changes in Policy and Regulation	Implementation of carbon tax or cap-and-trade system.	- Currently, the Indonesian Government is soon to implement a carbon tax policy, indicated by the ratification of the Tax Harmonization Law, with a carbon tax value of IDR 30,000/tonCO₂e. The imposition of carbon taxes and stricter emissions regulations may affect operating expenses (OPEX). This could lead to reduced profit margins, as well as potential fines or financial sanctions if Avian Brands fails to meet regulatory standards. - Investments in renewable energy could affect the operating expense structure, with high initial costs but potentially generating long-term savings.	- Make efforts to reduce scope 1 and scope 2 emissions in accordance with the ESG Roadmap that has been prepared by Avian Brands, namely reducing emissions by 50% in 2030 and targeting net zero by 2050. - Improve energy efficiency by investing in renewable energy, including the use of solar panels, the use of clean energy (B35), and purchasing electricity through the REC. - Establish partnerships with renewable energy providers to obtain more competitive prices.

Drivers of Transition Risk	Risks related to Climate Change	Implications to Finance and Operations	Mitigation Strategies
Shifting Market Preferences	Higher expenses for raw material suppliers.	Rising raw material prices may occur as an implication of the enactment of carbon tax policies or regulatory shifts in favor of environmentally friendly products. Increased raw material costs are certainly parallel to increased production expenses, which could potentially lower profit margins if not managed properly.	• Develop strategic partnerships with sustainable raw material suppliers • Diversification of sources of environmentally friendly raw materials.
	Changes to customer and investor demand.	The shifting preferences of customers and investors that increasingly favor sustainable companies and environmentally friendly products could put significant pressure on the financial performance of Avian Brands.	• Improve the transparency of the Sustainability Report, and formulate business strategies that focus on ESG principles to attract investors. • The RDI Division needs to develop sustainable products that meet the needs of customers, with the assistance of the Marketing Division to devise marketing strategies that highlight Avian Brands' sustainability commitment.
Environmentally Friendly Technology and Innovation	Transition to investments in low-carbon technology.	Adoption of environmentally friendly technologies can improve Avian Brands' market competitiveness, reduce long-term operating expenses, and attract investors who prioritize ESG. However, investments in new technologies require significant initial operating expenses (OPEX), which can reduce profit margins in the short term.	• Use renewable energy sources, such as increased electricity capacity from solar panels. • Identify and implement cost-saving initiatives in other areas to offset the cost of initial investment in low-carbon technologies.
Company Reputation	Increasing demands from investors and other stakeholders for sustainable business commitments and practices.	Investors and other stakeholders are now prioritizing sustainability commitments, including the integration of climate change into corporate policies. Companies that fail to demonstrate this commitment are at risk of struggling to attract investment. This pressure from investors could damage the reputation of Avian Brands or affect its share price.	• Communicate sustainability commitments transparently through the Sustainability Report, Annual Report, social media and Avian Brands' website. • Pursue certification and recognition through awards related to sustainability practices to improve the reputation of Avian Brands. • Conduct internal audits and regular reporting to ensure that sustainability practices are carried out in accordance with established standards.

Identification of Physical Risks

Avian Brands conducts physical risk assessments related to the direct impact of climate change on its operations, both in the short term and the long term. The identification of physical risks also refers to the global climate scenarios developed by the Intergovernmental Panel on Climate Change ("IPCC"). Based on TCFD principles, physical risks are divided into two categories, namely:

1. Acute physical risks, which include extreme weather-related events such as floods, droughts or storms that can damage infrastructure and disrupt supply chains, and
2. Chronic physical risks, which relate to long-term shifts in climatic conditions, such as rising sea levels or changing weather patterns that affect the locations and sustainability of Avian Brands operations.



A description of the physical risks is as follows:

Risk Category	Physical Risk	Implications to Finance and Operations	Mitigation Strategies
Acute Physical Risk	Potential flood disaster	• Temporary operational disruptions or closure of manufacturing facilities, which could cause delays in product manufacture and distribution. Disruptions to the supply chain could also lead to delays in receiving raw materials or delivering products to the market. • Damage to Avian Brands’ assets, such as manufacturing machinery, resulting in expenses to repair or replace the damaged assets.	• Conduct periodic risk assessments in each Avian Brands’ operational area. • Invest in optimal drainage infrastructure and reinforcement of flood-resistant buildings. • Devise a contingency plan to maintain operational continuity. • Upgrade asset insurance to cover flood risks
	Potential cyclone disaster	• Damage to manufacturing facilities, infrastructure and distribution networks resulting in operational disruption. • Disruption to the supply chain due to delays in raw material delivery and product distribution to customers. • Increased expenses to repair damaged facilities. • Safety risks for workers directly affected by cyclones.	• Invest in disaster-resistant construction materials. • Ensure that Avian Brands’ facilities and operations are covered by insurance related to natural disasters. • Conduct employee training to deal with disaster emergencies.
Chronic Physical Risk	• Extreme weather changes • Rising global temperatures • Extreme heat	• Decreased operational efficiency due to disruptions to supply chain, transport, or logistics. • Higher utility expenses, such as energy and water, due to changing weather patterns. • Potential labor disruptions, such as decreased productivity or safety risks. • Declining raw material quality due to climate change could impact the manufacturing process and quality of the final product.	• Adopt weather-friendly technologies, such as arranging the layout of production facilities that factor in airflow and temperature control. • Establish an emergency response team and provide socialization to all employees regarding responses in the event of a disaster. • Ensure a comfortable, safe, and healthy workplace that protects employee productivity. • Ensure that the impact of rising temperatures does not compromise the quality of raw materials until the final product.
	Drought and water scarcity	• Limited water supply can disrupt the manufacturing process. • Increased cost of acquiring alternative water supplies or water treatment technologies. • Pressure from communities and stakeholders due to water use that is deemed unsustainable.	• Adopt water-efficient technologies, such as the reuse of wastewater in the manufacturing process. • Develop alternative water sources, such as rainwater harvesting • Employ a water use monitoring system and plan long-term water needs. • Raise employee awareness of water use efficiency in the workplace.

Based on the risk identification results above, Avian Brands has demonstrated a high level of initiative in anticipating the impacts of climate change, by integrating the TCFD framework into the risk management process. This integration includes an evaluation of transition and physical risks, as well as a comprehensive analysis of their impacts on Avian Brands' business operations and strategy.



Identification of Climate-related Opportunities

In addition to identifying climate-related risks, Avian Brands has also conducted the identification of opportunities that can be leveraged to support business growth and sustainability strategies. Opportunity identification is carried out comprehensively by factoring in global trends, local regulations, as well as customer and investor preferences that are increasingly emphasizing ESG aspects in Avian Brands' business processes. We have demonstrated our commitment to mitigating risks and capitalizing on opportunities arising from climate change to create added value for all stakeholders. Such identifications are described as follows:

Opportunity Types	Climate-related Opportunities	Implications to Finance and Operations	Opportunity Capitalization Strategy
Innovation in Environmentally Friendly Product Diversification	Climate change is driving the demand for more environmentally friendly products and services. Developing sustainable new products and services can unlock new markets.	Diversification of environmentally friendly products presents an opportunity to increase revenue from the sale of green products. It is also a positive signal to enhance the reputation and competitive edge of Avian Brands.	- Research and development of environmentally friendly products needed by the market. - Improve marketing strategies for environmentally friendly products to attract customers and investors.
Energy Efficiency and Reduced Operating Expenses	This opportunity arises from efforts to improve energy efficiency across Avian Brands' operations. Energy efficiency may include reducing water consumption, using low-carbon energy, using more efficient transportation, and utilizing waste.	Reducing energy consumption will lower operating expenses and carbon emissions, which in turn will increase the profitability of Avian Brands.	Investment in energy-efficient technologies and implementation of energy-saving programs across Avian Brands operations to improve efficiency.
Green Technology Innovation	Invest in research and development of green technologies, such as renewable energy and recycling technologies.	The use of green technology can boost overall operational efficiency, thereby minimizing environmental impact and leading to potential savings in energy expenses in the long run.	Avian Brands is shifting towards increasing renewable energy sources, such as using electric vehicles (EVs), optimizing recycling technology, and collaborating with strategic partners.
Access to Green Financing	Access to green financing, such as green bonds or low-interest loans for sustainable projects.	Securing low-cost funding can improve liquidity and appeal to sustainability-oriented investors.	Develop sustainable projects that satisfy green financing criteria and establish relationships with financial institutions that provide green financing.

Overview of Implementation Effectiveness of the Sustainability Risk Management

The overview of the implementation effectiveness of sustainability risk management at Avian Brands represents a structured and continuous process involving the roles of the Board of Commissioners and the Board of Directors, which are backed by other supporting organs. The Board of Commissioners and the Board of Directors regularly hold strategic discussions to ensure that the implementation of sustainability risk management is not only effective in dealing with operational challenges, but also addresses social and environmental risks that may affect business sustainability.

This evaluation is conducted through comprehensive assessment mechanisms, in which the advantages and disadvantages of previous plans and actions are exhaustively analyzed. This approach enables Avian Brands to identify areas that require improvements and implement relevant corrective measures to strengthen sustainability risk management. It aims to not only minimize potential losses, but also to create opportunities that can contribute to achieving the strategic objectives of Avian Brands in a sustainable manner. Results from this evaluation ensure that sustainability risk management remains adaptive and responsive to evolving business dynamics, thus providing optimal protection for Avian Brands as well as supporting its sustainable growth.



Building a Sustainability Culture [POJK F.1]

Avian Brands consistently encourages the implementation of a sustainability culture in every aspect of its business activities. This commitment is embodied in Avian Brands' Sustainability Policy, which has been formulated with the involvement of the stakeholders. We also socialize this policy to ensure that every personnel of Avian Brands is able to carry out their duties and responsibilities, as well as make business decisions with an approach that is grounded in sustainability principles. In building a firm foundation for a sustainability culture, Avian Brands emphasizes adherence of all employees to the Code of Conduct as well as the implementation of GCG principles in a comprehensive and sustainable manner. This includes providing an effective complaint mechanism to address violations of established norms.

We also successfully delivered numerous positive media reports that communicated Avian Brands' commitment to the management of ESG aspects. In doing so, we ensure that every element in the organization participates in achieving the predetermined sustainability objectives, in order to positively contribute to the environment, social and governance aspects.

Code of Conduct [GRI 2-24]

We have established minimum standards of conduct that must be adhered to by all personnel of Avian Brands, including members of the Board of Commissioners and Board of Directors, all employees of Avian Brands and the Subsidiaries, and other personnel directly working for and on behalf of Avian Brands. These standards of conduct are summarized in the Business Ethics and Code of Conduct, which are part of Avian Brands' commitment to conducting ethical business practices aligned with the aspirations of our stakeholders. Formulation and implementation of these guidelines aim to ensure that every action taken by relevant parties within Avian Brands not only complies with norms and regulations, but also promotes a fair and transparent workplace environment.

In an effort to achieve this goal, Avian Brands regularly socializes the Business Ethics and Code of Conduct to all relevant parties, to ensure thorough understanding and compliance. This socialization is carried out through various internal channels as well as Avian Brands' website, accessible to both internal and external parties. This allows us to maximize the prevention of conflicts of interest, violations of norms, as well as acts of corruption and gratuities, thus minimizing adverse risks for both Avian Brands and other stakeholders.

The Business Ethics and Code of Conduct of Avian Brands regulate several aspects of conduct described as follows:

Principles in the Code of Conduct

Business Ethics Standard



- Compliance with prevailing Laws and Regulations
- Company Ethics for Company Personnel
- Company Ethics for Consumers
- Company Ethics for Shareholders
- Company Ethics for Competitors
- Company Ethics for Mass Media
- Company Ethics for Business Partners
- Responsibilities to the Government
- Responsibilities to the Community and the Environment
- Responsibilities in Innovation

Standard Code of Conduct



- Individual Commitment
- Communication and Information Delivery
- Maintaining the Confidentiality of Data, Confidential Information, and Material Information of the Company
- Use of Company Technology
- Cooperation between Company Personnel
- Equality in Treatment and Provision of Opportunities
- Compliance with Prevailing Laws and Regulations
- Giving and Receiving of Gratuities
- Integrity of Financial Reporting
- Protection of Company Assets
- Budget Planning and Use
- Occupational Health and Safety and Environment (OHSE)
- Conflicts of Interest

More detailed information regarding the Company's Business Ethics and Code of Conduct can be accessed on the Company's website under Corporate Governance (<https://en.avianbrands.com/investor/12/kebijakan-tata-kelola/etika-usaha-dan-pedomanperilaku>).

Anti-Corruption, Bribery, and Fraud Policy

We consider acts of corruption a serious threat that can harm our reputation and hinder the progress of Avian Brands. In an effort to protect integrity and the trust that has been established, we are committed to fostering and strengthening an anti-corruption culture in all aspects of Avian Brands' operations. This commitment is intended to not only prevent material losses, but also protect Avian Brands' reputation and credibility. Anti-corruption policies of Avian Brands are fully set out in the Business Ethics and Code of Conduct of Avian Brands. [GRI 3-3]

Based on the Business Ethics and Code of Conduct of Avian Brands, the following policies have been established:

[GRI 3-3]

1. Avian Brands' personnel may provide gifts, souvenirs, or entertainment to eligible parties under these conditions:
 - a. Supporting the interests of Avian Brands, conducted in a responsible manner and does not cause harm to Avian Brands' image, and done with due regard to the relevant applicable regulations;
 - b. Not intended to bribe and/or offer or direct another party to commit bribery; and
 - c. Not intended to induce the recipient to take any action that is contrary to his/her obligations or to applicable regulations;
2. Avian Brands' personnel are prohibited from receiving gifts, souvenirs, entertainment, or other facilities or gratuities in any form related to their position and occupation, which may affect Avian Brands' decision-making or violate applicable regulations;
3. Avian Brands' personnel are allowed to receive something from Avian Brands and/or other parties, which will not affect their actions related to their position and occupation in Avian Brands, in the case of:
 - a. Receiving a banquet;
 - b. Receiving promotional items that contain the logo/ name of the providing company;
 - c. In the context of donations in the event of a disaster and/or certain celebrations/events according to local customs; and
4. To submit a disclosure report on each granting and receiving of gratuities in accordance with the procedures established by Avian Brands.

As a preventive measure, Avian Brands has implemented specific procedures and guidelines that must be adhered to by all employees and business partners. Avian Brands also proactively conducts risk mapping and analysis across its supply chain and business operations, aimed at

identifying and minimizing any potential for corruption. Moreover, to ensure that anti-corruption principles are firmly ingrained in the corporate culture, Avian Brands routinely conducts training and socialization programs for employees and all governance organs. This socialization is realized through, among other things, the signing of an Integrity Pact and induction program for new employees. All Avian Brands employees have received socialization and signed the Integrity Pact. With this approach, we ensure that every operational activity of Avian Brands is conducted with transparency and integrity, free from any practice of corruption, collusion and nepotism.

[GRI 205-1, 205-2]

Anti-Corruption Risk Overview [GRI 205-1]

Avian Brands has proactively conducted internal evaluations to identify potential risks of corruption and fraud that do not comply with GCG principles. The Avian Brands has conducted evaluation of corruption risk in 100% of the inspection areas, i.e. 597 areas. Results of this evaluation showed 1 anti-corruption finding in the minor category. In response to this finding, the Internal Audit Unit and the management have taken necessary corrective measures in accordance with the applicable procedures and regulations, to ensure that risks are minimized and do not adversely impact Avian Brands' operations.

Proven Corruption Incidents and Measures Taken [GRI 205-3]

Throughout 2024, there was 1 minor case of alleged corruption. All reports and findings have been followed up on by verifying the facts and resolved by the relevant team in accordance with the degree of violation and applicable regulations of Avian Brands.

Company Ethics for Shareholders and Fair Treatment of Shareholders

Avian Brands has the Business Ethics and Code of Conduct that contains provisions that specifically govern the Company's ethical relationship with Shareholders. Under this policy, Avian Brands is committed to providing equal and fair treatment to all Shareholders, in accordance with the number and type of shares held. Each Shareholder is entitled to exercise its rights as stipulated in the Articles of Association of Avian Brands and the prevailing laws and regulations. In addition, Avian Brands always provides publicly available information to Shareholders in a comprehensive, accurate, up-to-date, non-misleading, and easily accessible manner in accordance with the laws and regulations, which is provided through a single point of communication.



Moreover, to maintain trust and integrity, the Business Ethics and Code of Conduct stipulate the obligation of all Avian Brands personnel to:

1. Not disclose and disseminate confidential information of Avian Brands, received during his/her employment at Avian Brands, to other parties; and
2. Not disclose material information to other parties or misuse it for personal gain or which may otherwise adversely impact the reputation of Avian Brands.

This commitment is strengthened by the adoption of the Insider Trading Prevention Policy, ratified on December 27, 2021. This policy aims to ensure that all trading activities of Avian Brands' securities are conducted fairly and transparently, in compliance with applicable regulations. This policy also protects the interests of Avian Brands in the implementation of various corporate actions, maintains market integrity, and avoids potential conflicts of interest. By implementing this comprehensive policy, Avian Brands demonstrates its dedication to respecting Shareholders' rights and protecting sensitive information.

Company Ethics for Business Partners [GRI 2-24]

We have established ethical standards that must be adhered to by Avian Brands and each partner in their business relationship with Avian Brands. We expect our partners to comply with all applicable regulations and respect fair and transparent terms. This Standard of Company Ethics for Business Partners aims to not only ensure regulatory compliance, but also to maintain integrity and professionalism in every aspect of cooperation. As a guide to the implementation of this commitment, Avian Brands has formulated specific ethical standards governing interaction and collaboration with business partners. This guideline helps to ensure that business relationships are not just based on mutual benefit, but also adhere to strict ethical principles. The principles of ethics with partners are described as follows:

Company Ethics for Business Partners

- 
1 ➤ Selecting partners based on aspects of accountable credibility, competence, integrity, and bona fides.
- 
2 ➤ Exploring existing business opportunities in an effort to drive Avian Brands growth over time.
- 
3 ➤ Fostering a climate of mutual trust, respect, and togetherness, and building honest and intensive communication.
- 
4 ➤ Conducting an initial risk analysis and for any agreement that is outlined in a written document by the competent work unit.
- 
5 ➤ Fulfilling rights and obligations based on agreements or covenants between parties.
- 
6 ➤ Avian Brands can terminate business relationships with partners when our interests are no longer being met or when the relationship is potentially harmful to the community or the environment.



7 >

Not influencing each other, either directly or indirectly, which may result in unfair business competition, a decrease in product quality, and disruptions to product procurement and distribution process.



8 >

Preventing conflicts of interest of parties directly or indirectly involved in the procurement process.



9 >

Striving to support the government's efforts in assisting micro, small, and medium enterprise partners.

Company Ethics for Suppliers [GRI 2-24]

Avian Brands is committed to procuring goods and services by upholding the principles of healthy competition, transparency, fairness, prudence, and accountability. This commitment is manifested through implementing Standards of Ethics for Suppliers, which serves as a guideline for all suppliers in partnering with Avian Brands. These Standards of Ethics for Suppliers are designed to ensure that every stage of procurement is conducted in a fair and transparent manner, fostering a sustainable and mutually beneficial business relationship. Through this approach, Avian Brands strives to maintain integrity and quality in every procurement process, and to ensure that all suppliers meet the ethical standards expected by Avian Brands. The principles of ethics with suppliers are described as follows:

Company Ethics for Suppliers



1 >

Supplier selection must be based on competence, integrity, performance, track record, and the needs of our Avian Brands, while prioritizing the interest of our Avian Brands.



2 >

Respecting the rights and obligations of suppliers in accordance with the engagement agreement as well as laws and regulations.



3 >

Conducting transparent, fair, prudent, and equal treatment during the procurement process until the rights and obligations of the parties are fulfilled.



4 >

Periodically evaluate suppliers' performance and take firm actions against those violating Avian Brands Business Ethics.



5 >

Reporting receipt of gratuities, both directly and indirectly, from suppliers.



6 >

In the event of conducting business activities/transactions with suppliers with substantial material value for our Avian Brands, an initial risk analysis must be performed by competent work units.



7 >

Not engaging in extortion of suppliers, either directly or indirectly, or any other similar actions that may defame Avian Brands and/or potentially violate applicable regulations.



Legal Measures against Anti-Competitive Practices, Antitrust Practices and Monopolistic Practices [GRI 3,3 206-1]

Avian Brands reaffirms its commitment to fair competition through its Business Ethics and Code of Conduct. Avian Brands ensures that all business processes are carried out in accordance with the principles of transparency, fairness, prudence and accountability. Avian Brands is committed to complying with all relevant laws and regulations on competition, in order to maintain integrity and promote ethical business practices.

Until the end of the reporting period, Avian Brands had never been involved in legal actions related to anti-competitive practices or violations of anti-trust and monopoly laws, of which Avian Brands was identified as a participant. This is evidenced by Avian Brands not being listed in the database of alleged violations by the Business Competition Supervisory Commission (*Komisi Pengawas Persaingan Usaha* or "KPPU") of the Republic of Indonesia. In addition, Avian Brands is not subject to significant domination in the market or business competition against other companies, demonstrating Avian Brands' commitment to ethical operations in compliance with applicable regulations.

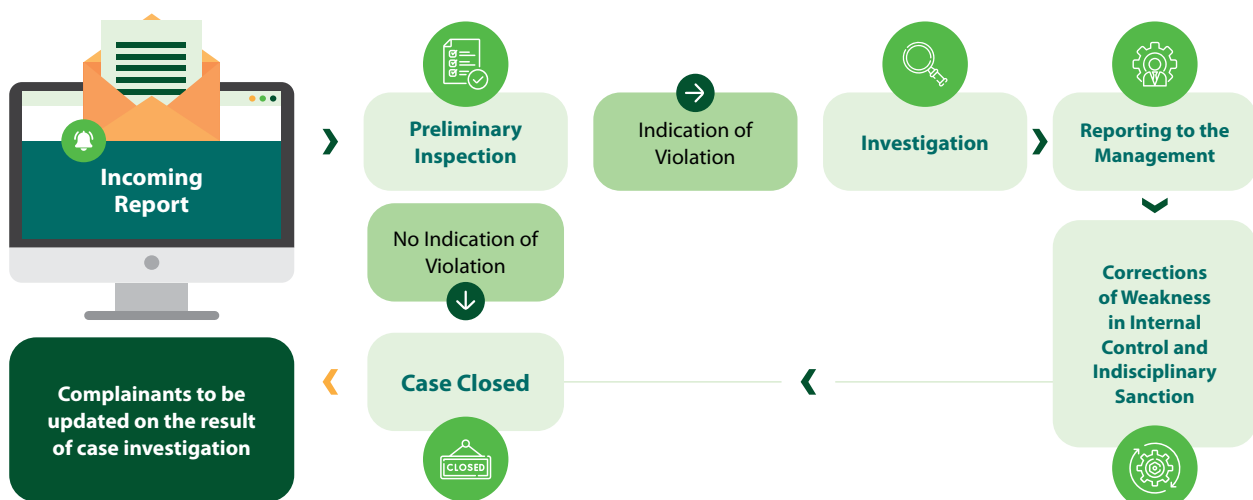
In supporting this policy, Avian Brands has also implemented a reporting mechanism through the *whistleblowing* system, which allows internal and external parties to report any issues related to unfair competition. This is part of Avian Brands' efforts to ensure a clean and fair business environment, and to solidify the trust of all stakeholders in Avian Brands' commitment to the principles of fair and ethical competition.

Whistleblowing System [GRI 2-16, 2-26]

We continuously seek to improve the quality of Avian Brands management by involving stakeholders via the Whistleblowing System ("WBS") facility. The WBS is designed as a safe platform for stakeholders to report allegations of fraud or legal violations related to GCG principles, such as acts of fraud, corruption and bribery. Reports are submitted through channels that are open 24/7, administered by the Good Corporate Governance Committee of Avian Brands. Through the WBS, we are able to proactively identify and address potential risks that could lead to financial loss or damage to the reputation of Avian Brands, as well as uncover issues that may not be visible through other channels.

The WBS enables Avian Brands to obtain information and disclosures on events that require serious attention, which allows us to take appropriate action before further escalation of such issues. The system also provides valuable feedback on any shortcomings in the internal controls and work processes of Avian Brands. Based on the insights gained from these reports, we can devise and implement the necessary corrective actions to strengthen the integrity and effectiveness of Avian Brands' management. Thus, the WBS is critical in maintaining high ethical standards and supporting Avian Brands' efforts to establish a fair, transparent and accountable work environment.

The WBS mechanism of Avian Brands is described as follows:



Each report on violation complaints may be submitted to:

The Good Corporate Governance Committee



Avian Brands Building
Jl. Ahmad Yani No. 317
Surabaya 60234
Jawa Timur, Indonesia

(62) 81138505000

www.avianbrands.com

pengaduan@avianbrands.com

Responsibility for the WBS management of Avian Brands falls under the Good Corporate Governance Committee. This committee holds a key role in managing and following up on any incoming reports, as well as ensuring that procedures are in accordance with the applicable laws and regulations. The Good Corporate Governance Committee constantly acts with utmost independence and ensures the confidentiality of the whistleblower's identity, thus protecting them from any potential harm or retaliation. In carrying out its function, the Good Corporate Governance Committee collects relevant data, documents and evidence related to the complaints received. If evidence is deemed sufficient, the violation report will proceed to the investigation stage and be submitted to the Board of Directors for further action. Conversely, if the report is not supported by sufficient evidence, the Good Corporate Governance Committee will inform the complainant that the complaint cannot be processed further. Through this process, Avian Brands ensures that all complaints are taken seriously and objectively, in accordance with GCG principles.

Throughout 2024, we received 3 complaint reports through the WBS consisting of 1 major reports, 1 minor report, and 1 no issue report. All these reports have been followed up by the relevant teams and resolved in accordance with the degree of violation and applicable regulations in Avian Brands.

Conflicts of Interest Guidelines [GRI 2-11, 2-15]

In an effort to ensure proper management of Avian Brands, maintain harmonious relationships with all stakeholders, and increase the company's value in a sustainable manner, we firmly and fairly address any conflict of interest issues that may arise. We ensure that there are no relationships that may lead to conflicts of interest between the Board of Commissioners, the Board of Directors and Shareholders. To uphold this principle, we have implemented the Conflict of Interest Guidelines developed in accordance with the prevailing laws and regulations, the GCG Guidelines, the Business Ethics and Code of Conduct, as well as the Corporate Culture implemented in Avian Brands.

Under such policies, every Avian Brands' personnel, including the Board of Commissioners and the Board of Directors, is obliged to:

1. Refrain from participating in decision-making processes in the event of a potential Conflict of Interest.
2. Avoid discriminatory and unfair conduct, as well as refrain from colluding to favor one or several parties in the procurement of goods and services at Avian Brands;
3. Refrain from utilizing information and business data of Avian Brands for purposes that are not related to Avian Brands;
4. Avoid involvement in the employment processes, such as recruitment, performance appraisal, promotion, transfer, termination of employment, if he/she is in a position/role that causes a conflict of interest;
5. Refrain from utilizing and using Intellectual Property Rights ("IPR") of Avian Brands that may harm the interests or impede the progress of Avian Brands;
6. Refrain from holding any shares/ownership in such amount that could influence decision-making, including those owned by his/her spouse and children, and refrain from becoming a member of the Board of Commissioners or the Board of Directors in a business entity that is a partner or competitor of Avian Brands;
7. Refrain from owning a business that competes with the business activities of Avian Brands or that becomes a partner of Avian Brands, including a business owned by his/her spouse or child;
8. Refrain from granting or accepting loans from suppliers and/or consumers;
9. Avoid abuse of authority or misuse of assets, facilities, and infrastructure of Avian Brands for his/her personal interests or other parties' interests; and
10. Avian Brands' personnel who may potentially be, and/or have already been, in a conflict of interest situation are prohibited from carrying out activities/performing duties and responsibilities related to the conflict of interest situation.



In addition, Avian Brands also has Conflict of Interest Guidelines in place, established on June 25, 2021, and updated on December 27, 2021, to ensure that every decision and action taken within the scope of Avian Brands is free from personal interests that may harm its integrity. These guidelines serve as a reference point in identifying, managing and resolving potential conflicts of interest in a transparent and consistent manner, ensuring that all decisions and actions are made with a high degree of objectivity and integrity. Throughout 2024, there was nothing to indicate any conflicts of interest in any decisions and policies made by Avian Brands.

More information on the Conflicts of Interest Guidelines can be accessed on Avian Brands' website under the Corporate Governance section (<https://en.avianbrands.com/investor/l2/kebijakan-tata-kelola/pedoman-benturan-kepentingan>).

Communication Policy Guidelines

Avian Brands has implemented Communication Policy Guidelines to govern our interactions with Shareholders, the Capital Markets Authority and the capital markets community. These guidelines aim to ensure that all communications are conducted transparently, in accordance with applicable laws and regulations, and support the principle of fairness. Based on these guidelines, we are committed to providing complete, accurate and up-to-date information, while ensuring that such information is easily accessible and not misleading. The Guidelines also highlight fair treatment of Shareholders, ensuring that their rights are respected and exercised in accordance with the principles of fairness. Thus, the Communication Policy Guidelines reinforce integrity and transparency in all Avian Brands' relationships with external parties.

More information on the Communication Policy Guidelines can be accessed on Avian Brands' website under the Corporate Governance section (<https://en.avianbrands.com/investor/l2/kebijakan-tata-kelola/kebijakan-komunikasi>).

Information Security System Policy

Avian Brands considers information security as more than just an operational necessity, but also a key pillar in ensuring business sustainability as well as building and maintaining stakeholder trust. Therefore, Avian Brands has implemented the Information Security Management System Policy of PT Avia Avian Tbk, effective from July 1, 2024. Based on this policy, Avian Brands constantly conducts continuous improvements of the information security management system by:

1. Maintaining data confidentiality, integrity and availability by managing all information assets (including personal data) responsibly and taking all precautions against unauthorized disclosure, loss and corruption of data;
2. Taking corrective actions to resolve and prevent information security incidents and ensuring continuous improvement of the information security management system;
3. Improving employee competence by conducting information security training, providing infrastructure, and raising awareness of the importance of responsible management of information assets; and
4. Complying with applicable local, regional and national laws and regulations related to information security.

Avian Brands has integrated these policies into day-to-day business processes in order to ensure that operations are conducted using reliable, transparent and secure systems. In addition, this policy has also been socialized to all levels of management to ensure that all employees have the awareness to regularly document, maintain, implement, review, and provide information regarding the information security management system to related parties. This constitutes part of Avian Brands' efforts to protect information assets, improve customer satisfaction, ensure quality services, and create added value for stakeholders.



Compliance with Prevailing Laws and Regulations [GRI 2-27]

Avian Brands continuously ensures that the Board of Commissioners, the Board of Directors, officers, employees and related parties perform their duties with responsibility, integrity, trust, respect and loyalty, and comply with applicable legal obligations. This commitment is evidenced by the absence of fines or significant legal actions during the reporting period, both from authorized institutions and from the Financial Services Authority and the Indonesia Stock Exchange. This demonstrates consistent compliance with legal standards and regulations, and reflects our efforts to ensure that all Avian Brands' activities are conducted in accordance with applicable laws and regulations.

Non-Compliance Incidents Relating to Health and Safety Impacts of Products and Services [GRI 416-2] [SASB RT-RT-CH-410b.1.]

Throughout 2024, Avian Brands has conducted identification and found no non-compliance with the laws and/or voluntary regulations concerning the health and safety impacts of products. All 100% of Avian Brands' products are equipped with a Safety Data Sheet ("SDS") as well as safety, health and environmental information assessments in accordance with the Regulation of the Minister of Industry of the Republic of Indonesia No. 87/M-IND/PER/9/2009 on the Globally Harmonized System of Classification and Labeling of Chemicals, or the Globally Harmonized System ("GHS"). Moreover, in 7 of its paint product brands, Avian Brands has complied with the SNI standard. This demonstrates the implementation of the Product Quality pillar, which ensures customer health and safety, in accordance with Customer Focus, which is one of its corporate values. As a proactive measure, Avian Brands continues to conduct periodic internal audits and risk evaluations. We also actively listen to customer feedback to ensure that Avian Brands can identify potential risks before they escalate into real problems.

Further information on SDSs and GHSs is accessible on Avian Brands' website in the Products section (<https://avianbrands.com/produk>).

Political Contributions [GRI 415-1]

Avian Brands is firmly committed to maintaining integrity and independence in every aspect of business management. We ensure that Avian Brands' operations are free from any political bias towards both political parties and individuals. This principle guides all activities of Avian Brands in order to prevent direct or indirect contributions that could unethically influence political processes and pose a risk of corruption. This policy affirms that Avian Brands will not be involved, materially or immaterially, in political interests or in activities related to any particular political party. By adhering to these principles, we ensure that all decisions and actions of Avian Brands remain focused on business integrity and interests, in accordance with Avian Brands' Sustainability Policy, which emphasizes political neutrality as part of Avian Brands' commitment to transparent and responsible governance. [GRI 3-3]







Healthy Economic Growth



“The sustainability performance of Avian Brands reflects our commitment to deliver added value to all stakeholders, through responsible product creation and manufacturing patterns. Avian Brands focuses on creating long-term value by ensuring the distribution of economic benefits to all stakeholders and integrating environmentally friendly manufacturing practices. Through continuous innovation and responsible management, we strive to not only achieve financial growth, but also ensure that the positive impacts of Avian Brands’ economic activities extend to the wider communities and environment.”

Avian Brands Achievements [GRI 3-3]



We have involved local parties in the operations of Avian Brands, including 217 local suppliers or 76.14% of Avian Brands' total suppliers, and 8,387 local employees with a percentage of 90.03% of Avian Brands' total employees.



We have conducted assessments on the implementation of sustainability practices for 20% of key suppliers, that account for 80% of Avian Brands' total purchase value.



Avian Brands dominates the national decorative paint market with a 24% market share.



In 2024, Avian Brands successfully realized paint manufacturing of 197,339 metric tons or 95.00% of the target. Of this achievement, Avian Brands successfully recorded a net revenues of IDR7,471.36 billion or 95.50% of the target and a net profit of IDR1,663.70 billion or 95.84% of the target.



Avian Brands has invested IDR733.44 million of its total operating expense/opex in projects that support sustainability.

Economic Performance Management Strategy

Economic performance management is the main foundation for the successful implementation of Avian Brands' sustainability programs. In an evolving business environment, Avian Brands emphasizes the importance of flexibility and agility in adjusting strategies, both in terms of sales and production. This is conducted to ensure that Avian Brands maintains competitive advantage and business resilience amidst increasingly intense competition. In terms of manufacturing, Avian Brands operates two manufacturing facilities strategically located in Serang and Sidoarjo, with a total manufacturing capacity reaching 286,416 metric tons of paint per year. These facilities are designed to meet the needs of a growing market and ensure a continuous supply of high-quality products.

In terms of sales, Avian Brands continues to develop wide and extensive marketing and distribution networks across the Indonesian archipelago. By the end of 2024, Avian Brands had 124 wholly-owned distribution centers, 15 wholly-owned mini distribution centers, 38 independent distribution centers, and had cooperated with 58,451 building stores. These networks not only make it easier for customers to access Avian Brands' products but also reinforce its position in the national market. Rapid development in Indonesia's construction sector is also boosting the demand for Avian Brands' decorative paint products, which have become an essential part of architectural applications. Avian Brands' products not only enhance the appearance of walls and building structures, but also offer protection against damage caused by external factors - an added value offered by Avian Brands to the customers.

More detailed information related to the business strategy adopted by Avian Brands in 2024 is described as follows:

[GRI 3-3]

Economic Performance Management Strategy



1 >

Expansion of distribution networks in various regions in Indonesia to improve customer access to Avian Brands' products.



2 >

Integrated supply chain management, from research and development to product distribution, through strategic cooperation with local and international suppliers.



3 >

Creation of sustainable economic value benefits for all stakeholders.

Avian Brands also routinely evaluates the effectiveness of business strategy implementations related to economic performance management. This evaluation is conducted through structured Key Performance Indicator ("KPI") monitoring for each level of management. With this approach, Avian Brands ensures that each predetermined target and objective can be achieved with optimal efficiency and effectiveness. This evaluation process not only functions as a performance indicator, but also as a mechanism to identify opportunities for improvement and strategic adjustments in accordance with evolving market dynamics and business environment. Thus, Avian Brands can keep maintaining its competitive edge and achieve sustainable results in line with its Vision and Mission as well as the predetermined long-term plans.

Supply Chain [GRI 2-6]

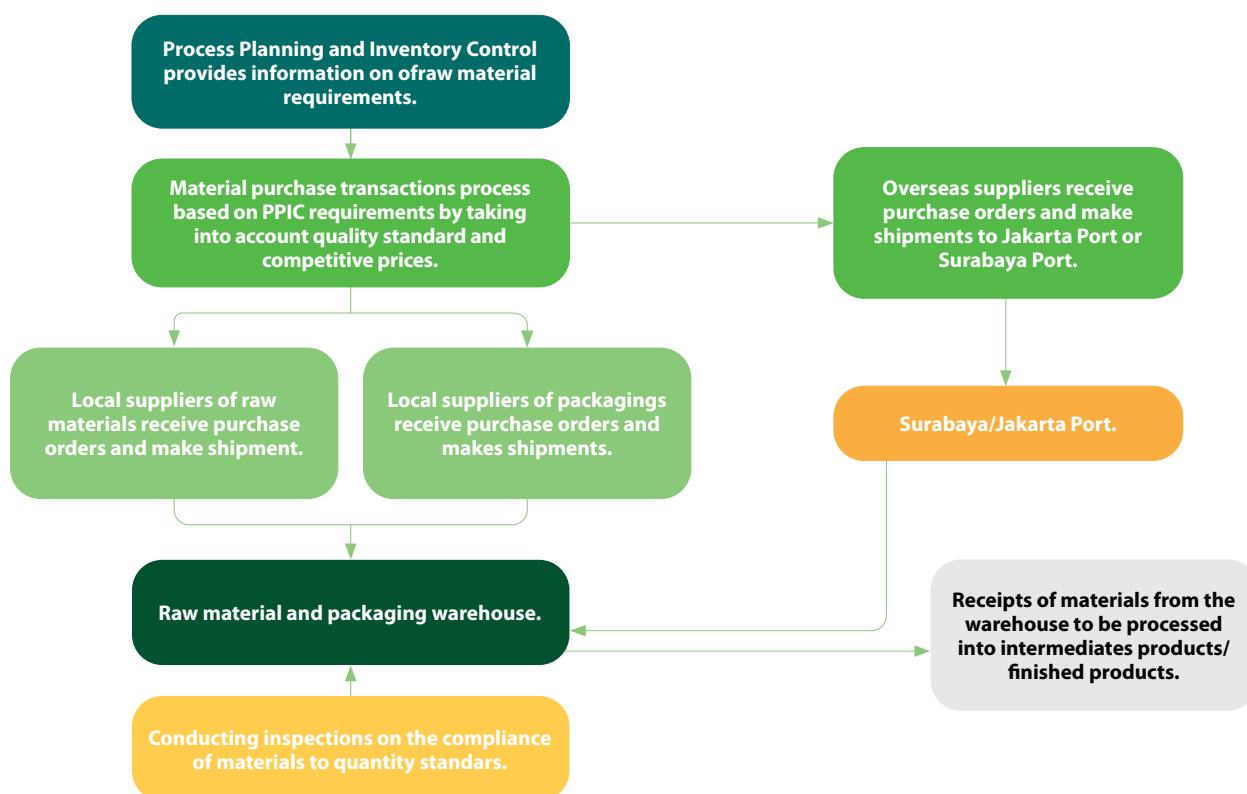
As the leader in the paint and decorative coating industry, Avian Brands has the competitive advantage of operating a fully integrated supply chain. Every single process is managed internally - from the early stages of research and development, manufacturing of some key raw materials, manufacturing of some packaging, manufacturing of paint products, filling-packing-storing, to product marketing and distribution. Certain raw materials that are not produced internally are procured through strategic partnerships with suppliers that meet certain criteria.

Effective supply chain management is a key foundation in maintaining Avian Brands' sustainability. By maintaining transparent and responsible relationships with each supplier, Avian Brands ensures stable and sufficient supplies of raw materials in line with dynamic market demands and manufacturing needs. In addition to maintaining smooth production flow, this cooperation also aims to improve operational efficiency and product quality. This approach enables Avian Brands to swiftly anticipate market changes, maintain competitive advantage, and continuously deliver on customer expectations with high-quality products.



An overview of Avian Brands' supply chain in paint manufacture is described as follows:

Avian Brands Supply Chain



The above chart of Avian Brands' supply chain illustrates the flow of comprehensive raw material management, from the planning stage to the manufacturing stage. This process starts with the PPIC, playing an important role in determining raw material requirements based on the production plan. Thereafter, purchase transactions are carried out in a centralized manner by considering the suitability of quality and price from the suppliers, to ensure that Avian Brands obtains the finest raw materials. Any material purchased and shipped must go through the Incoming Quality Control process, to ensure that the purchased goods meet the established quality standards and safety requirements, and are subsequently utilized in the manufacturing process. In general, Avian Brands procures raw materials from local and international suppliers. Local suppliers deliver them directly, while international suppliers deliver them through the ports in Jakarta or Surabaya.

Once received, raw materials will then be stored in the warehouse and go through a quality inspection stage to ensure compliance with established standards. This stage is crucial to maintaining product integrity in subsequent stages of manufacturing. Raw materials that have passed the storage and inspection process are subsequently processed into intermediate products or finished products ready for distribution. The above supply chain illustrates how we are able to effectively manage our relationships with suppliers and maintain optimal material flow, thus ensuring smooth operations of Avian Brands and meeting the needs of the market with high-quality products.

Proportion of Procurement from Local Suppliers

Description	Unit	2024*	2023*	2022*
Total Local Suppliers	Number of Company	217	219	209
Total Suppliers	Number of Company	285	281	275
Percentage of Procurement from Local Suppliers	%	76.14	77.94	76.00

Notes:

* AVIA, TKTW, and TKBI.

In supporting local economic development in line with the commitment to engage the local (domestic) workforce, Avian Brands is committed to allocating a significant proportion of its expenditure to local suppliers. The total number of local suppliers in 2024 amounted to 217 suppliers, accounting for 76.14% of the total suppliers of Avian Brands. By involving local suppliers in supplying raw materials for manufacturing, Avian Brands not only ensures smooth operations but also directly contributes to the economic and social growth of local communities. This collaboration creates jobs, encourages local business development, and strengthens regional economies, which ultimately improves the welfare of communities around Avian Brands' operational areas. This positive impact reflects the commitment of Avian Brands to promoting inclusive and sustainable economic development through synergies with local suppliers. [GRI 203-2]

Meanwhile, the remaining 68 suppliers or 23,86% are international suppliers from various countries. The primary challenges in the international procurement of raw materials consist of exchange rate fluctuations and the risk of late delivery. To address these, Avian Brands actively monitors exchange rates and carefully supervises the delivery of raw materials. Avian Brands is also disciplined in timely payments of foreign currencies and utilizes futures contracts to protect itself from unexpected exchange rate fluctuations, in order to maintain operational and financial stability.

Sustainable Procurement Practices

To ensure sustainable procurement practices, in addition to assessing product quality and supply chain management, Avian Brands also evaluates suppliers' commitment to sustainability principles, particularly those related to fairness in social (labor) and environmental aspects. We ensure that Avian Brands' suppliers comply with applicable labor regulations, including prohibition of underage labor and equitable granting of employee rights, and that they do not engage in recruitment fee practices. Additionally, supplier audits also incorporate aspects of environmental management, such as the management of hazardous waste and material usage. To ensure compliance with these standards, we periodically conduct random audits of suppliers whom Avian Brands has cooperated with, to uphold our

commitment to responsible and sustainable procurement practices. Supplier audits are conducted both on-site and off-site. In 2024, Avian Brands successfully increased the frequency of on-site audits to 11 raw material suppliers and 12 freight forwarding suppliers compared to the previous year.

[GRI 3-3, 408-1, 409-1]

Environmental and Social Assessment for Suppliers [GRI 308-1, 414-2]

Avian Brands implements a Green Procurement Policy for the selection of contractors, partners and suppliers as part of its sustainability commitment. Avian Brands has conducted engagement with suppliers and distributors through socialization, training, and audits related to sustainable procurement. The supplier selection process has been integrated with sustainability principles by means of a questionnaire, which contains questions on environmental and social assessment, covering aspects such as compliance with environmental standards, energy efficiency, waste management, as well as social practices such as business ethics, labor rights, and occupational health & safety. As a result, we noted that no contractors, partners or suppliers were reported to have caused adverse environmental impacts as a result of their operations. We have conducted assessments for 20% of key suppliers, that account for 80% of Avian Brands' total purchase value. The assessment results showed that 37 local raw material suppliers have implemented 68.80% of sustainability aspects, while 47 imported raw material suppliers achieved 80.95% and 24 packaging material suppliers have implemented 65.91% of sustainability aspects. We also conduct audits of hazardous waste service vendors to ensure their compliance with applicable regulations and procedures.

[GRI 3-3, 308-1, 414-2]

Moreover, in an effort to implement sustainable procurement practices, consistent with the Fourth Pillar of Avian Brands' Sustainability Policy, we actively engage suppliers through various strategic approaches. In addition to engaging suppliers in stakeholder surveys to evaluate sustainability materiality topics, we have also conducted socialization and training on scope 3 GHG emissions reporting. These measures aim to ensure that suppliers understand and implement high levels of sustainability standards and contribute to the overall reduction of environmental impacts throughout the entire supply chain of Avian Brands.



Served Market [GRI 2-6]

In navigating the ever-changing market dynamics, an in-depth understanding of the served market is key to formulating effective business strategies. Avian Brands is committed to identifying and satisfying the needs of the market by offering products and services that correspond to customer demands and preferences. Through comprehensive market analysis and a customer-oriented approach, Avian Brands not only strives to meet market expectations, but also to create sustainable added value. Information regarding the market segments served by Avian Brands as well as the strategies implemented to ensure customer satisfaction and sustainable growth, are described below:

	Network	Description
1	Geographical Location where the Product/Service is Offered	The geographical locations where Avian Brands and Subsidiaries' products/services are offered are spread throughout the Indonesian territory. In the domestic market, Avian Brands continue to be the market leader in decorative paints with a market share of 24%.
	Network	Description
2	Served Sectors	Sectors served by Avian Brands and its Subsidiaries are mainly retail customers in the form of building material stores, both conventional stores and Modern Trade Outlets, as well as a small portion of various building, infrastructure and construction projects. We also serve business-to-business customers, such as banking networks and retail store networks.
	Network	Description
3	Types of Customers and Beneficiaries	The types of customers and beneficiaries of the business sectors run by Avian Brands and its Subsidiaries are the general public, ranging from the lower, middle, and upper classes. Avian Brands also provides supplies for the corporate segment, which is spread across several regions.



Achievement of Operational and Financial Performance Targets

Amidst the challenging landscape of the national paint industry, Avian Brands continuously strives to achieve substantial growth in its economic performance, in order to maintain its commitment to deliver direct benefits to Shareholders and all stakeholders. To realize this commitment, we strategically focus on strengthening Avian Brands' business fundamentals, with a focus on improving competitiveness and gaining sustainable competitive advantages. We are taking proactive steps to expand our product portfolio by adding relevant and innovative product variants, expanding our distribution networks to reach wider markets, and launching more aggressive and focused marketing programs. These steps are designed to meet the growing needs of the market and increase Avian Brands' penetration across various segments. [GRI 3-3]

Management of the strategies, as well as achievement of operational and financial performance, is the collective responsibility of the Board of Directors, in collaboration with

the Board of Commissioners, in evaluating achievements and identifying areas of improvement. This evaluation ensures that the implemented strategies not only achieve the established targets, but also support the creation of sustainable long-term value for all relevant parties. Through this integrated and result-driven approach, we strive to overcome challenges, optimize performance and strengthen Avian Brands' position in the market, while continuously providing meaningful benefits to all stakeholders. [GRI 3-3]

In 2024, in terms of operational achievement, Avian Brands successfully realized paint manufacturing of 197,339 metric tons or 95.00% of the target. From this amount, Avian Brands successfully recorded a financial achievement in the form of a net revenue of IDR7,471.36 billion or 95.50% of the target, and a net profit of IDR1,663.70 billion or 95.84% of the target. Further information on the comparison of targets and realizations over the last 3 years is described as follows:

Achievement of Operational and Financial Performance Targets [POJK F.2]

Description	2024			2023			2022		
	Realization	Target	Achievement (%)	Realization	Target	Achievement (%)	Realization	Target	Achievement (%)
Manufacturing (Metric Tons)	197,339	207,725	95.00	180,540	181,245	99.61	170,986	230,025	74.33
Net Revenue (Million Rupiah)	7,471,356	7,823,000	95.50	7,016,882	7,095,821	98.89	6,694,171	7,593,202	88.16
Net Profit (Million Rupiah)	1,663,699	1,736,000	95.84	1,643,096	1,610,420	102.03	1,400,365	1,651,521	84.79



Comparison of Portfolio Targets and Performance, Financing Targets, or Investments in Financial Instruments or Projects that are Aligned with Sustainable Finance [POJK F.3]

Avian Brands is committed to contributing to sustainable finance and environmental protection. In order to achieve this objective, Avian Brands has set clear targets for investment in green projects that are aligned with sustainability principles.

In 2024, we have invested IDR733.44 million of the total operating expense (opex) in projects that support sustainability, which include solar panel installation, tree planting, and developing Green Label products. We have also allocated IDR3.48 billion of our total capital expenditure (capex) budget for electric forklift procurement program. In this Sustainability Report, we spotlight the performance of Avian Brands' portfolio in line with these targets, demonstrating Avian Brands' achievements in implementing green initiatives. The green project conducted throughout 2024 involved the installation of solar panels aimed at reducing dependence on fossil energy sources and reducing carbon emissions. In 2024, Avian Brands successfully reduced Scope 1&2 GHG emissions by 15.99% through energy efficiency efforts and the use of renewable energy.

As part of its green initiatives, Avian Brands continues its tree-planting program involving employees and the surrounding community. Avian Brands targeted to plant 5,000 trees in 2024, bringing the accumulative number of trees planted to 15,000, as of the reporting year. The program is expected to improve air quality and support biodiversity in local areas, as well as to strengthen the relationship between Avian Brands, its employees, and the communities in preserving nature.

Avian Brands is also committed to using environmentally friendly raw materials in its manufacturing activities. In 2024, Avian Brands successfully increased the proportion of environmentally friendly raw materials to 56.30% of the total raw material usage. This complements the efforts of Avian Brands to minimize the environmental impacts of its products.

Through these projects, Avian Brands not only invests in sustainability, but also contributes to the development of the green economy. We constantly monitor and evaluate the performance of Avian Brands' portfolio to ensure that Avian Brands meets its established targets and remains committed to contributing to a sustainable future.

Distribution of Economic Performance [GRI 3-3, 201-1]

The operational and financial performance achievements that Avian Brands managed to accomplish, have greatly impacted the distribution of direct economic value to various stakeholders. Avian Brands ensures that these benefits are distributed through timely payment of employee salaries, tax remittances to the government, dividends to Shareholders, and purchases to suppliers that support the local economy. In addition, Avian Brands also allocates funds for social and environmental responsibility programs as a testament to its commitment to community welfare and environmental protection. With this approach, we endeavor to generate extensive and sustainable added value to ensure that all relevant parties benefit from Avian Brands' performance. Information regarding Avian Brands' economic distribution value over the last 3 years is described as follows:

(in millions Rupiah, unless otherwise stated)			
Description	2024	2023	2022
Direct Economic Value Generated			
Cash Received from Customers	7,229,124	6,850,984	6,781,888
Other Receipts	31,003	12,664	11,601
Receipts of Finance Income	291,459	308,589	302,422
Proceeds from Disposal of Fixed Assets	11,156	14,094	16,398
Total Direct Economic Value Generated	7,562,742	7,186,331	7,112,309
Distributed Economic Value			
Payments to Suppliers	4,625,552	4,341,998	4,598,330
Payments to Employees	779,291	707,405	659,079
Payment for Corporate Income Tax	380,615	482,000	377,003

(in millions Rupiah, unless otherwise stated)

Description	2024	2023	2022
Dividend Payment to Shareholders	1,348,142	1,362,978	1,115,164
Acquisition of Right-of-Use Assets	39,600	69,588	66,285
Payment of Lease Liabilities	24,758	58,836	25,374
Payment of Interest Expense	2,539	4,077	6,463
Expenses for the Community	2,344	1,995	1,978
Environmental Expenses	1,293	1,059	1,524
OHS Investment Cost	1,307	886	841
Total Distributed Economic Value	7,205,441	7,030,822	6,852,041
Retained Economic Value	357,301	155,509	260,268

Financial Implications and Other Risks and Opportunities Caused by Climate Change [GRI 201-2]

Climate change and global warming are major challenges with far-reaching impacts on various industry sectors, including on Avian Brands' business. Despite minimal direct impacts on the operations of Avian Brands, the risk of disruption remains, notably to the product distribution chain, in particular for inter-island shipments. Weather uncertainty due to climate change may cause distribution delays that could potentially affect the operational and financial performance of Avian Brands.

As an anticipatory measure, Avian Brands has developed mitigation strategies to minimize extreme weather-related disruptions. Avian Brands also perceives climate change as an opportunity to adopt more sustainable practices, with a focus on improving operational efficiency and innovations that can provide added value to stakeholders. Through this approach, Avian Brands not only seeks to minimize climate-related risks, but also contributes to global efforts to mitigate the impacts of climate change. Avian Brands' commitment to mitigating the impacts of climate change is further described in the Environmental Management section of this Sustainability Report.

Financial Assistance Received from the Government [GRI 201-4]

Throughout 2024, no financial assistance was received by Avian Brands in any form any government for any operations. In addition, there was no government involvement in any form in Avian Brands' shareholding structure.

Contribution to the Government [GRI 207-1]

Taxes play a vital role as a country's main source of revenue, collected from taxpayers to support various national needs, such as infrastructure development, provision of subsidies, and essential public facilities. For Avian Brands, paying taxes is more than just a legal obligation, but also a commitment to take part in supporting national development and ensuring far-reaching benefits for the society. Avian Brands refers to the provisions of taxation laws and regulations applicable in Indonesia, including Law No. 7 of 2021 on Harmonization of Tax Regulations (*Harmonisasi Peraturan Perpajakan* or "HPP") and Law No. 11 of 2020 on Job Creation. Avian Brands recognizes the significant power of taxes to achieve the Sustainable Development Goals. Therefore, Avian Brands is consistently committed to contributing to government efforts, both at the national and local levels, through proper payment of taxes in accordance with the regulations.

[GRI 3-3]

To manage this properly, Avian Brands has established a Taxation Unit under the supervision of the Finance Director. This unit is responsible for ensuring accurate and timely fulfillment of all Avian Brands' tax obligations, which are in line with its business activities. We also engage a tax consultant, cooperating with Avian Brands as a strategic partner. The consultant helps ensure that Avian Brands remains informed of the latest developments in tax regulations and properly implements those regulations. In addition, Avian Brands regularly conducts internal and external audits to verify tax compliance, in order to maintain transparency and integrity in every transaction. Avian Brands has also established a whistleblowing mechanism to address potential tax-related violations or unethical conduct.

[GRI 207-2]

Tax-related Stakeholder Engagement [GRI 207-3]

Avian Brands consistently strives to maintain close communication with tax authorities through regular consultations and discussions. This aims to collect valuable feedback, ensure that Avian Brands' understanding of tax regulations remains accurate, and validate that its tax practices comply with applicable laws. This allows Avian Brands to minimize potential errors, improve compliance, and ensure correct and accurate fulfillment of all tax obligations. This proactive approach also helps us identify and anticipate regulatory changes, allowing Avian Brands to continue its operations with the highest standards of tax transparency and responsibility.

Tax Reporting [GRI 207-4]

In relation to tax obligations, Avian Brands only operates in the Indonesian territory with no overseas branches or operational offices. Therefore, all Avian Brands' tax obligations and reporting are focused on the Indonesian jurisdiction. This ensures full compliance of all taxation activities with applicable national rules and regulations. The taxes paid by Avian Brands for the last 3 years are described as follows:

Description	(in million Rupiah, unless stated otherwise)		
	2024	2023	2022
Income Tax	741,678	696,167	548,133
Land and Building Tax	2,116	2,015	1,935
Value Added Tax	369,131	382,045	323,882
Total Tax Payments	1,112,925	1,080,227	873,950

Indirect Economic Contribution

In addition to direct economic contribution through the distribution of economic value, Avian Brands also emphasizes the importance of providing indirect economic impact to stakeholders. We realize this commitment by involving local communities in the operational activities of Avian Brands. We focus on empowering the local workforce by prioritizing residents around our operational areas for employment opportunities. We also establish partnerships with local suppliers who meet our standards and criteria. Through this initiative, Avian Brands hopes to continue supporting local economic growth while strengthening relationships with communities and business partners around Avian Brands, to reflect its dedication to more inclusive and sustainable economic development. [GRI 3-3]

Local Labor Empowerment in Avian Brands Business [GRI 203-2, 413-1] [POJK F.23]

As a stakeholder in Avian Brands' business activities, the local community has a role in supporting the sustainability of Avian Brands' business. We understand positive impacts on the surrounding community not only reinforce positive relationships with Avian Brands but also contribute to the long-term success of Avian Brands. In its effort to support social and economic growth in the surrounding

environment, Avian Brands actively empowers the local workforce by providing employment opportunities in accordance with established standards and criteria. In doing so, Avian Brands not only contributes to the economic growth of the surrounding communities, but also helps create a better and more sustainable future for them.

This initiative reflects Avian Brands' dedication to integrating social aspects into its business strategies, while strengthening mutually beneficial relationships with local communities. We believe that empowering local communities is key to generating broad positive impacts that support Avian Brands' business objectives while improving the quality of life in the communities in its vicinity.

As part of Avian Brands' commitment to empowering the local workforce, we also involve workers from the local community in the organizational structure. As of the end of the reporting period, 90.03% of employees are local workers. This demonstrates the efforts of Avian Brands to empower local human resources and strengthen relationships with surrounding communities.

[GRI 202-2]

Information regarding the involvement of local labor in Avian Brands' operational activities is described as follows:

Proportion of Local Labor Involvement

Description	Unit	2024*	2023*	2022*
Total Local Employees	People	8,387	7,577	7,231
Total Employees	People	9,316	8,477	8,076
Percentage of Local Employees	%	90.03	89.38	89.54

Notes:

* AVIA, TKTW, and TKBI.

Investment in Infrastructure and Support Services [GRI 203-1]

Avian Brands is committed to contributing to infrastructure development and the provision of services that support the welfare of the community and environment around its operational areas. Through the Avian Brands *Peduli* program, Avian Brands has implemented various initiatives that positively impact local communities.

As part of this commitment, Avian Brands has constructed a waste bank in Wadungasih Village. The construction of this waste bank is intended to manage and recycle waste, thus reducing the volume of waste that ends up in landfills. In addition, waste banks also function as educational centers for the community on the importance of sustainable waste management.

In the educational sector, Avian Brands has provided painting support to numerous schools, mosques, and other public facilities. This initiative not only enhances the aesthetics and comfort of public facilities but also promotes a better and healthier environment for the community. Through this program, Avian Brands seeks to improve the quality of educational and religious facilities and infrastructure, which in turn can provide long-term benefits to local communities.

In supporting the local economy, Avian Brands also actively provides capital assistance and training to Micro, Small, and Medium Enterprises ("MSMEs") in Wadungasih Village. The program aims to improve the economic independence and welfare of local communities by providing them with the necessary skills and resources to develop their businesses.

Avian Brands believes that investment in infrastructure and support services is a key element in achieving long-term sustainability. Through various programs and initiatives, Avian Brands is committed to continuing its support of inclusive and sustainable development, as well as improving the quality of life of the communities around its operational areas.







Responsible Environmental Management



“We constantly implement a responsible environmental approach in all of Avian Brands’ operations, as part of our efforts to contribute to supporting environmental preservation and sustainability of future livelihoods. By focusing on efficiency and management of energy, resources, emissions, waste and biodiversity conservation, Avian Brands is committed to reducing its environmental impacts through sustainable initiatives. This approach also ensures that Avian Brands can strike a balance between business growth and environmental preservation.”

Avian Brands Achievements [GRI 3-3]



Avian Brands successfully achieved the Green PROPER award, making it the only paint company that has received this award for 3 consecutive times since 2022 until 2024.



A total of 2,731.09 tons of sludge and returned paint was recycled, an increase of 45.08% compared to the previous year.



The use of renewable energy reached 2,013.12 GJ, an increase of 10.93% compared to the 2021 baseline.



Groundwater use for plant operations decreased by 11.13%, with water intensity reaching 0.0007 megaliters/ton of water-based products.



A decrease of 15.95% in the volume of waste generated, compared to the previous year.

Environmental Impact Management Strategy

Environmental degradation and climate change, the impacts of which are increasingly evident, have become a major challenge faced by the global community, including Indonesia. The growing frequency of hydrometeorological disasters, such as droughts, floods, storms, forest fires, El Niño, La Niña, and landslides, reflects the devastating impacts of climate change triggered by irresponsible human activities. Large-scale exploitation of natural resources, deforestation threatening the role of forests as the lungs of the earth, and industrialization that drives up GHG emissions, all contribute to this condition.

[GRI 3-3]

Aware of this increasingly real impact, Avian Brands understands that all stakeholders' participation in environmental preservation is crucial. As part of its responsibility, Avian Brands continues to strengthen its resolve and commitment to reduce adverse environmental impacts of its operational activities and respond to climate-related challenges with proactive measures. Avian Brands is committed to taking part in protecting the ecosystems that support sustainable life on earth, which is essential for long-term business viability. Every operational step taken by Avian Brands always considers environmental protection and preservation aspects, in accordance with applicable laws and regulations. Beyond that, we also continue to encourage innovation and development of environmentally friendly products, as a tangible manifestation of Avian Brands' commitment to reducing our ecological footprint and making positive contributions to global efforts in environmental conservation. [GRI 3-3]

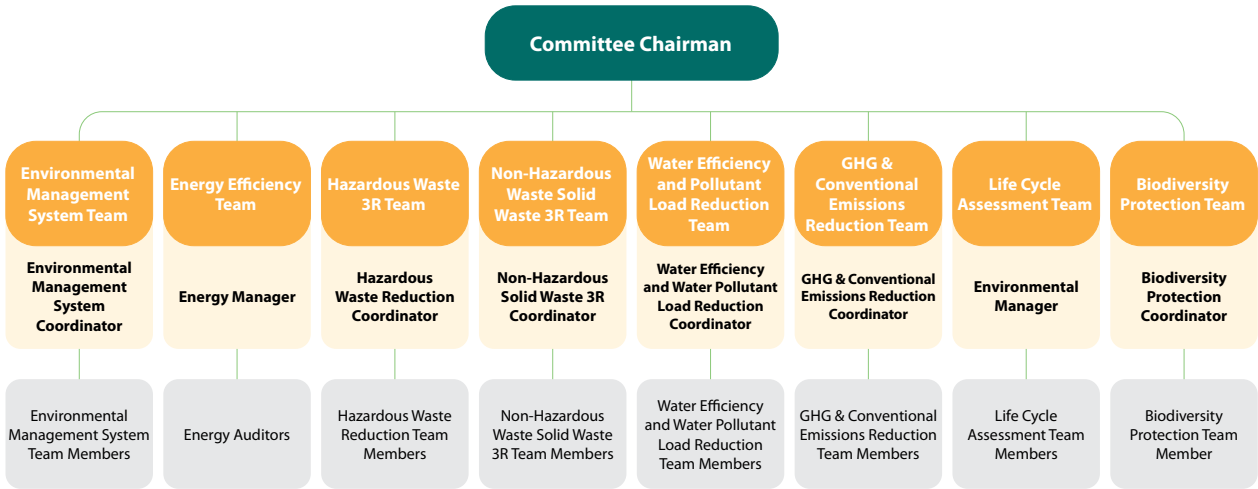
Through the Sustainability Policy that has been formulated by Avian Brands, we actively strive to integrate sustainability principles into all aspects of Avian Brands' operations. The concrete steps we are taking include the use of environmentally friendly materials, improved energy efficiency and reduced GHG emissions, as well as responsible waste management and use of resources. We also continuously evaluate and improve our environmental policies and procedures, ensuring that every innovation we produce not only meets industry standards, but also contributes to environmental conservation efforts. In doing so, we aspire to not only meet our environmental obligations, but also to become a pioneer in sustainable business practices that provide long-term benefits to the ecosystem and the community. [GRI 3-3]



Environmental Management [CDSB REQ-01]

We are aware that every stage of Avian Brands’ product manufacturing and distribution activities comes with direct and indirect environmental impacts, particularly in terms of the use and management of natural resources that produce GHG emissions. In order to manage these challenges, Avian Brands has an Environmental Management Committee in place, tasked with ensuring that every operational step is consistent with sustainability principles and complies with environmental regulations. This committee constantly monitors, assesses and formulates environmental management strategies to minimize adverse impacts and improve Avian Brands’ positive contribution to environmental conservation. More detailed information about Avian Brands’ environmental impact management structure is described as follows:

Organizational Structure of The Environmental Management Committee



Avian Brands continuously ensures that every employee responsible for environmental management possesses the relevant skills and expertise. We prioritize this commitment to ensure that Avian Brands' operations are able to minimize adverse environmental impacts. In addition to delegating environmental management responsibilities to competent organs, Avian Brands has also consistently implemented a sustainable and comprehensive environmental management system. At Avian Brands' manufacturing facilities, the implemented Environmental Management System has complied with the international standard of ISO 14001 and has been verified by an independent certification body since 2012. This standard ensures that Avian Brands' manufacturing operations not only comply with applicable regulations but also fulfill international best practices. This initiative reflects Avian Brands' long-term commitment to maintaining a balance between business sustainability and environmental preservation, as illustrated in the following environmental management policy:

Avian Brands Environmental Management Policies

- 1 > Formulating and implementing short-term, medium-term, and long-term goals, objectives, and programs by taking into account the characteristics, scale, and impact in accordance with the environmental management system, energy management system, and green industry, while continuously innovating.
- 2 > Improving quality, competitive, and environmentally friendly products with efficient production costs.
- 3 > Improving service quality, ensuring timely product delivery, meeting customer demands, and providing added value for customers.
- 4 > Opting for materials and machinery with efficient energy use and low greenhouse gas effects for manufacturing processes.
- 5 > Carrying out energy efficiency efforts and maximizing the use of new renewable energy through monitoring, implementing, and encouraging design or development activities across the entire Avian Brands.
- 6 > Undertaking efforts to reduce greenhouse gas emissions for scopes one and two through monitoring and implementation across the entire Avian Brands operations, up to the reporting to stakeholders.
- 7 > Encouraging the use of renewable materials and environmentally friendly chemicals.
- 8 > Implementing raw material efficiency through monitoring, implementing, and encouraging design or development activities across the entire Avian Brands.
- 9 > Using water optimally and efficiently for company activities, as well as carrying out water conservation programs.
- 10 > Conducting maintenance and control of air pollution control equipment and machinery.
- 11 > Reducing and controlling Hazardous Material and Hazardous Waste.
- 12 > Controlling non-hazardous solid waste through 3R (Reduce, Reuse, Recycle).

- 
13 > Conducting an inventory of water usage, outlets of wastewater, hazardous waste and non-hazardous waste, and air pollution.
- 
14 > Undertaking efforts to protect and conserve biodiversity.
- 
15 > Providing socialization of information related to the safety and security of product application.
- 
16 > Identifying, conducting, and evaluating all company activities through Life Cycle Assessment ("LCA") integrated with environmental, energy, and greenhouse gas emission aspects.
- 
17 > Involving the community in continuous improvement of the environmental management system.

Avian Brands constantly carries out environmental management in a comprehensive manner. As a starting point, Avian Brands ensures compliance with the necessary licenses from the start of the business through the preparation of Environmental Management Efforts and Environmental Monitoring Efforts (*Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup* or "UKL-UPL") report. Avian Brands remains committed to complying with all existing environmental permits and conducts periodic reviews to stay on track with the environmental programs to be implemented. Similarly, Avian Brands ensures that each operational unit, such as plants, warehouses and offices, has implemented measures to prevent adverse environmental impacts by integrating eco-efficiency principles into relevant processes as part of continual improvements.

In addition, Avian Brands conducts a cradle-to-grave Life Cycle Assessment ("LCA"), which analyzes the entire product life cycle from the acquisition of raw materials to its use and end-of-life. Results from the LCA provide valuable data on environmental impacts along the supply chain, which forms the basis for developing more effective environmental management strategies. The LCA also provides support to Avian Brands in its environmental performance assessment through the PROPER, an environmental evaluation program managed by the Ministry of Environment and Forestry of the Republic of Indonesia. In addition to preventive measures, we also implement mitigation measures, such as planting trees to reduce our carbon footprint, as well as energy and emission efficiency programs that showcase Avian Brands' commitment to environmental sustainability. [GRI 3-3]

Evaluation of Environmental Management

Environmental management implemented by Avian Brands is also regularly evaluated, to ensure the effectiveness and continuity of the programs. This process involves monitoring environmental quality at manufacturing facilities in collaboration with accredited environmental testing laboratories. Results thereof are periodically reported to both local and central governments, every month and every semester, to ensure compliance with applicable laws and regulations as well as with the internal policies of Avian Brands.

In addition, Avian Brands participates in the Public Disclosure Program for Environmental Compliance (*Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup* or "PROPER") organized by the Ministry of Environment and Forestry ("MoEF"). The PROPER provides an assessment of Avian Brands' environmental performance based on applicable regulations, with the assessment results as a rating. This assessment process is conducted by external professionals, ensuring an objective assessment of Avian Brands' environmental performance in accordance with established standards. In the 2024 financial year, Avian Brands successfully achieved the Green PROPER award, making it the only paint company that has received this award for 3 consecutive times since 2022 until 2024. In recognition of this achievement, Avian Brands is also listed as a Gold Candidate under the Decree of the Director General for Pollution and Environmental Degradation Control No. 166 of 2024. Avian Brands is committed to maintaining and improving this PROPER rating, which reflects its dedication to meeting environmental compliance standards. [GRI 3-3]



Materials Used in Paint Production

Some of the materials used by Avian Brands in its paint production process are chemicals with adverse environmental impacts. Therefore, we take a holistic approach in selecting and using the materials to ensure the sustainability and quality of Avian Brands' products. In general, the materials used are divided into two main categories, namely renewable and non-renewable materials. Renewable materials used by Avian Brands include calcium, paper-based or cardboard-based packaging materials, and plant-based materials and additives. On the other hand, non-renewable materials include solvents, pigments, and various plastic-based products. Avian Brands recognizes that improper management of these materials can adversely impact the environment. Therefore, Avian Brands is committed to reducing dependence on non-renewable raw materials. By the end of 2024, Avian Brands successfully increased the use of environmentally friendly raw materials to 56.30% of the total raw materials. Another strategy implemented by Avian Brands is to improve raw material efficiency through efforts to reduce waste.

[GRI 3-3]

[POJK F.5]

In the manufacturing process, Avian Brands continuously strives to implement sustainable processes by using more environmentally friendly materials without compromising on quality. This initiative aims to produce high-quality products that contribute to environmental protection. Among the concrete steps Avian Brands has taken is the implementation of a packaging efficiency program that aims to reduce waste generated by Avian Brands. Packaging efficiency efforts are carried out by reducing the grammage and size of packaging, switching to lighter and stronger packaging materials, and reducing the use of cardboard and plastic. The packaging efficiency programs successfully implemented by Avian Brands in 2024 are described as follows:

1. Reducing plastic jerry can weight by 13.33%;
2. Replacing toxical shrink material made from PVC with non-toxic material and reducing weight by 46.52% in VIP Remover 1kg, 250g, and Viplas 360g products;
3. Reducing paper usage in Avian Non Sag Epoxy and Suzuka Epoxy Filler products by 26.47%; as well as
4. Replacing the inner box material with shrink film, thereby reducing weight by 94.44% in Avian Non Sag and Avian Epoxy Filler products.

The above efforts succeeded in reducing the use of packaging by 39.08 tons or 33.78%, with cost savings of IDR1.40 billion. Packaging efficiency and the addition of environmentally friendly materials are consistently carried out. These measures reflect Avian Brands' commitment to reducing environmental impacts from manufacturing activities and underscore its dedication to responsible and environmentally friendly operations.

Apart from efficiency measures, responsible material use is complemented by a waste reuse program. Avian Brands has implemented the reuse of sludge of water-based paint for manufacturing processes in the same cycle. This initiative is part of its commitment to minimize hazardous waste. In 2024, Avian Brands successfully recycled 2,731.09 tons of sludge and returned paint, an increase of 45.08% compared to 2023. This amounts to a material recycling ratio of 16.97 kg per ton of paint production. Avian Brands has also initiated the process of recycling solvent washes in manufacturing solvent-based paints, accounting for 151.19 tons as raw materials, with a recycling ratio of 5.27 kg per ton of solvent-based paint production. Through the program, Avian Brands successfully reduced hazardous waste disposal by 17.23%, confirming its commitment to more sustainable and environmentally friendly waste management.

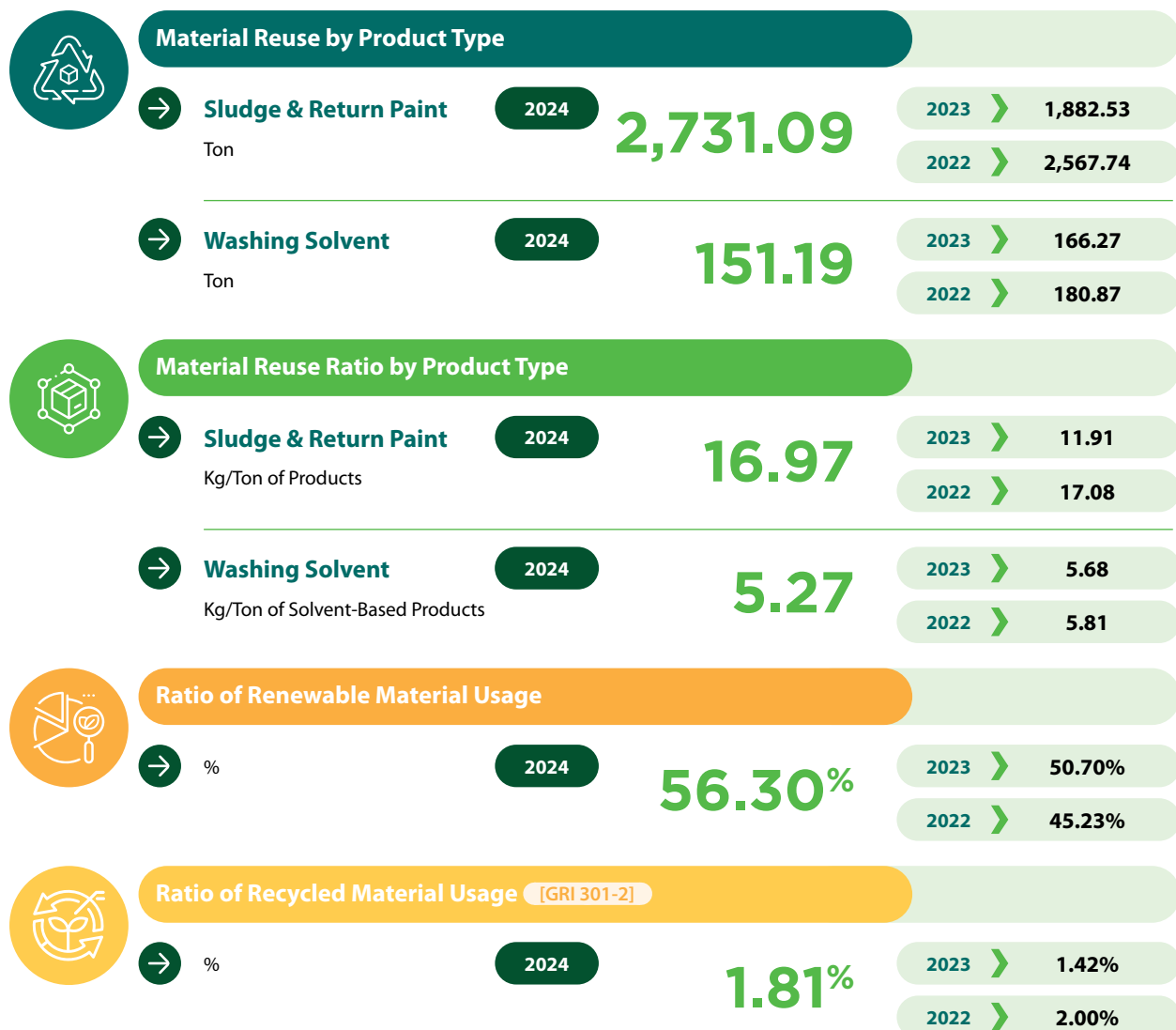
[GRI 3-3, 301-2, 301-2]

In parallel, we have also reduced lead and chrome content in Avian Brands' products. By the end of 2024, only 10.40% of lead and chrome content remain in the products. This achievement reflects positive developments in Avian Brands' innovation towards lead-free and chrome-free products, which is also encouraged by the launch of water-based products. This step not only improves product safety standards, but also strengthens the contribution of Avian Brands to environmental protection and public health.

Information on the use of materials in the paint manufacturing process is described below:

Types and Volumes of Main and Supporting Materials for Paint Manufacture [GRI 301-1]

Material Type	Unit	2024	2023	2022
Renewable Materials	Ton	89,589.48	72,903.20	61,888.17
Non-renewable Materials	Ton	69,528.10	70,887.41	74,937.20
Total Purchase of Materials	Ton	159,117.58	143,790.61	136,825.37



Percentage of Products Containing Genetically Modified Organisms [SASB RT-CH-410c.1.]

We confirm that as of the end of the reporting period, no Avian Brands products contain genetically modified organisms (GMOs). We are committed to providing our customers with safe and high-quality products, and upholding transparency regarding the composition of materials used in Avian Brands' products.

Energy Efficiency

Avian Brands uses energy to support a wide range of activities, from manufacturing to office operations. At manufacturing facilities, energy is needed to run machinery and equipment, while in the offices, energy is used for lighting and various electronic devices. Avian Brands' primary energy sources are electricity, fuel oil (bahan bakar minyak or "BBM") and gas obtained from third-party providers. Avian Brands recognizes that these are largely non-renewable fossil energy sources with increasingly limited availability in nature. Therefore, Avian Brands is committed to wisely managing energy use and considering the environmental impacts of these energy sources.

[GRI 3-3]

In anticipating challenges related to the limited availability of non-renewable fossil energy sources, Avian Brands is focusing on energy efficiency and transition to renewable energy sources. Avian Brands' energy efficiency initiatives include the installation of transparent fiber roofs in manufacturing facilities and warehouses, to harness sunlight for daytime lighting, as well as the use of solar-energy powered street lighting. In the manufacturing process, Avian Brands has switched to the pipeline system for material transfer from the resin manufacturing facility to the paint manufacturing facility. Avian Brands has also reduced the use of forklifts by switching to using a rail conveyor that is connected directly to the solvent-based paint manufacturing facility, in the process of moving can plates. The use of conveyor significantly saves 4,302 liters of diesel fuel energy and reduces GHG emissions by 11.53 tonsCO₂e per year. In addition, Avian Brands has conducted a re-layout of the finished goods warehouse and materials warehouse at the Sidoarjo paint plant to improve distribution efficiency. Re-engineering of the resin plant processes has also succeeded in reducing cycle time by approximately 22%, thereby increasing productivity and reducing energy use and GHG emissions.

[GRI 3-3, 302-4] [POJK F.7]

Specifically at the Sidoarjo plant, Avian Brands has implemented various other energy efficiency measures. Avian Brands has replaced diesel forklifts with 6 units of electric forklifts (5 units at the Sidoarjo plant and 1 unit at the Serang plant). This effort succeeded in reducing GHG emissions by approximately 5.72 tonsCO₂e per year. By 2024, Avian Brands has owned 43 units of electric

powered heavy equipment consisting of forklift, reachtruck, counterbalance, and pallet mover as part of its commitment to using environmentally friendly heavy equipment. In addition, Avian Brands has also conducted switching of incinerators and burners so that energy usage becomes more efficient. It has also modified the cooling tower pumps to optimize energy usage. As a result, Avian Brands managed to reduce energy usage in the cooling tower by 39.39%, which also resulted in operational expense savings of up to IDR526.83 million in 2024. These efforts not only reduce energy usage but also improve our overall operational efficiency, which is in line with Avian Brands' commitment to implementing sustainable practices.

[GRI 3-3, 302-4] [POJK F.7] [SASB RT-CH-110a.2.]

The energy management and efficiency of Avian Brands are regularly monitored and evaluated by the Board of Directors through structured performance reports. Since 2022, Avian Brands has been certified with ISO 50001:2018 for Energy Management Systems, ensuring that its energy management is always monitored while energy efficiency efforts are maximized. In this regard, Avian Brands has implemented an energy efficiency monitoring program through energy performance indicators, i.e., the Energy Performance Indicators ("EnPi"), which involves the Energy Management System Team as the officer in charge. The calculation of energy use employs a sophisticated method of multiplying physical energy use by the calorific value of each energy source, such as gas, diesel and electricity. Results thereof are compiled to provide a comprehensive overview of energy use. Avian Brands also conducts regular monthly meetings to discuss and evaluate the results of EnPi performance reporting, as well as anticipate possible increases in energy use. Another effort made by Avian Brands is to develop a digitally integrated data information system, namely the Avian Portal, that is immediately accessible to all relevant employees. Among the system's many features is ESG data, which is updated in real-time to track environmental, social and economic sustainability performance on a regular basis. This approach allows Avian Brands to accurately monitor energy use and identify areas for improvements to increase efficiency.

[GRI 3-3, 302-1, 302-4]. [POJK F.7]

The formula used by Avian Brands to calculate total energy use is described as follows:

Energy Conversion from Physical Units to TerraJoules ("TJ")

$$\Sigma \text{ Energy Use (TJ)} = \text{Energy Use (physical unit)} \times \text{Calorific Value (TJ/physical unit)}$$

Source:

Guidelines for the Implementation of the National Greenhouse Gas Inventory Book II-Volume 1 Methodology for Calculating Greenhouse Gas Emission Levels (Energy Sourcing and Use Activities).



Based on this methodology, information on Avian Brands energy use in all operational activities is described below:

Energy Usage [GRI 302-1] [POJK F.6] [SASB RT-CH-130a.1.]

Material Type	Unit	2024	2023	2022
Electricity**	kWh	14,753,041.67	14,208,160.98	13,707,962.04
	GJ	53,110.95	51,149.38	49,348.66
Fuel Oil (<i>Bahan Bakar Minyak</i> or BBM) (Diesel)***	GJ	112,739.10	119,202.34	118,502.42
Gas****	GJ	43,495.72	43,561.14	43,483.43
Renewable Energy (Solar Panel)****	GJ	2,013.12	1,814.71	906.82
Total Energy Usage	GJ	211,358.89	215,727.57*	212,241.33*

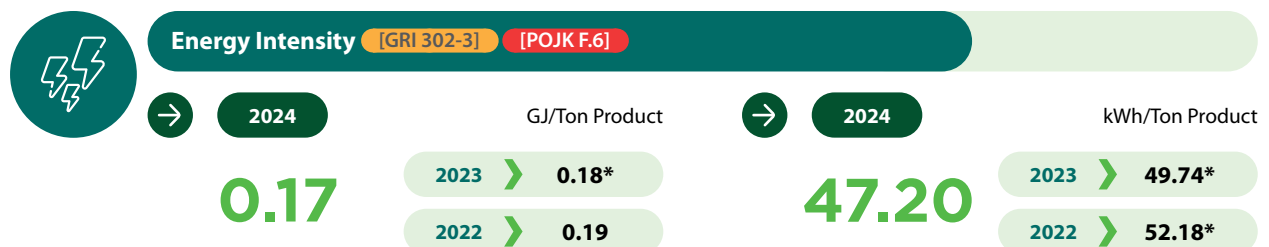
Notes:

* Data restated.

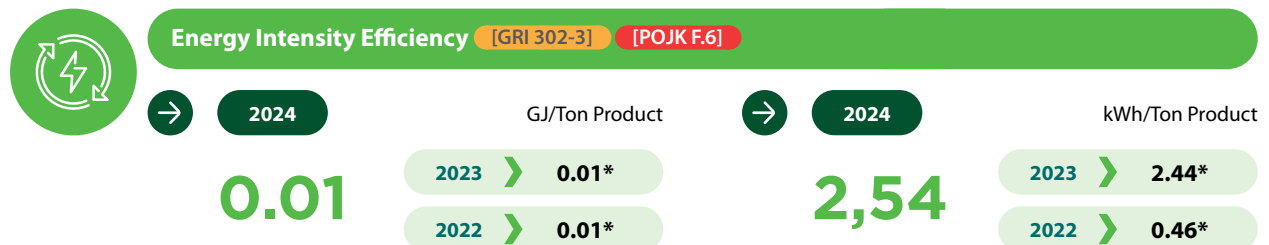
** Electricity use within the scope of AVIA (Sidoarjo Plant, Serang Plant, and Head Office), TKTW, and TKBI;

*** Solar energy use within the scope of AVIA (Sidoarjo Plant and Serang Plant) and TKTW; and

**** Gas and solar panel use within the scope of AVIA (Sidoarjo Plant and Serang Plant).



The above energy intensity data is measured by dividing AVIA's total energy use (Sidoarjo Plant and Serang Plant) by total production.



Notes:

* Data restated.

We are committed to improving energy efficiency in all operational aspects of Avian Brands, including product manufacturing and provision of services. Throughout the reporting year, we have successfully implemented several initiatives designed to reduce the energy consumption needed for Avian Brands' products.

Avian Brands has consumed 211,358.89 GJ of energy, a decrease of 2.03% compared to the previous year. Based on this, Avian Brands managed to calculate the total energy use intensity for the 2024 financial year in the amount of 0.17 GJ/ton of product or 47.20 kWh/ton of product. Thus, the energy intensity efficiency that Avian Brands achieved for 2024 increased by 10.33% kWh/ton of product compared to the 2021 *baseline*.

To promote innovations in energy efficiency, Avian Brands has an Internal Improvement Initiatives ("I3") program. Through this program, Avian Brands motivates employees to continuously innovate in energy efficiency to promote sustainable energy transformation. We have also conducted socialization with employees to raise awareness of energy efficiency and integrate energy reduction strategies into the daily operational processes of Avian Brands.

Through these initiatives, we are committed to continuously improving energy efficiency, in order to continue promoting sustainability and reducing the environmental impacts of Avian Brands' operations.

Energy Consumption Outside the Organization [GRI 302-2]

We understand the significance of monitoring and managing energy consumption that occurs outside the boundaries of Avian Brands' organization. In this regard, the energy consumption outside the organization relates to Scope 3 emissions that affect energy consumption of Avian Brands. Up to the end of the reporting period, Avian Brands has calculated energy consumption outside the organization which is limited to two categories, namely upstream transportation and distribution, as well as downstream transportation and distribution. In 2024, energy consumption outside Avian Brands organization was recorded at 119,167.55 GJ with the largest percentage coming from the downstream transportation and distribution category, amounting to 108,808.18 GJ or 91.31% of the total.

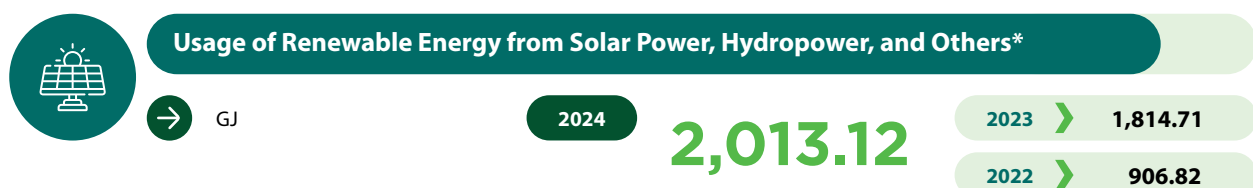
Since 2023, Avian Brands has initiated the mapping and inventory of Scope 3 emissions. Avian Brands also actively engages with suppliers and distributors through socialization, training and audits that focus on sustainable procurement. We are committed to collaborating with Avian Brands' suppliers and partners to reduce energy consumption outside the organization through energy efficiency initiatives and the use of renewable energy sources. These initiatives aim to ensure that the entire supply chain embraces sustainability practices, and promotes emission reductions at all stages of operations.

Usage of Renewable Energy [POJK F.7] [SASB RT-CH-130a.1.]

As part of Avian Brands' commitment to implementing sustainable manufacturing practices, not only do we focus on energy use efficiency, but we are also gradually shifting to the use of renewable energy sources. This measure aims to reduce GHG emissions, reduce dependence on fossil energy sources, and minimize other adverse environmental impacts. Avian Brands has utilized new renewable energy in the form of solar panels as one of its energy sources. In 2024, the total use of new renewable energy reached 2,013.12 GJ, an increase of 201.82% compared to the 2021 baseline. In 2024, Avian Brands increased the installation of solar panels by 1,052 units on the roofs of warehouses (862 at the Sidoarjo Plant and 190 at the Serang Plant), potentially generating 61,808.72 kWh of energy capacity per month. This initiative contributes to reducing GHG emissions by 645.24 tonsCO₂e per year which is equivalent to planting 29,329 trees. In light of these positive results, we plan to increase solar panel installations in the coming years to increase the proportion of renewable energy use and reinforce Avian Brands' commitment to environmental sustainability.

Avian Brands also has a long-term target plan by a purchasing Renewable Energy Certificate ("REC") to support the medium-term goal of 50% emission reduction by 2030 and achieving a Net Zero Emission Roadmap by 2050.

Information on Avian Brands' renewable energy usage is described below:



* Renewable energy use within the scope of AVIA (Sidoarjo Plant and Serang Plant).



Water Usage

Water is essential in supporting various operational activities of Avian Brands. From the manufacturing process to other supporting activities, the need for water is integral. To meet its water needs, Avian Brands relies on 2 main sources, i.e. water supply from third parties as well as water extracted from underground wells at the manufacturing site. Water usage for plant operations is mostly sourced from groundwater/ wells. The use of water from the wells has obtained official permits from the local government and complies with environmental requirements, thus causing no adverse impacts on the local ecosystem. Avian Brands has also conducted an analysis of water risks through the WWF Water Risk Filter. Results thereof indicate that Avian Brands' sites, both at the Sidoarjo and Serang plants, are at very low and medium risk levels. This indicates that Avian Brands does not consume water in areas with high or very high water risks. [RT-CH-140a.1.]

In 2024, groundwater use for plant operations amounted to 88.27 megaliters, with water intensity reaching 0.0007 megaliters/ton of water-based product. This figure represents a decrease of 11.13% compared to the previous year. Meanwhile, the use of water sourced from third parties increased by 27.97%, approximately 38,05% of which was allocated for domestic activities. Avian Brands recognizes how vital water is to survival and the environment, which drives us to constantly strive to use water wisely. Our goal is to ensure that the operations of Avian Brands continue to emphasize innovations in water efficiency.

[GRI 3-3]

[POJK F.8]

As part of responsible water usage, Avian Brands has continuously implemented various water efficiency programs. Among its main programs is reusing used water for other purposes. For instance, rinsing water from tanks cleaning and sanitizing processes is reused as material in paint manufacturing, while still maintaining high quality standards. In 2024, this effort succeeded in reducing the use of new water by optimizing the reuse of industrial wastewater of 0.12 megaliters, equivalent to a usage ratio of 4.86 L/ton of water-based products. Avian Brands has also implemented a cooling system as well as a rainwater harvesting system designed to minimize water usage and reduce dependence on conventional clean water supplies. To ensure effectiveness, Avian Brands uses a flowmeter to monitor the water flow rate in the rainwater harvesting system, enabling more accurate and sustainable management.

[GRI 3-3, 303-1, 303-2]

[POJK F.8]

[SASB RT-CH-140a.3]

In addition, Avian Brands also continues to ensure that liquid waste is managed in accordance with applicable standards and regulations. To manage domestic wastewater at the paint manufacturing sites, Avian Brands has adopted a Sewage Treatment Plant ("STP") system. Meanwhile, industrial wastewater is treated with filtration and ozonation technology. Avian Brands also strictly monitors water management through monthly testing conducted by laboratories certified by KAN (Komite Akreditasi Nasional/ National Accreditation Committee). Avian Brands reports such data to the relevant agencies on a monthly basis, to ensure that wastewater does not exceed the specified quality thresholds. Throughout 2024, Avian Brands did not encounter any non-compliance incidents related to water quality permits, quality standards, water consumption limits, or other applicable regulations. In addition, Avian Brands has also reported its water usage efficiency data through the Green Industry Certificate (*Sertifikat Industri Hijau* or "SIH") since 2022 from the Ministry of Industry of the Republic of Indonesia.

[GRI 3-3, 303-1, 303-2]

[POJK F.8]

[SASB RT-CH-140a.2.]

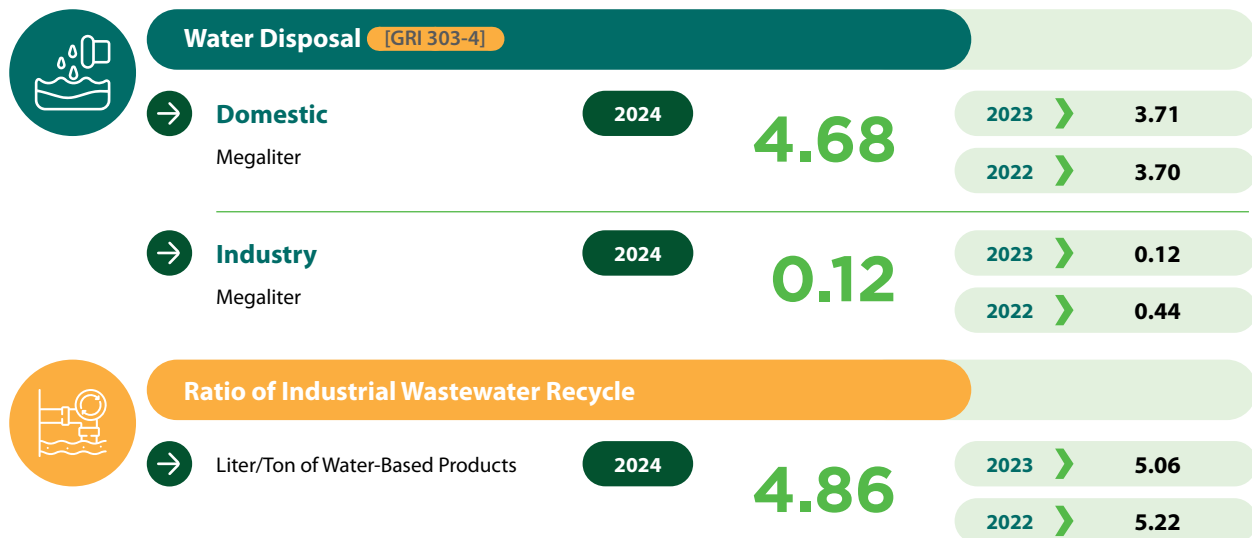


Information on Avian Brands's water usage in all operational activities is described as follows:

Water Usage and Intensity [GRI 303-5] [POJK F.8] [SASB RT-CH-140a.1.]

Water Source	Unit	2024	2023	2022
Groundwater	Megaliter	88.27	99.32	79.25
	m ³	88,270	99,320	79,250
Third-Party (<i>Perusahaan Daerah Air Minum</i> or PDAM)	Megaliter	54.21	42.36	34.73
	m ³	54,210	42,360	34,730
Total Water Usage	Megaliter	142.48	141.68	113.98
	m³	142,480	141,680	113,980
Intensity of Water Usage	Megaliter/Ton Product	0.0007	0.0008*	0.0008
	m³/Ton Product	0.75	0.81	0.80

* Data restated.



Throughout 2024, Avian Brands has successfully ensured that the liquid waste it generated has complied with the quality standards on all parameters as set out in the East Java Governor Regulation No. 52 of 2014 on Quality Standards for Paint and Ink Industry Wastewater, as well as Regulation of the Minister of Environment and Forestry of the Republic of Indonesia No. P.68/Menlhk/Setjen/Kum.1/8/2016 on Domestic Waste. The waste generated has been analytically tested by a laboratory accredited by the National Accreditation Committee (*Komite Akreditasi Nasional* or "KAN"), ensuring that the testing process is conducted to a precise and reliable standard. The certified laboratory test results are also reported to the Environmental Electronic Reporting Information System (*Sistem Informasi Pelaporan Elektronik Lingkungan Hidup* or "SIMPEL") managed by the Ministry of Environment and Forestry ("MoEF"). Avian Brands' compliance with quality standards is demonstrated by obtaining the Green PROPER certificate for three consecutive years. Avian Brands will continue to conduct regular monitoring and evaluation to ensure that the wastewater quality remains within the established threshold, in order to support environmental sustainability.

Emissions Management

Climate change, which is increasingly noticeable as Earth's average temperature rises, poses a serious threat to future survival. A major trigger of this phenomenon is global warming, largely caused by increased emissions of GHGs, such as carbon dioxide. These emissions come from various human activities, including the use of fossil fuels, forest fires, waste treatment and other industrial processes. As part of its global responsibility to tackle this challenge, the Indonesian Government has established various policies and regulations, such as those set out in Presidential Regulation No. 61/2011 on the National Action Plan for Reducing Greenhouse Gas Emissions (*Rencana Aksi Nasional Penurunan Emisi Gas Rumah Kaca* or "RAN-GRK"), and Presidential Regulation No. 71 of 2011 on the Implementation of the National Greenhouse Gas Inventory.

[GRI 3-3]

[CDSB REQ-04]

[TCFD MET.c]

Commitment to Achieving Net Zero Emission and GHG Emission Efficiency

[GRI 3-3]

[POJK F.12]

[CDSB REQ-04]

[TCFD MET.c]

Avian Brands is committed to supporting the government's efforts to reduce the amount of GHG emissions as part of awareness of contributing to GHG emissions. In Avian Brands' ESG Roadmap, the year 2050 has been set as the target for achieving Net Zero Emission. In the roadmap, Avian Brands commits to reduce its scope 1 and scope 2 GHG emissions by at least 95% from the predetermined baseline. The commitment is realized through the following strategic steps::

1. Scope 1 Emissions

Strategies implemented to reduce direct emissions from operational activities, include:

A. Energy Efficiency:

- Installation of transparent fiber roofs in manufacturing facilities and warehouses, to harness sunlight for daytime lighting;
- The use of solar-powered street lighting to reduce conventional electrical energy consumption; and
- Switch to the pipeline system, for material transfer from the resin manufacturing facility to the paint manufacturing facility.

B. Operational Optimization

- Re-layout of the finished goods warehouse and materials warehouse at the Sidoarjo paint plant to improve distribution efficiency, thus reducing the need for using forklifts;
- Re-engineering of the manufacturing process of the resin plant, which successfully reduced operational cycle time that directly led to reduced energy consumption; and
- Using a rail conveyor, connected directly to the solvent-based paint manufacturing facility, in the process of moving can plates, thus reducing the use of forklifts.

C. Transition to More Efficient Technology

- Replacing diesel forklifts with electric forklifts to reduce fossil fuel emissions;

- Carrying out switching of incinerators and burners to improve energy efficiency during the combustion process; and
- Modifications to the cooling tower pumps to optimize energy usage in the cooling process.

D. Carbon Offset Program

Carrying out tree planting programs around operational areas, including areas around the plant, TKTW areas, and the slopes of Mount Arjuno, as part of carbon sequestration efforts and to support environmental conservation.

2. Scope 2 Emissions

A. Transition to Renewable Energy.

- Using solar panels as renewable energy sources to support the operations of manufacturing facilities and offices; and
- Planning to collaborate with clean energy providers to ensure that a significant portion of the electricity usage comes from renewable sources (Renewable Energy Certificate).

B. Electricity Energy Efficiency

Modernization of the lighting system by using energy-efficient LED lights in all operational facilities.

Avian Brands realizes the implementation of these strategies in the short and long term. In the short term, this commitment is realized through energy usage efficiency, such as operational optimization and adoption of energy-saving technologies. For the long term, Avian Brands focuses on the transition towards renewable energy, including the use of solar panels. Additionally, the tree planting program is also part of Avian Brands' sustainable initiatives to sequester carbon, support environmental conservation, and strengthen ecosystems around operational areas. With these measures, Avian Brands strives to make tangible contributions in supporting environmental sustainability and achieving GHG emission reduction targets. [GRI 3-3] [POJK F.12] [TCFD MET.c]



Moreover, we also conduct regular monitoring and evaluation of the emission levels within Avian Brands' plant areas. We designated 2021 as the base year for GHG emissions inventory, using digitized systems that facilitate monitoring and reporting. Throughout the reporting year, Avian Brands has conducted comprehensive measurement of scope 1 GHG emissions, originating from the use of fossil fuels, as well as scope 2 emissions, originating from electricity supplied by the State Electricity Company (Perusahaan Listrik Negara or "PLN"). Thanks to its energy efficiency efforts and initiatives, Avian Brands succeeded in reducing Scope 1&2 GHG emissions by 15.99% compared to the 2021 baseline. Emissions measurement is conducted in accordance with international methods and standards, to ensure accuracy and compliance with applicable regulations, as described below: **[GRI 3-3, 305-1, 305-2]** **[CDSB REQ-04]**



Scope 1 Greenhouse Gas Emissions



$$\Sigma \text{ Emission} = \text{Fuel Consumption (liter)} \times \text{Emission Factor (Kg/Tj)}^2 \times \text{NCV (Tj/liter)}$$

Scope 2 Greenhouse Gas Emissions



$$\Sigma \text{ Emission} = \text{Electricity Consumption (kWh)} \times \text{Emission Factor (kgCO}_2\text{/kWh)}$$

In addition to Scope 1 and 2 GHG emissions efficiency efforts, Avian Brands has also undertaken various efforts to reduce Scope 3 GHG emissions gradually and consistently over the long term. Avian Brands has started mapping the relevance of Scope 3 GHG emission categories in accordance with the GHG Protocol document: Technical Guidance for Calculating Scope 3 Emissions and Carbon Disclosure Project ("CDP") Technical Note. The measured Scope 3 emissions include category 1 (purchased goods and services), category 4 (upstream transportation and distribution), category 9 (downstream transportation and distribution), and category 11 (use of sold products).

Scope 3 GHG emissions efficiency efforts are also made through supplier selection, where Avian Brands has conducted an environmental and social assessment through a questionnaire that covers questions related to sustainability practices. Furthermore, Avian Brands has also conducted on-site audits of key suppliers to collect data on Scope 3 GHG emissions reporting. At the event, Avian Brands also socialized the importance of joint commitment with suppliers in energy efficiency and emission reduction efforts.

Greenhouse Gas Emissions Produced

Emission Source	Unit	2024	2023*	2022*
Scope 1 Greenhouse Gas Emissions [GRI 305-1] [POJK F.11] [SASB RT-CH-110a.1.] [CDSB REQ-05] [TCFD MET.b]				
Direct Emissions from Stationary Combustion	TonCO ₂ e	2,443.56	2,443.65	2,617.82
Direct Emissions from Mobile Combustion	TonCO ₂ e	236.37	274.61	454.56
Total Scope 1 Emissions	TonCO₂e	2,679.93	2,718.26	3,072.38
Indirect Scope 2 Greenhouse Gas Emissions [GRI 305-2] [POJK F.11]				
Indirect Emissions from Consumption of Electricity Purchased from PLN	TonCO ₂ e	8,564.96	8,581.65	8,480.08
Total Scope 2 Emissions	TonCO₂e	8,564.96	8,581.65	8,480.08
Total Scope 1 and Scope 2 Emissions	TonCO₂e	11,244.89	11,299.92	12,899.23
Other Indirect Scope 3 Greenhouse Gas Emissions** [GRI 305-3] [POJK F.11]				
Upstream Transportation and Distribution	TonCO ₂ e	602.99	0	0
Downstream Transportation and Distribution	TonCO ₂ e	8,111.54	0	0
Purchase of Goods and Services	TonCO ₂ e	91,729.84	0	0
Use of Products Sold	TonCO ₂ e	54,342.14	0	0
Total Scope 3 Emissions	TonCO₂e	154,786.52	0	0

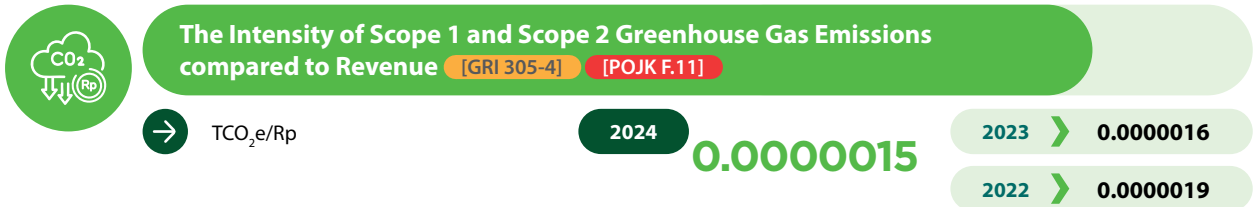
Notes:

* Data restated.

** Scope 3 GHG emission is being measured only for 2024.



* Data restated.



Emissions of Ozone Depleting Substances [GRI 305-6]

The environmental impact of using Ozone Depleting Substances (“ODS”) is highly significant, considering their role in damaging the ozone layer that protects the earth from harmful ultraviolet radiation. The ODS, commonly used in air conditioners, refrigerators, and light fire extinguishers (*alat pemadam api ringan* or “APAR”) cylinders, can react with ozone molecules in the stratosphere, leading to depletion of the ozone layer. This depletion can lead to numerous environmental problems, such as accelerated climate change, degradation of clean water quality, and damage to marine ecosystems.

Avian Brands recognizes the importance of reducing the use of ODS to prevent further negative impacts. Therefore, Avian Brands has implemented various policies to reduce dependence on ozone-depleting materials and switch to more environmentally friendly alternatives. A comprehensive analysis of Avian Brands’ operations in the manufacturing plants and offices has been conducted to identify the use of ODS. Results thereof indicate potential uses of ODS in supporting operational activities at the plant and office sites, i.e. the use of air conditioners and fire extinguishers. In accordance with Avian Brands’ commitment to reducing GHG emissions, including those caused by ODS, Avian Brands have several policies in place, among others:

- 1. Using environmentally-friendly R 410 air conditioners; and
- 2. Using non-CFC and non-Halon light fire extinguishers (APAR).

As for manufacturing activities, our analysis showed that no ODS were generated. These measures reflect Avian Brands’ commitment to environmental protection and to supporting global efforts to maintain the balance of the atmosphere. By continuously adopting cleaner technologies and practices, Avian Brands strives to not only meet, but exceed applicable environmental standards.

Air Emissions of Nitrogen Oxides (NO_x), Sulfur Oxides (SO_x), and Other Significant Air Emissions

Avian Brands’ paint manufacturing process generates conventional gas emissions, such as NO_x, SO_x, and other types of air emissions. To reduce environmental impacts from these emissions, Avian Brands implements strict policies in accordance with the quality standards set by the government. Avian Brands routinely carries out emissions monitoring and reporting, the results of which are used as the basis for continuous improvement in Avian Brands’ emissions management. The results of emission monitoring conducted in 2024 by a KAN-certified laboratory showed that the levels of NO_x and SO_x of Avian Brands have met the established environmental standards. Avian Brands’ commitment to emissions management includes not only meticulous monitoring, but also implementing proactive measures to continuously improve our practices. Through this approach, Avian Brands strives to reduce the impact of conventional emissions and support wider efforts for environmental preservation.



Waste Management and Utilization

The operational activities of Avian Brands generate various types of waste, categorized into solid and liquid waste. These wastes are further classified as hazardous and toxic waste ("Hazardous Waste") and Non-hazardous Waste. Avian Brands is committed to responsibly managing all wastes in order to minimize their adverse environmental impacts, prevent them from harming the health of local communities, contaminating soils and waters, changing air temperature and quality, and contributing to climate change. Avian Brands' waste treatment adheres to the standards set by regulations and licenses, ensuring that all wastes are within the permitted quality thresholds. Avian Brands has reported its waste management data through the PROPER from the Ministry of Environment and Forestry of the Republic of Indonesia and through the Green Industry Certificate (*Sertifikat Industri Hijau* or "SIH") since 2022 from the Ministry of Industry of the Republic of Indonesia. These measures demonstrate the dedication of Avian Brands to effective and responsible waste management, as well as its commitment to protecting the environment and the health of surrounding communities from potential impacts of the waste.

[GRI 3-3, 306-1]

A comprehensive overview of waste generation and its management across Avian Brands' business processes are described as follows:

Identification of Waste Impacts and Management [306-1]

Type of Operational Activities	Type of Waste Generated	Impacts of Waste on the Environment	Management Efforts
Raw Material Storage	- Sludge; - Used Lubricant Oil; - Used Hazardous Waste Packaging; - Rags (<i>Kain Majun</i>); - Used Battery; - Plastic Waste; and - Inorganic and Non-Recyclable Waste.	Soil, water, and air pollution.	- Dispose of waste to Hazardous Waste Temporary Disposal Site (<i>Tempat Pembuangan Sampah</i> or "TPS"); - Using rags/sand; and - Exhaust for indoor air circulation.
Mixing	- Sludge; - Used Lubricant Oil; - Used Hazardous Waste Packaging; - Rags; and - Used Solvents.	Soil, water, and air pollution or odors.	
Grinding	- Sludge; - Used Lubricant Oil; - Used Hazardous Waste Packaging; and - Rags.	Soil, water, and air pollution or odors.	
Filling	- Sludge; - Used Lubricant Oil; - Used Hazardous Waste Packaging; - Rags; and - Used Solvents.	Soil and air pollution or odors.	
Tinting	- Sludge; - Used Lubricant Oil; - Used Hazardous Waste Packaging; and - Rags.	Soil, water, and air pollution or odors.	- Disposing of waste to Hazardous Waste TPS; - Using rags/sand; - Covering the tank during the process; and - Installing ventilator on the roof area of the tinting tank.
Packing	- Sludge; - Used Lubricant Oil; - Used Hazardous Waste Packaging; - Used Battery; and - Rags.	Soil, water, and air pollution or odors.	- Disposing of waste to Hazardous Waste TPS; and - Using rags/sand

Classification of Impacts of Wastes generated

Primary Impact	Secondary Impact
- Global warming potential; - Ozone depletion potential; - Acid rain potential; and - Eutrophication potential.	- Photochemical oxidation; - Abiotic (fossil and non-fossil) decline potential; - Biotic decline potential; - Carcinogenic; - Toxicity; - Water footprint; and - Land use change.

In addition to waste management, Avian Brands implements a reduce, reuse, recycle ("3R") program for returned paint waste, which is generally due to damaged packaging during storage, errors in customer orders, and other factors. The returned paint is sorted according to its condition and recycled into paint products for special purposes. Thus, Avian Brands ensures that no returned paint is wasted. In addition, returned paint is also used as an alternative raw material to produce new paints with specifications that match the type of material required. This approach optimizes the reuse of materials and reduces waste. For Hazardous Waste that cannot be further treated, Avian Brands conducts systematic collection and sorting, then delivers the waste to collectors, transporters, processors, and users who are licensed by the government. As for non-hazardous waste, Avian Brands collects it in each business unit to be handed over to waste collectors in accordance with the regulations of the local Sanitation Agency. Avian Brands also collaborates with third parties in managing waste. Thus, in addition to promoting sustainability, it also provides economic benefits to both the company and its waste management partners.

Moreover, Avian Brands implements the 3R principle to reduce the generation of non-hazardous waste, including:

- Reduce: Repairing wooden pallets so that they can be reused
- Reuse: Processing plastic waste into dustpan (*cikrak*) and used uniforms into rags; and
- Recycle: Using paper crusher to make safety wraps as well as composting and producing fertilizer from organic waste.

In total, Avian Brands managed to reduce the volume of waste generated by 15.95% compared to the previous year. This figure is in line with the 40.68% increase in the reuse of hazardous waste, reflecting Avian Brands' responsibility towards managing the impact of waste on the surrounding environment. [GRI 3-3, 306-2, 306-4] [POJK F.13, F.14]

Information on the amount of waste generated from Avian Brands' operational activities is described below:



Total Generated Waste [GRI 306-3] [POJK F.13] [RT-CH-150a.1.]

Type of Waste	Unit	2024	2023	2022
Hazardous Waste				
Solid	Ton	642.50	806.69	850.81
Liquid	Ton	91.44	80.08	96.15
Total Hazardous Waste	Ton	733.94	886.77	946.96
Non-Hazardous Waste				
Total Non-Hazardous Waste	Ton	166.99	185.07	157.68
Total Generated Waste	Ton	900.93	1,071.84	1,104.64

Total Waste Processed Throughout 2024



Transport and Reuse of Waste and Effluent [GRI 306-4, 306-5]

Avian Brands is committed to managing generated waste through various processes, including transportation and treatment. The total hazardous waste that is handed over to third parties for transport, and waste that is treated and reused by Avian Brands, is described as follows:

Type of Waste	Unit	2024	2023	2022
Hazardous Waste Handed Over to Third Parties	Ton	733.94	886.77	946.96
Reuse of Hazardous Waste				
Industrial Waste Water	Ton	2,650.14	1,820.24	2,482.98
Washing Solvent	Ton	151.19	166.27	180.87
Sludge	Ton	80.95	62.29	84.76
Total Reuse of Hazardous Waste	Ton	2,882.28	2,048.79	2,748.61

Type of Waste	Unit	2024	2023	2022
Reuse of Effluent				
Cleaning Water				
Water-Based Paint	Liter	382,243	376,188	370,466
Water-Based Resin	Liter	260,644	275,536	252,069
Total Reuse of Effluent	Liter	642,887	651,724	622,535



Spill Incident

The risk of spills of chemicals, oil, fuel and other hazardous substances may threaten the quality of soil, water, air, as well as human health and biodiversity. In dealing with this risk, Avian Brands implements strict controls and procedures for the effective management of high-risk materials. The results of these efforts have been overwhelmingly positive, with Avian Brands successfully avoiding any spill incidents involving chemicals, oil, fuel or other hazardous substances in 2024. This success shows that there are no significant adverse impacts related to spills from the operational activities of Avian Brands. The precautionary measures we employ, along with meticulous monitoring and handling, ensure that Avian Brands can protect the surrounding environment from potential damage caused by spills, while protecting public health and safety.

[GRI 306-3]

[POJK F.15]

Biodiversity

Environmental Protection Program through Planting Trees

Avian Brands is committed to contributing to environmental protection, through tree planting activities on the slopes of Mount Arjuno and reforestation programs in areas around the plants. By the end of 2024, the number of trees planted in the plant areas has accumulatively reached 166 species with a total of 5,794 trees, with potential carbon sequestration of 817.38 TonCO₂e. Avian Brands also targets to plant 5,000 trees each year on the slopes of Mount Arjuno, involving third parties and local farmer organizations. In this regard, Avian Brands has planted 5,000 trees on the slopes of Mount Arjuno in 2024, consisting of 3,500 Acacia Kurmis (Acacia Auriculiformis), 1. 000 Trembesi trees (Samanea Saman), and 500 Banyan trees (Ficus Benyamina) with potential carbon sequestration of 3,252.55 TonCO₂e. The tree planting program has been implemented since 2022, resulting in a total of 15,000 trees planted up until this reporting year, successfully sequestering carbon of 4.017,65 TonCO₂e. Starting in 2024, Avian Brands also expanded the tree planting areas in the plant and distribution area (TKTW) with a target of planting 169 trees. The target has an estimated total carbon sequestration of 359.33 TonCO₂e. Additionally, Avian Brands, in collaboration with the communities around the area, continues to monitor the growth of the trees that have been planted. Avian Brands undertakes replanting of trees that have failed to grow due to several factors, such as climate change as well as other environmental and natural conditions that potentially inhibit growth. Tree planting initiatives are designed to not only absorb carbon emissions, but also positively contribute



to the environment. Acacia Kurmis and Trembesi trees were selected for their ability to sequester CO₂ as well as resistance to soil conditions in slope areas, which directly helps improve soil stability and prevents erosion. Information on the total accumulated trees planted by Avian Brands and their carbon sequestration value in the last 3 years is described as follows:

[GRI 3-3, 305-5] [POJK F.10, F12]

Description	Unit	2024	2023	2022
Mount Arjuno				
Total Trees Planted	Trees	15,000	10,000	5,000
Type of Trees Planted	Type	3	2	2
Carbon Sequestration Value	KgCO ₂ e	4,017,645	765,100	520,100
	TonCO ₂ e	4,017.65	765.10	520.10
AVIA + TKTW Environments				
Total Trees Planted	Trees	5,794	4,880	1,797
Type of Trees Planted	Type	166	92	67
Carbon Sequestration Value	KgCO ₂ e	817,383	435,887	421,237
	TonCO ₂ e	817.38	435.88	421.24

Notes:

Data is accumulated from year to year.

We also ensure that Avian Brands' operational areas are not located nearby protected areas, conservation areas, or areas with high biodiversity value, to avoid negative impacts on these ecosystems. With these efforts, we are committed to protecting and improving biodiversity and supporting environmental sustainability. [POJK F.9]

Environmental Management Costs

As part of Avian Brands' commitment to preserve the environment, we regularly allocate specific budgets to support various environmental management activities. This budget is designed to ensure the successful implementation of environmental programs, including waste management, emissions monitoring, and conservation initiatives. To improve cost efficiency and effectiveness, Avian Brands actively seeks opportunities to work with third parties specialized in environmental management. This collaboration not only helps reduce operational costs, but also allows Avian Brands to benefit from the technology and best practices of an experienced partner. With this strategy, Avian Brands seeks to reduce environmental management costs as much as possible, while remaining compliant with applicable standards and regulations, as well as supporting sustainable environmental protection efforts. Information on the costs incurred by Avian Brands is described as follows: [POJK F.4]



Complaints on Environmental Issues [GRI 2-25] [POJK F.16]

We provide access for all stakeholders who feel disadvantaged due to environmental issues caused by Avian Brands' operational activities so that they are able to submit their complaints through monthly meetings organized by Avian Brands with local village officials. Any incoming report of complaint will be processed and followed up properly and professionally. If necessary, Avian Brands will hold further face-to-face forums with the relevant parties, to further determine what steps will be taken to resolve the existing problems.

Over the past 3 years, Avian Brands has not received any material and significant complaints related to environmental issues.

[GRI 2-16]

Environmental Compliance

We consistently ensure that all operational activities of Avian Brands comply with prevailing environmental laws and regulations in the Republic of Indonesia. This compliance is manifested through intensive management and monitoring, with a focus on improving environmental performance, including aspects of water quality, air quality, and hazardous waste management. Avian Brands has fulfilled 100% of the applicable requirements in these aspects. Avian Brands' environmental programs have been well implemented, allowing Avian Brands to maintain positive results in PROPER assessment with a Green rating. The PROPER assessment also listed Avian Brands as a Gold Candidate, indicating that Avian Brands has exceeded standards of compliance in environmental management.







Sustainable Product Responsibility



“Avian Brands is committed to providing safe, quality, and environmentally friendly products, by adhering to national and international standards and certifications.

This sustainable product management strategy includes the improvement of competitive and cost-efficient product quality, as well as the improvement of services through timely delivery and fulfillment of customers’ needs. Furthermore, systematic evaluations are conducted to assess the effectiveness of sustainability practices, ensuring products not only meet quality standards, but also support global sustainability goals while maintaining competitive edge in the market.”

Avian Brands Achievements [GRI 3-3]



Launch of 15 new products in 2024.



82.17% of Avian Brands' paint products are water-based.



A 17.24% increase in the number of Singapore Green Label products, or 34 products.



Sales volume of Singapore Green Label-certified products amounting to 54,798 tons or 31.9% of the total paint sales volume in the architectural solutions operating segment.



Improved customer satisfaction survey in the second half of 2024, with the score increasing to 3.41 on a 4.00 scale.

Sustainable Product Management Strategy

Avian Brands remains highly committed to providing safe, high-quality products and services that are also environmentally friendly. Avian Brands upholds the principles of sustainable product responsibility by ensuring that every manufactured product meets national and international standards and certifications. This commitment is manifested through continuous improvement in product quality that is competitive, environmentally friendly, and manufactured in a cost-efficient manner. With this approach, we ensure that Avian Brands' products not only meet customer expectations in terms of quality, but also support global sustainability goals. [GRI 3-3]

In addition, Avian Brands constantly strives to improve service quality by making timely product deliveries, fulfilling customer demands, and providing added value through more responsive and proactive services. These measures aim to maintain customer satisfaction, strengthen Avian Brands' competitive edge in the market, and expand market share by promoting sustainability-oriented products. With consistent evaluation and improvement, Avian Brands is committed to continuously providing the very best solutions for customers, who are increasingly aware of the value of environmental sustainability. More detailed information related to the sustainable product management strategy adopted by Avian Brands in 2024 is described as follows: [GRI 3-3]

Sustainable Product Management Strategy



1 >

Improving quality, competitive, and environmentally friendly products with efficient production costs.



2 >

Improving service quality, ensuring timely product delivery, meeting customer demands, and providing added value for customers.



3 >

Providing socialization of information related to the safety and security of product applications.

Avian Brands also conducts systematic evaluations to assess effectiveness of the implemented sustainability practices, ranging from the selection of environmentally friendly raw materials to energy-efficient manufacturing processes with low carbon foot print. Moreover, Avian Brands closely monitors its use of resources and efforts to minimize environmental impact through the reduction of production emissions and waste. Avian Brands also analyzes customer feedback to ensure that in addition to meeting quality standards, its products also constantly improve customer satisfaction in terms of sustainability. This evaluation enables Avian Brands to identify new innovation opportunities that can be implemented to improve product and service performance. Therefore, Avian Brands' sustainability product management strategy remains dynamic, adapting to evolving market trends and environmental regulations that allow us to continuously meet the needs of our customers and strengthen Avian Brands' position as an industry leader with a focus on sustainability. [GRI 3-3]

This evaluation-based approach also serves to ensure that Avian Brands remains consistent in practicing the principles of environmental responsibility, while still maintaining cost efficiency and increasing added value for customers.

Commitment to Providing Equal Products and Services [POJK F.17]

In an effort to provide equal products and services, we have established mechanisms and procedures to ensure that every segment of the society has equal access to Avian Brands' products and services, both through affordable price offerings as well as high-quality premium products. To ensure the quality and sustainability of Avian Brands' products, we implement nationally and internationally recognized standards. Some of Avian Brands' products have obtained GLS, SNI, and TKDN certifications. These certifications ensure that Avian Brands' product offerings comply with applicable regulations and meet high expectations in terms of quality and environmental friendliness. With this approach, Avian Brands strives to continuously deliver fair and equitable benefits to all our customers, while constantly raising our standards to meet the needs and expectations of the market.



Health and Safety of Products and Services

[GRI 3-3, 416-1] [POJK F.27] [SASB RT-CH-410b.1.]

Health and safety of Avian Brands' products and services is always number one priority. By implementing product stewardship, Avian Brands ensures that every product manufactured by the Company fulfills quality and safety standards. As part of this endeavor, we are constantly innovating by transforming Avian Brands' paint product portfolio to be more environmentally friendly. We also launched several new water-based products as alternative to solvent-based products. Currently, about 82.17% of Avian Brands' products are water-based, which includes all manufactured paint products with the exception of instant cement (mortar). In addition, Avian Brands successfully achieves 56.30% in the use of renewable raw materials compared to the total raw materials. To reduce the risk of exposure to heavy metals, Avian Brands have also ensured that all water-based products manufactured do not contain any heavy metals. This is aligned with Avian Brands' commitment to reduce environmental impact and increase product value for customers.

In the manufacturing process, Avian Brands has implemented an integrated system that encompasses all stages, from the availability of raw materials to the final quality control. Avian Brands ensures that every aspect of the manufacturing process has been optimized to maintain cost efficiency while ensuring consistent product quality. Product quality and safety control starts at the development phase by the Research, Development & Innovation ("RDI") Laboratory, where Avian Brands determines product characteristics, selection of raw materials, and optimization of appropriate manufacturing processes. In this process, the purchasing department first conducts an in-depth evaluation of the supplier's profile, including an assessment of the energy management system at the supplier's manufacturing locations, as well as an analysis of transportation costs to ensure optimal pricing and delivery of materials. In any purchase of raw materials and packaging materials, the quality of the material received will be corroborated with the applicable requirements, including by requiring Material Safety Data Sheet ("MSDS"), Certificate of Analysis ("CoA"), and Technical Data Sheet ("TDS") for every type of supplied material. In addition, a thorough review of material specifications is conducted to ensure that the materials used are both safe and environmentally friendly.

With this approach, we are able to continuously manufacture high-quality products that also contribute to environmental sustainability, in line with Avian Brands sustainability values. As of the end of 2024, 34 of Avian Brands paint products are certified with the Singapore Green Label, a manifestation of our responsibilities for products that are low in Volatile Organic Compound ("VOC"), and free of Alkylphenol Ethoxylates ("APEO") and heavy metal contents. We also regularly evaluate these 34 products. Through this evaluation process, we reassess all aspects of product safety, from raw materials to methods of use, to ensure that Avian Brands' products are not only safe to use, but also meet customer expectations and applicable regulatory standards. This step is part of our ongoing efforts to maintain product quality and safety, while strengthening customer trust in Avian Brands.

As part of our safety and sustainability commitment, we have also implemented the Global Harmonized System ("GHS") for the classification and labeling of chemicals in all Avian Brands' products. The implementation of GHS gives a consistent standard for identifying and communicating potential chemical-related hazards to both employees and customers. Under the GHS, each product is provided with clear and easily understandable labels and safety signage, ensuring that everyone who interacts with Avian Brands' products possesses the necessary information to handle and use the products safely as indicated on each product's primary packaging. In addition, every customer can also access the MSDS on Avian Brands website as well as on the product labeling on each package.



Impact of Products and Services [POJK F.28]

We are fully aware that some of Avian Brands products might have health-affecting side effects, during the application process or when the products are used indoors. In response, Avian Brands consistently strives to meet its customers' needs for safe products that provide added value in terms of health and environmental preservation. Through the RDI Division, we are committed to maintaining product quality, promoting innovations, as well as considering and mitigating potential impacts that may arise from Avian Brands' products and services. We ensure that all products marketed are 100% compliant with applicable regulations, both in terms of quality as well as safety and security. This is to ensure that Avian Brands' products are favourably received by all relevant parties, including customers and the government. Compliance with existing regulations not only guarantees product quality and safety, but also provides confidence and comfort for customers while ensuring that Avian Brands' products meet the standards set by the authorities.

Distribution and transportation aspects are also among our concerns in mitigating the environmental impacts of Avian Brands products and services. In this regard, the TKDN certification obtained by Avian Brands' products also contributes to the reduction of carbon emissions (CO₂) in the transportation sector. By prioritizing the use of domestic materials, Avian Brands directly reduces the distance of material distribution, which is typically longer if imported from abroad. Not only does it support operational efficiency, but it also helps reduce carbon emissions arising from the logistics process. As of the end of 2024, 36 of Avian Brands' products are TKDN-certified.

These measures not only aim to minimize the adverse health and environmental impacts of Avian Brands' products, but also reflect our commitment to promoting sustainable practices in all aspects of Avian Brands' operations.

Labeling and Information of Products and Services

Avian Brands understands the importance of providing customers with accurate and transparent information about the products they purchase. Customers have the right to understand various information, including product specifications, advantages, application techniques, and waste disposal. To that end, we consistently provide clear, complete and easily understandable information on all of Avian Brands' product packaging. This allows customers to use the products correctly and safely, thereby ensuring optimal results and reducing the risk of adverse health and environmental impacts. Additionally, we also adjust Avian Brands product labeling to ensure that each product reaches the right market segments, so that customers' needs and expectations can be fulfilled optimally. [GRI 3-3]



In addition to product packaging, customers can also obtain comprehensive information about Avian Brands' products through the following social media platforms:



Avian Brands implements each product labeling with the utmost responsibility, in compliance with applicable laws and regulations. Avian Brands consistently complies with the Government Regulation of the Republic of Indonesia No. 29 of 2021 on the Organization of the Trade Sector and Minister of Trade Regulation of the Republic of Indonesia No. 25 of 2021 on the Stipulation of Goods Required to Use or Provide Labels in Indonesian Language. Implementation of this regulation ensures that every product manufactured by Avian Brands comes with a label that provides clear, accurate, and easily understandable information for customers. Our labeling includes key information such as product specifications, how to use, product advantages, and waste disposal instructions. Our commitment to labeling in accordance with the regulations is part of Avian Brands' efforts to promote fair and responsible trade practices, while providing the best protection for our customers. [GRI 417-1]

In line with the foregoing, we also implement fair and responsible marketing practices. We uphold the principles of clarity, accuracy and honesty in every piece of information that Avian Brands conveys to customers. We refrain from exaggerated promotional strategies or covering up product flaws with the aim of profiting from customers' lack of information. In general, Avian Brands' marketing approach includes 2 main strategies. First, Avian Brands implements marketing based on loyalty programs, also known as the below-the-line marketing ("BTL"), focusing on direct and personal interactions with customers to build strong and sustainable relationships. Second, Avian Brands employs mass-media marketing, also known as the above-the-line marketing ("ATL"), which leverages advertising across various media platforms to reach a wider audience and increase Avian Brands' brand visibility. We also collaborate with public figures of Key Opinion Leaders ("KOLs") and influencers to strengthen brand image and expand market reach.

Avian Brands' consistent efforts in responsible delivery of product information, marketing and promotion have yielded positive results. During the reporting year, there were no reports or complaints related to non-compliance in product information and marketing communications, including promotional and sponsorship activities we conducted. We remain committed to maintaining standards in Avian Brands' marketing practices to ensure that all communications and promotions are conducted with transparency and honesty. This success reflects Avian Brands' dedication to fulfilling obligations to customers and stakeholders, as well as upholding ethical principles applicable in the industry. [GRI 417-2, 417-3]



Product Innovation and Development [POJK F.26]

As the leading paint manufacturer, Avian Brands is determined to keep innovating to respond to social and environmental challenges by delivering high-quality products that meet the market's needs. Avian Brands' RDI division is key to this effort, focusing on optimizing formulas and manufacturing processes to improve the efficiency of the use of materials and packaging.

Avian Brands prioritizes efficiency in the manufacturing process, by utilizing technology that can reduce unnecessary use of resources, optimize every stage of production, and minimize environmental impact. Therefore, Avian Brands has been gradually switching from fossil-based energy to more environmentally friendly energy sources, such as the use of electric forklifts and solar panels. In addition, optimization of the manufacturing process from upstream to downstream and automation of production machines are also continuously carried out so that in 2024, we managed to increase the efficiency of energy use in both plants of Avian Brands by 5.00%. We are also actively replacing packaging materials from multi-material to mono-material so that they can be recycled.

Avian Brands' innovation is not only limited to manufacturing process efficiency, but also includes the development of more environmentally friendly products. Avian Brands has continuously shifted from petrochemical-based products to more environmentally friendly alternatives, such as water-based paints and bio-based products as well as bio-mass balance products. Avian Brands' water-based paint technology can reduce the use of VOC materials, thereby minimizing adverse impacts on public health, particularly when applied indoors. With these measures, Avian Brands commits to environmental sustainability and customer safety, in addition to improving product quality and performance.



Thanks to the dedication of the RDI Division, Avian Brands successfully launched 15 new products in 2024, all of which have met quality and sustainability standards. The following are the products successfully developed and launched by Avian Brands in 2024:



Avian Cling Water Based

- Anti-rust Without Primer
- Non-yellowing
- Long-lasting Gloss



Boyo Politur Spray

- Maximum Penetration into Wood Fiber
- For Exterior and Interior
- Quick Drying



No Drop Tile Grout

- Acid Fluid Resistant
- Waterproof
- Not Easily Cracked



No Drop Dempul Instan

- Flexible
- Seals Cracks
- Water Repellent



No Drop Serat Fiber

- Waterproof
- Elastic
- Seals Cracks



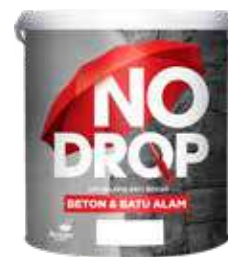
GM 385 Perakat Bata Ringan Ekonomis

- Economical
- Strong Adhesion
- Quicker Application



Pro-X 208

- Easy Mixing
- Easy Application
- Long lasting



No Drop Beton & Batu Alam

- Water Repellent
- Nano Particle
- Lotus Leaf Effect



Avian Non-Sag Epoxy Hemat

- Strong Adhesion
- Not Easily Dripping
- No Pungent Odor



Supersilk Semi Kilap

- Luxurious Gloss
- Anti-bacterial
- Easy to Clean with Water



No Drop Kolam Ikan

- Leakproof
- Non-toxic
- Aquatic Ecosystem



GM 265 Acian Abu-abu Ekonomis

- Strong Adhesion
- Perfectly Seal Hair Cracks
- No Plaster



GM 275 Acian Putih Ekonomis

- Strong Adhesion
- Perfectly Seal Hair Cracks
- No Plaster



Supersilk Basic

- Super Cover Technology
- Good Touch Up
- Ultra Matt look



Avian Cat Lapangan

- Anti-slip
- Friction Resistant
- For Exterior and Interior

Green Label Certificate

To improve the implementation of sustainability practices, we have taken a significant step by registering Avian Brands' products for Green Label certificates from Singapore Green Label. The Green Label certification process is carried out through a strict assessment of various aspects, from environmentally friendly requirements for end users to consideration of the entire product life cycle by means of life cycle analysis. Each stage, from the selection of raw materials, efficient manufacturing processes with minimal waste, to labeling, is rigorously evaluated to ensure the environmental friendliness of Avian Brands' products. This is part of our strategy to ensure that Avian Brands' products are not only safe for our customers, but also carry low environmental impacts. Some other advantages of obtaining the *Green Label* certificate include the following:

1. Widespread Recognition

The Singapore Green Label certification is widely recognized by various parties, thus indicating that each Avian Brands product certified with the Singapore Green Label has met strict environmental standards and strengthens Avian Brands' reputation in the market.

2. Guaranteed Credibility

Singapore Green Label-certified products carry strong credibility thanks to accreditation from the Global Ecolabelling Network ("GEN") through the Global Ecolabelling Network International Coordinated Ecolabelling System ("GENICES"). This certification adheres to ISO 14024 and ISO 17065 standards, and emphasizes life cycle-based assessments verified by third parties. This ensures that Avian Brands' products are environmentally friendly, transparent and free from potential "green-washing."

3. New Market Opportunities

With the Singapore Green Label certification, Avian Brands' products are more likely to obtain similar recognition and certification in other GEN member countries. This opens up new opportunities for us to market Avian Brands products internationally in the future, thus expanding market reach and increasing product recognition.

4. Competitive Edge

Customers are increasingly mindful of environmental issues and the impact of their purchases. Obtaining Green Label Singapore certification gives Avian Brands a competitive edge by allowing us to market our products to sustainability-conscious customers. The certification also helps elevate Avian Brands image and gives it an edge over competitors who have yet to adopt sustainable business practices.

5. Reduced Environmental Impact

By purchasing Avian Brands products certified with the Singapore *Green Label*, customers help reduce the environmental impact of the manufacturing process. This certification adopts a product lifecycle approach that considers the environmental impact of all stages of production, from raw materials to packaging, which brings greater benefits to environmental sustainability.

6. Cost Savings and Efficiency

The Singapore *Green Label* certification process also helps improve efficiency in the manufacturing process by eliminating inefficient practices. This translates into cost savings in energy and water usage, and enables Avian Brands to produce goods in a more sustainable and environmentally friendly manner.



Moreover, we are committed to gradually ensuring that our entire product portfolio will comply with other environmental standards in the future, such as Low VOC, APEO Free, and Heavy Metal Free. As of the end of 2024, 34 of Avian Brands products have obtained the Singapore Green Label certification, which also adds to the list of certified environmentally friendly products owned by Avian Brands.

Revenue from Sustainable Products [SASB RT-CH-410a.1.]

Avian Brands' continuous innovation in creating environmentally friendly products has positively impacted on its revenue generation. In 2024, Avian Brands successfully recorded sales volume of Green Label-certified products of 54,798 tons or 31.9% of total paint sales volume in the architectural solutions operating segment. This figure increased compared to the previous year by 21,600 tons or 13.18%. Of these achievements, the proportion of value of revenue generated from Green Label-certified products reached 22.59% of the total value of paint sales in the same segment. This figure suggests an increase compared to the previous year, where the value of revenue from Green Label-certified products was recorded at 11.43%. This accomplishment is reflective of Avian Brands successful strategy in introducing and marketing high-quality products that comply with strict environmental standards.

Sustainable Production Process

Aside from innovation in environmentally friendly products, Avian Brands' sustainability strategy also involves continuous development of sustainable and responsible production processes. Avian Brands has implemented an integrated vertical supply chain system to ensure the use of high-quality raw materials that comply with environmental and social standards. All of Avian Brands' raw material suppliers have passed assessments on sustainability aspects, including resource efficiency, environmentally friendly practices, and adherence to fair and ethical social principles. With this approach, Avian Brands can control the quality and sustainability of every stage of production, from the selection of raw materials to the final product that reaches customers.

In addition to maintaining sustainability standards in the supply chain, Avian Brands also offers a range of products that cater to a wide spectrum of social segments. Products of Avian Brands are available in various price categories, allowing more people to access high-quality products at competitive prices. Avian Brands also ensures that these products can be used by various age group from children to adults, while considering the aspects of safety, health, and convenience of using the products.

Beyond delivering on aesthetic and functional needs, Avian Brands continues to innovate in developing products that provide additional benefits to health and the environment. Avian Brands offers products with special protective technologies, such as paints that are safe for kids, reduce emissions of harmful substances, and promote healthier indoor air quality. In addition, Avian Brands also develops products that contribute to sustainability efforts, such as more environmentally friendly formulations, efficient use of raw materials, and recyclable packaging or packaging made from sustainable materials.

By focusing on sustainable innovation, Avian Brands strives to deliver solutions that not only support environmental sustainability, but also provide long-term benefits to customers. Avian Brands believes that sustainability is not just an option, but a requirement in creating responsible, high-quality products that positively impact our future.



Flagship Product in Sustainability

1



No Drop Kolam Ikan

No Drop Kolam Ikan is a ready-to-use, single-component fishpond paint with no cement mixture. It is the first fishpond paint in Indonesia certified with Singapore Green Label. This product offers the perfect solution for leaking and seeping ponds, without the risk of harming the fish.

Specifically formulated for aquatic ecosystems, No Drop Kolam Ikan is non-toxic. It is ideal for use as a waterproof coating for koi ponds, goldfish ponds, and so on, enhancing pond aesthetics with vibrant color, providing leakproof protection, weather resistance, and free of toxic materials.

2



Avian Cling Waterbased

Avian Cling Waterbased is an environmentally friendly, high-quality synthetic paint that uses water as thinner. With its primary component of high-quality modified acrylic resin, it delivers glossy finish that is non-yellowing, odorless, and environmentally friendly. This paint features anti-rust protection without requiring a primer, allowing Direct to Metal (DTM) application. It also offers multi-substrate versatility, suitable for applications on metal, wood, and even walls. Additionally, its water-based formula offers quick-drying property.

This innovation of Avian Cling Waterbased product is also part of Avian Brands commitment to reduce solvent-based products that are unsafe for users.

3



Avitex Wizz

Avitex Wizz is a wall paint with a formulation that is 2 times thicker, can be diluted up to 40% for greater cost efficiency, and has the best coverage in its class, even after 40% dilution.

It offers fast-drying properties and comes with a three-year protection guarantee, ensuring optimal coverage and effectively covering imperfections on interior walls. Available in a wide range of vibrant, fade-resistant colors, Avitex Wizz is the ideal choice for interior walls, ceilings, boards, gypsum, and more. Avitex Wizz is also certified with Singapore Green Label as an environmentally friendly product.

4



No Drop Anti Panas

No Drop Anti Panas is a highly powerful waterproofing. It can reduce the room temperature up to 7° C due to its *UV Shield technology*, with its waterproof technology protecting the walls from dampness. It is elastic, anti-mold, and mildew, and protects against rust, while providing up to 10 years of surface protection.

No Drop Anti Panas is ideal for applications on concrete deck (strong protection), exterior/interior walls, roof tiles, galvalume roofs, zinc roofs, factory/warehouse metal roofs, GRC, asbestos, PVC, and rain gutters.



Number of Recalled Products [POJK F.29]

In 2024, all of Avian Brands' products were well absorbed in the market and there were no product recalls related to products' nonconformities or other reasons.

Customer Satisfaction [POJK F.30]

Avian Brands periodically conducts customer satisfaction surveys every six months in order to understand and meet current customer expectations. This survey is designed to measure satisfaction levels as well as to explore customer preferences, allowing us to tailor Avian Brands' products and services to meet the evolving needs of our customers. In the customer satisfaction survey conducted in the first semester of 2024, Avian Brands achieved a score of 3.41 out of a 4.00 scale. This indicates that Avian Brands' performance in meeting customer expectations was in the good category. However, Avian Brands didn't stop there. Determined to constantly raise quality, Avian Brands made improvements based on the feedback received. These efforts paid off in the survey in the second semester of 2024, with our score increasing to 3,41 on a scale of 4.00, solidifying Avian Brands' position in the good category.

More than just numbers, the survey results reflect customers' trust in Avian Brands' products and services. This trust motivates us to continuously innovate, ensuring that every aspect of Avian Brands' products and services meet and even exceed customer expectations. We believe that by maintaining a focus on continuous improvement, Avian Brands is able to keep strengthening relationships with customers and improving overall customer satisfaction levels.



Information Security and Protection

Information security remains one of the main foundations of Avian Brands' business sustainability that we prioritize at all times. We recognize that maintaining and enhancing this trust requires consistent and targeted efforts. One of the strategic steps Avian Brands has taken is to ensure the confidentiality and security of company information, including employee data, internal policy documents, and product formulations. Avian Brands is fully committed to protecting such information from unwanted disclosure or even loss that could adversely affect the company.

Avian Brands has an Information Security Management System Policy in place, which has been communicated to all levels of management and ensures that all employees are able to implement the policy. Avian Brands' data and information management prioritizes the principle of prudence, and has also been internationally recognized through the ISO/IEC 27001: 2013 certification concerning Information Security Management Systems. This standard underpins every aspect of information security management in Avian Brands, ensuring that all the internal documents and data we manage always remain in a safe and secure environment. [GRI 3-3]

As a tangible manifestation of Avian Brands' commitment in maintaining information security, we always ensures

that each internal data of the company is managed with maximum security. Every data collection and management is carried out under strict controls to ensure that the data is not misused or accessed by unauthorized parties. In addition, Avian Brands also constantly verifies the reliability of the Information Technology ("IT") management that we implement. Avian Brands applies strict access control management, including standardization of data encryption, annual review of user access, and management of super user access rights to ensure that only authorized parties can access sensitive information of the company. Audits of IT management are also conducted annually to evaluate and ensure the effectiveness of existing information security controls. [GRI 3-3]

The results of this steadfast commitment are evident from the positive record during the reporting year, with no complaints regarding confidentiality of internal information, leakage, theft, or loss of company's internal data or data related to the employees. Furthermore, Avian Brands has not received any complaints from regulators or other external parties regarding breach or misuse of the company's information. This is a testament to Avian Brands' ability to maintain the confidentiality of internal data, as well as cementing the company's reputation as a responsible and reliable entity in terms of information security.

Complaints of Customer Issues [GRI 2-25]

Avian Brands provides an easily accessible platform for customers to lodge any complaints related to products and services, through Avian Brands official website at www.avianbrands.com under the Customer Care menu. Avian Brands recognizes that customer feedback is an integral part of the improvement and development process, hence we facilitate complaints relating to various aspects, from delivery to product quality and packaging.

All complaints received will be professionally managed by Avian Brands' Quality Assurance team. We are committed to handling each report quickly and effectively, ensuring that every issue receives proper attention. Avian Brands website allows customers to submit complaints in writing, and it also gives them the option to submit photos as part of their submission, thereby facilitating the communication

and troubleshooting process. Through this system, we encourage two-way communication between customers and Avian Brands, allowing us to not only listen, but also better understand any complaints lodged. Through these measures, Avian Brands aims to improve customer experience and ensure efficient and effective treatment of any issues.

During the last 3 years, Avian Brands has not received any material and significant complaints from customers regarding the products and/or services provided. [GRI 2-16]







Maintaining the Growth of Avian Brands Personnel



“We value our employees as the main pillar in achieving Avian Brands’ goals and sustainability. With this in mind, Avian Brands is committed to creating a safe and healthy work environment that supports employees’ professional growth and development. Therefore, Avian Brands actively implements various programs aimed at maximizing individual potential, promoting skill development, and improving overall performance. With this approach, Avian Brands looks forward to encouraging mutual progress, strengthening business foundations, and ensuring the opportunity for every employee to thrive in a supportive and productive work environment.”

Avian Brands Achievements [GRI 3-3]



The involvement of female employees at the Manager and Deputy Director levels reaching 40 out of a total of 274 employees.



Realizing various competence development programs with total hours reaching 144,528.75 hours or 15.51 hours per employee.



Organizing 57 trainings on sustainability with a total of 5,413 hours and 2,697 participants.



No human rights violations occurring within Avian Brands environment.



Management of Avian Brands employees based on the principles of gender equality, inclusiveness and fair opportunities for all.



A decrease of 27.31% in the 2024 *Total Recordable Injury Rate* ("TRIR") compared to the previous year.



100.00% of the employees of Avian Brands and its Subsidiaries have received MCU, including contract and outsourced employees.

Strategy in Maintaining the Growth of Avian Brands' Personnel

We recognize Human Resources ("HR") as part of Avian Brands' strength and foundation to survive and thrive in an increasingly competitive and dynamic paint industry. Both permanent and outsourced employees are valuable assets with vital roles in promoting innovation and maintaining Avian Brands' position as a market leader. Therefore, Avian Brands views employee development as a key strategic priority that cannot be overlooked. Avian Brands continues to proactively improve our employee development and training programs in line with the latest industry needs and trends. Each employee is encouraged to continuously upgrade their skills and knowledge, in order to adapt to the emerging changes and challenges. This commitment is also reflected in Avian Brands' efforts to ensure that every employee enjoys their rights fairly and equally, without discrimination of any kind. Avian Brands upholds the principle of fairness in every aspect of HR management, by ensuring that every employee is treated with respect in accordance with applicable laws and regulations and best practices in similar industries. [GRI 3-3]

Additionally, Avian Brands also places great importance on creating a proper, safe and healthy working environment for every employee. Through implementing a comprehensive Occupational Health and Safety Management System, the sAvian Brands ensure that every individual is working in a condition that promotes their well-being, allowing them to contribute their best to Avian Brands. We believe that Avian Brands' long-term success depends on our employees' welfare and growth. Therefore, Avian Brands continuously invests in cultivating a conducive environment for employees' professional and personal growth. With this approach, we believe that Avian Brands will be able to maintain its competitive advantage and continue to grow and innovate in the future. [GRI 3-3]

Avian Brands regularly conduct comprehensive evaluations to ensure the effectiveness and relevance of all employee management programs. These evaluations aim to ensure that each program runs in accordance with the established targets and objectives, and in line with industry best practices. These regular evaluation processes allow Avian Brands to identify potential gaps in program implementation and take necessary corrective measures. Beyond reviewing achievements, these evaluations

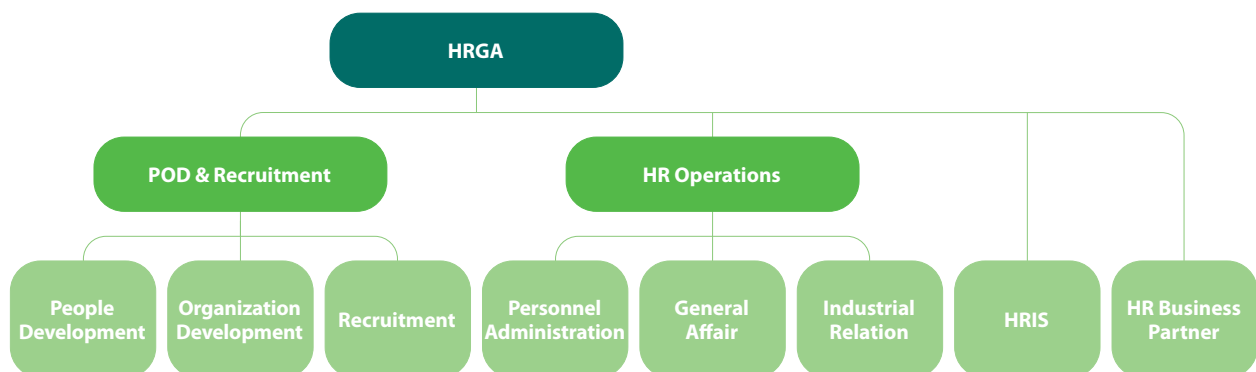
also enable Avian Brands to constantly innovate in employee management to ensure that each policy and program remains relevant to the latest industry updates. Thus, we are able to continuously optimize employee performance, strengthen Avian Brands' competitive advantage, and ensure that all employee management programs fully support the achievement of long-term strategic goals. [GRI 3-3]

Human Resources Management

HR is a critical factor in promoting Avian Brands' growth and success. As a company that keeps innovating in producing outstanding products, Avian Brands needs human resources with deep knowledge and expertise in product mastery, manufacturing processes, and innovation development. Employees with these competences allow Avian Brands to keep delivering quality products capable of meeting and exceeding public expectations. In addition to the focus on product innovation, the employees also serve as the frontline in providing meaningful services to customers. They are the face of Avian Brands in the eyes of customers, and play a vital role in shaping the company's image as a paint manufacturer that offers exceptional customer service in addition to high quality product variants. In this role, employees are pivotal in maintaining Avian Brands' position as a reliable and preferred option in the market. [GRI 3-3]

Deep understanding of the critical role of HR serves as a foundation for Avian Brands in managing its HR with professional, effective, and accurate strategies. Avian Brands is committed to continuously developing each employee's abilities and potential, enabling them to achieve excellence, competence and integrity. To achieve this goal, in addition to technical training, Avian Brands also focuses on developing the soft skills that are key to building a solid and adaptive team. The training and development programs developed by Avian Brands are aimed at improving employee competence in various aspects, from leadership, communication, to teamwork skills. With this growth-oriented HR management, Avian Brands believes that it will remain competitive in the industry, maintain public confidence and loyalty, and achieve predetermined long-term strategic goals. [GRI 3-3]

In managing our employees, Avian Brands has established Human Resource and General Affair ("HRGA") units, specifically units in charge of People Development, Organization Development, Recruitment, Personnel Administration, General Affair, Industrial Relation, Human Resource Information System ("HRIS"), and Human Resource Business Partner as the responsible organs. We continuously ensure that every employee responsible for managing Avian Brands' HR possesses the relevant skills and expertise, by conducting competence certifications of Certified Human Resource Manager ("CHRM") and Assessment Center Assessor Certification ("ACAC"). More detailed information about Avian Brands' HR management structure is described as follows: [GRI 3-3]



Diversity and Equality [POJK F.18]

Avian Brands embraces diversity and equality as its core values. We respect and promote diversity among individuals in various aspects, including gender, class, color, ethnicity, religion, race, social status, political views, and so on. For Avian Brands, diversity is not just a concept, but a valuable asset that enriches dynamics and creativity in the work environment. In realizing this diversity and equality commitment, Avian Brands constantly strives to improve HR management quality to create an inclusive and supportive work environment, in which every employee is treated fairly and equally. This is in line with Avian Brands' Sustainability Strategy in the item 7 of the Social, Labor and Human Rights Pillar which states that "Avian Brands provides equal employment opportunities and treatment regardless of gender, race, religion, color, ethnicity, class, and non-discrimination to persons with disabilities. Implementation of this commitment is reflected in the anti-discrimination policy contained in the Business Ethics and Code of Conduct, and further regulated in internal policies and Standard Operating Procedures ("SOPs"), including the Anti-Discrimination SOP (AA-HRD-SOP-29). [GRI 3-3; 406-1]

This policy covers various aspects of HR management, from recruitment processes and competence development to career development and the granting of employees' rights. Avian Brands ensures that decisions taken in each of these aspects are based on the focus on competence and performance, without priority to factors unrelated to performance, such as gender. Avian Brands provides room for every employee to express their talents and skills, which ultimately boosts their productivity and contribution. Additionally, Avian Brands is also committed to taking any reports of discrimination seriously. Any form of discriminatory conduct may be reported through Avian Brands' complaint procedure and Whistleblowing System, and if proven, such violations will be penalized in accordance with work discipline procedures, including possible Termination of Employment (Pemutusan Hubungan Kerja or "PHK"). [GRI 3-3] [POJK F.18]

Diversity and equality of Avian Brands' employees are evident in our demographic composition. Avian Brands is proud to have a highly diverse team in terms of gender, age, and educational background. We are also honored that Avian Brands has welcomed employees with disabilities into our team. Avian Brands believes in unique potential of every individual, and Avian Brands is committed to providing the necessary support to enable employees with disabilities to contribute to their full potential. Avian Brands has provided disability-friendly facilities and ensured that accessibility is a priority in all aspects of Avian Brands operations. This diversity not only reflects Avian Brands' commitment to inclusion and equality, but also enriches Avian Brands work environment with diverse perspectives and innovative ideas. By harnessing diverse perspectives, Avian Brands is able to more effectively navigate challenges and adapt to the evolving business landscape. Further information on employee demographics is described as follows: [GRI 3-3]

Employee Demographics [GRI 2-7, 2-8, 405-1] [POJK C.3]

Description	2024*				2023*				2022*			
	Male	%	Female	%	Male	%	Female	%	Male	%	Female	%
Total Employees by Gender and Employment Status												
Permanent Employees	972	70.28	411	29.72	1,002	71.88	392	28.12	934	74.54	319	25.46
Non-Permanent Employees	169	60.36	111	39.64	128	57.92	93	42.08	119	42.50	161	57.50
Outsourced	6,072	79.28	1,587	20.72	5,629	81.96	1,239	18.04	5,403	82.50	1,146	17.50
Total	7,213	77.38	2,109	22.62	6,759	79.68	1,724	20.32	6,456	79.88	1,626	20.12
Total Employees by Gender and Workers' Status**												
Full-time Employees	7,213	77.38	2,109	22.62	6,759	79.68	1,724	20.32	6,456	79.88	1,626	20.12
Total	7,213	77.38	2,109	22.62	6,759	79.68	1,724	20.32	6,456	79.88	1,626	20.12
Total Employees by Gender and Education Level												
Master's Degree	19	54.29	16	45.71	20	63.33	12	36.67	17	69.57	1	30.43
Bachelor's Degree	1,241	64.30	689	35.70	1,229	67.10	601	32.90	1,127	68.10	527	31.90
Diploma (D3)	195	60.56	127	39.44	188	62.79	112	37.21	171	62.18	104	37.82
≤High School and Equivalent	5,758	81.82	1,279	18.18	5,321	84.19	999	15.81	5,140	83.89	987	16.11
Total	7,213	73.36	2,109	22.64	6,758	79.67	1,724	20.33	6,456	79.88	1,626	20.12

Description	2024*				2023*				2022*			
	Male	%	Female	%	Male	%	Female	%	Male	%	Female	%
Total Employees by Gender and Age												
18 – 24 Years Old	1,143	71.35	459	28.65	1,109	75.34	363	24.66	1,121	75.23	369	24.77
25 – 34 Years Old	3,709	76.49	1,140	23.51	3,428	78.80	922	21.20	3,283	79.09	868	20.91
35 – 44 Years Old	1,840	81.92	406	18.08	1,744	83.05	356	16.95	1,616	84.43	298	15.57
45 – 54 Years Old	460	82.44	98	17.56	430	84.48	79	15.52	405	82.48	86	17.52
>55 Years Old	61	91.04	6	8.96	48	92.31	4	7.69	31	86.11	5	13.89
Total	7,213	77.38	2,109	22.62	6,759	79.68	1,724	20.32	6,456	79.88	1,626	20.12
Total Employees by Gender and Position												
Board of Directors / Executive-level	5	83.33	1	16.67	5	83.33	1	16.67	5	83.33	1	16.67
Deputy Director / Executive-level	16	94.12	1	5.88	16	94.12	1	5.88	16	94.12	1	5.88
Manager / Senior-level	218	84.82	39	15.19	207	85.19	36	14.81	186	84.55	34	15.45
Supervisor / Mid-level	487	67.45	235	32.55	454	69.31	201	30.69	419	71.02	171	28.98
Staff / Entry-level	415	62.78	246	37.22	448	64.55	246	35.45	428	61.06	273	38.94
Outsourced / Entry-level	6,072	79.28	1,587	20.72	5,629	81.96	1,239	18.04	5,402	82.50	1,146	17.50
Total	7,213	77.38	2,109	22.62	6,759	79.68	1,724	20.32	6,456	79.88	1,626	20.12

Notes:

* AVIA, TKTW, and TKBI; and

** All AVIA, TKTW, and TKBI employees are full-time employees and therefore there are no part-time employees.

Total Employee Positions Held by Male and Female Employees by Age in 2024

Range of Age	Levels of Position*								Total Employees
	Entry-level**		Mid-level		Senior-level		Executive-level***		
	Male	Female	Male	Female	Male	Female	Male	Female	
18 – 24 Years Old	1,135	449	8	10	0	0	0	0	1,602
25 – 34 Years Old	3,465	989	190	142	54	9	0	0	4,849
35 – 44 Years Old	1,528	321	201	64	106	20	5	1	2,246
45 – 54 Years Old	316	71	82	19	50	7	12	1	558
>55 Years Old	43	3	6	0	8	3	4	0	67

Notes:

* AVIA, TKTW, and TKBI.

** Include the number of staff level employees and outsourced employees; and

*** Includes the number of employees at Director and Deputy Director level.

The employee demographics table above illustrates the composition of Avian Brands' total workforce, including direct and indirect workers. Direct workers include permanent and non-permanent employees, while indirect workers consist of outsourced employees.

The diversity and equality principles implemented in Avian Brands employee management, encompass all levels of organization, including Manager-level employees and above. In 2024, female employees at the Manager and Deputy Director levels in AVIA, TKTW, and TKBI account for 40 people or 14.60% of the number of employees in the position. Such data increased compared to the previous year of 37 people. This achievement reflects Avian Brands' ongoing efforts in promoting gender equality at all organizational levels. Avian Brands believes that diversity at the managerial and executive levels enriches the decision-making process, stimulates innovation, and reinforces a culture of inclusivity in Avian Brands. Information on the involvement of female employees at the Manager and Deputy Director levels is further described below:



In addition to being reflected in the employee demographics, Avian Brands’ commitment to diversity and equality has also yielded positive results, as reflected in the absence of discrimination incidents during the reporting year. This success is a testament to the effectiveness of Avian Brands’ anti-discrimination policies and our ongoing efforts to create an inclusive and fair work environment. As no cases of discrimination were reported, Avian Brands did not implement any remediation measures related thereto. This confirms the effectiveness of Avian Brands policies and procedures in preventing and addressing potential discrimination, and reflects Avian Brands’ commitment to ensuring that every employee is treated with respect and equality. This success represents the presence of a conducive work environment, as well as a result of Avian Brands’ proactive efforts in promoting a culture of inclusiveness and equality. **[GRI 406-1]**

Employee Recruitment and Turnover

In line with implementation of diversity and equality principles, Avian Brands constantly conducts the entire recruitment process transparently and free from any discrimination, and no recruitment fee or gender-specific criteria are applied in the candidate selection. The recruitment process is selective, focusing on compatibility between job qualifications and candidates’ competence. All qualified candidates will be given the opportunity to participate in the recruitment process, through e-recruitment on Avian Brands’ website or various other job vacancy channels. **[GRI 3-3]**

To meet the needs for workforce, Avian Brands employs two recruitment systems, i.e. internal and external. Internal recruitment includes promotions, mutations, and rotations, specifically at the permanent employee level. Employee mutation and rotation processes are based on employee performance evaluation results for the intended position. Promotions, in particular, are based on the superior’s assessment as well as a set of other assessments that measure an employee’s potential and performance. On the other hand, external recruitment is conducted to meet the needs for workforce, aligned with the growth of the organization. By bringing in external recruitment, Avian Brands is able to attract new talents that are suited to Avian Brands’ needs and standards. Both approaches ensure that Avian Brands can secure employees with the highest level of quality and competence. **[GRI 3-3]**

Throughout 2024, the total number of permanent AVIA, TKTW, and TKBI employees successfully recruited, amounted to 206 people or 14.90% of total permanent employees a decrease compared to the previous year of 246 people. This decrease mainly influenced by implementation of an ongoing succession and talent management program with a focus on expanding strategic positions within Avian Brands. Meanwhile, the total number of outgoing permanent AVIA, TKTW, and TKBI employees amounted to 218 people or 15.76% of total permanent employees, an increase compared to the previous year of 131 people. This increase was mainly influenced by reorganization process taking place within Avian Brands as part of organizational structure adjustment strategies. Further information on recruitment and employee turnover is outlined below:

Recruitment of Permanent Employees **[GRI 401-1]**

Description	2024*		2023*		2022*	
	Total	%	Total	%	Total	%
Recruitment of Permanent Employees by Age						
>50 Years Old	2	0.97	0	0	1	0.42
36 – 50 Years Old	45	21.84	209	84.96	53	22.27
18 – 35 Years Old	159	77.18	37	15.04	184	77.31
<18 Years Old	0	0	0	0	0	0
Total	206	100.00	246	100.00	238	100.00
Recruitment of Permanent Employees by Gender						
Male	135	65.53	167	67.89	177	74.37
Female	71	34.47	79	32.11	61	25.63
Total	206	100.00	246	100.00	238	100.00



Description	2024*		2023*		2022*	
	Total	%	Total	%	Total	%
Recruitment of Permanent Employees by Operational Areas						
AVIA						
Surabaya	19	9.22	31	12.60	26	10.92
Sidoarjo	32	15.53	30	12.20	62	26.05
Serang	13	6.31	10	4.07	10	4.20
Cirebon	0	0	2	0.81	0	0
TKTW & TKBI						
Area 1A North Sumatra	6	2.91	13	5.29	10	4.20
Area 1B South Sumatra	8	3.88	15	6.10	13	5.47
Area 2 Jabodetabekser	2	0.97	6	2.44	4	1.68
Area 3 West Java	7	3.40	11	4.47	13	5.46
Area 4 Central Java	15	7.28	8	3.25	10	4.20
Area 5 East Java	58	28.16	46	18.70	43	18.07
Area 6 Sulawesi	22	10.68	16	6.50	12	5.04
Area 7 Kalimantan	12	5.83	22	8.94	13	5.47
Area 8 Eastern Indonesia	12	5.83	36	14.63	22	9.24
Total	206	100.00	246	100.00	238	100.00

Turnover of Permanent Employees [GRI 401-1]

Description	2024*		2023*		2022*	
	Total	%	Total	%	Total	%
Turnover of Permanent Employees by Age						
>50 Years Old	16	7.34	11	8.40	3	1.52
36 – 50 Years Old	94	43.12	45	34.35	119	60.41
18 – 35 Years Old	108	49.54	75	57.25	75	38.07
<18 Years Old	0	0	0	0	0	0
Total	218	100.00	131	100.00	197	100.00
Turnover of Permanent Employees by Gender						
Male	162	74.31	100	76.34	121	61.42
Female	56	25.69	31	23.66	76	38.58
Total	218	100.00	131	100.00	197	100.00
Turnover of Permanent Employees by Operational Area						
AVIA						
Surabaya	4	2.08	6	4.58	9	4.57
Sidoarjo	18	9.38	15	11.45	91	46.19
Serang	9	4.69	6	4.58	13	6.60
Cirebon	0	0	0	0	0	0



Description	2024*		2023*		2022*	
	Total	%	Total	%	Total	%
TKTW & TKBI						
Area 1A North Sumatra	12	5.50	5	3.82	4	2.03
Area 1B South Sumatra	13	5.96	11	8.40	9	4.57
Area 2 Jabodetabekser	8	3.67	7	5.34	3	1.52
Area 3 West Java	10	4.59	9	6.87	10	5.08
Area 4 Central Java	20	9.17	7	5.34	16	8.12
Area 5 East Java	38	17.43	15	11.45	19	9.64
Area 6 Sulawesi	24	11.01	14	10.69	6	3.05
Area 7 Kalimantan	21	9.63	17	12.98	6	3.05
Area 8 Eastern Indonesia	15	6.88	19	14.50	11	5.58
Total	218	100.00	131	100.00	197	100.00
Turnover of Permanent Employees by Reason						
Retirement	5	2.29	7	5.34	0	0
Resignation	94	43.12	73	55.73	94	47.71
Termination of Employment	81	37.16	42	32.06	22	11.17
Death	0	0	3	2.29	1	0.51
Change in Employment Status	38	17.43	6	4.58	80	40.61
Total	218	100.00	131	100.00	197	100.00
Turnover of Permanent Employees by Position						
Deputy Director	1	0.46	0	0	2	1.02
Manager	33	15.14	19	14.50	16	8.12
Supervisor	128	58.72	83	63.36	72	36.55
Staff	56	25.69	29	22.14	107	54.31
Total	218	100.00	131	100.00	197	100.00

Notes:

* AVIA, TKTW, and TKBI.

This calculation of employee recruitment and turnover does not include outsourced employees due to the high fluctuation of outsourced employees which is dependent on the increase or decrease in production.

Employee Competence Development [GRI 404-2] [POJK F.22]

Amid the evolving industry competition and business climate, Avian Brands recognizes the presence of excellent, competent, dedicated and ethical HR as a critical factor. Therefore, Avian Brands formulates strategic policies for continuous employee development. Avian Brands believes that focusing on improving employee competencies will improve internal business processes as well as strengthen its overall performance and competitiveness. To realize this commitment, Avian Brands implements various competence development programs, both technical and non-technical. Through this holistic approach, Avian Brands aims to strengthen employees' skills and knowledge, while encouraging innovation and development of competitive products. In general, Avian Brands' employee competence development program is aimed at 5 aspects as described below: [GRI 3-3]

Employee Competence Development Program [GRI 404-2]



Core Competency Training

1

Mandatory training for all employees, such as training on Corporate Values (CInTA), GCG, Code of Conduct, and so on.



Technical Competency Training

2

Training aimed at improving the technical capabilities of employees in order to enhance their abilities and performance in line with Avian Brands needs.



Generic Competency Training

3

Training to improve employees' non-technical skills, such as effective communication, creative and critical thinking, team building, and other skills related to individual personality capacity.



Leadership Competency Program

4

A program aimed at preparing employees to become leaders through a leadership ladder program.



Certification and Standardization Training

5

Training to ensure employees' technical and specialized skills are standardized according to their job functions.

In addition, Avian Brands provides programs and rewards to channel employees' innovation and creativity, in the form of:

1. Internal Improvement Initiative - I3 (inter-department improvement program); and
2. Suggestion System - SS (individual improvement).

These programs are continual and evaluated annually, and serve as a key performance indicator value for each unit/section.

Avian Brands have also successfully ingrained our Value (CInTA) through the publication of the Avian Newsletter, short video, and a series of other supporting programs. All employee activities guided by CInTA Value are always highlighted in the Avian Newsletter in order to disseminate this Value across the organization. In addition, this program also provides insight and updates about Avian Brands, such as employee promotion programs, new employee on boarding, innovations, development programs, CSR, new product launching, culture campaigns such as safety campaign, innovation campaign, etc, and ongoing and upcoming employee activities, and recent achievements. [GRI 404-2]

Avian Brands also has an Avian Development Program ("ADP") and Leadership Acceleration Program ("LEAD") that are specifically designed to prepare and develop Avian Brands' future leaders. The programs offer diverse learning opportunities, ranging from in-class learnings, on-the-job activities, peer and mentor supports, aimed at cultivating graduates with a wide range of accomplished technical and managerial skills, in line with the needs of Avian Brands. [GRI 404-2]



Throughout 2024, the competence development programs that Avian Brands has successfully implemented amounted to 5 main programs with a total of 7,632 people or 81.92% of total employees. Further information is described as follows:

Average Employee Training Hours [GRI 404-1] [POJK F.22]

Description	2024*			2023*			2022*		
	Total Employees	Total Training Hours	Average Training Hours per Employee	Total Employees	Total Training Hours	Average Training Hours per Employee	Total Employees	Total Training Hours	Average Training Hours per Employee
Average Training Hours by Gender									
Male	7,208	113,673.25	15.77	6,754	104,540.97	15.48	6,451	44,868	6.96
Female	2,108	30,855.50	14.64	1,723	23,737.21	13.78	1,625	9,253	5.69
Total	9,316	144,528.75	15.51	8,477	128,278.18	15.13	8,076	54,121	6.70
Average Training Hours by Position									
Deputy Director	17	133.00	7.82	17	107.50	6.32	17	167	9.79
Manager	257	5,442.50	21.18	243	6,235.35	25.66	220	8,992	40.87
Supervisor	722	12,848.75	17.80	655	18,008.25	27.49	590	15,398	26.10
Staff	8,320	126,104.50	15.16	7,562	103,927.08	13.74	7,249	29,564	4.08
Total	9,316	144,528.75	15.51	8,477	128,278.18	15.13	8,076	54,121	6.70

Notes:

* AVIA, TKTW, and TKBI.

Average Training Hours of the Board of Commissioners and the Board of Directors of AVIA

Position	2024		2023		2022	
	Total Participants	Average Training Hours per Member	Total Participants	Average Training Hours per Member	Total Participants	Average Training Hours per Member
The Board of Commissioners	1	7.00	2	8.75	2	11.75
The Board of Directors	5	9.90	5	36.70	4	22.50
Total	6	9.07	7	28.71	6	19.42



Competence Development Related to Sustainability [GRI 2-17] [POJK E.2]

Avian Brands consistently strives to improve employee competence in understanding and implementing sustainability principles. Through a holistic approach, Avian Brands designed a comprehensive set of development programs to enhance each employee's knowledge, skills, and experience related to sustainability. These programs include training, workshops, and seminars organized both by Avian Brands internally, and by credible external partners with expertise in their respective fields. This initiative is primarily aimed at ensuring that all Avian Brands employees are equipped with a deep understanding of sustainability issues and can apply them effectively in every aspect of Avian Brands' operations. Therefore, not only does Avian Brands focuses on achieving short-term sustainability targets, but it also invests in long-term capacity building that promotes overall business sustainability.

Throughout 2024, Avian Brands has conducted various competence development programs for 2,697 participants or 28.93% of AVIA, TKTW, and TKBI employees. The programs include 57 training themes with a total of 5,413 training hours. Further information is described as follows:

No.	Training Theme	Number of Participant (Person)	Total Training Hours
1.	5R (Concise (<i>Ringkas</i>), Tidy (<i>Rapi</i>), Clean (<i>Resik</i>), Neat (<i>Rawat</i>), and Diligent (<i>Rajin</i>))	367	719
2.	8 Waste	280	560
3.	ISO 27001 auditor, 2022 version	1	7
4.	Fire safety equipment (APAR) Awareness	126	282
5.	Integrated ISOAwareness (ISO 9001, 14001, 45001, 50001)	50	150
6.	BASF - Avian Sustainability Dialogue	5	7.5
7.	Basic Safety of Gas Use	31	93
8.	Technical Guidance on Environmental Protection and Management	1	8
9.	Boosting Energy Efficiency Practices for the Industrial Sector (BENEFITS)	2	48
10.	Carbon Footprint, Life Cycle Assessment, and PROPER	2	4
11.	Scope 3 Emissions & GHG Verification	2	4
12.	Hazardous Material and Chemical Spill Handling	19	32
13.	ISO 27001 Awareness & Implementation	11	181.5
14.	OHS Awareness	30	60
15.	Work Motivation and OHS	301	301
16.	Fire - Level D	2	54
17.	Hazardous Waste Management	251	427
18.	Systematic & Structured Management of Innovation in the Company (ISO 56002)	1	2.5
19.	Improving Security Standards for Remote Work Environment (Zero Trust)	1	1.5
20.	Crane Operator	1	36
21.	Forklift Operator	49	94
22.	Hazardous Waste Awareness	1	24
23.	First Aid Awareness	16	32
24.	Handling of Domestic Waste	11	22
25.	Counseling and Services on Family Planning and Reproductive Health, and Prevention of Violence against Women in the Workplace	30	60
26.	Chemical OHS Officer	1	48
27.	First Aid Officers	5	135
28.	Refreshment on First Aid Kit	55	135
29.	Refreshment on Firefighting Team	21	57
30.	Safety Driving & Riding	18	36
31.	Safety Tank	11	88
32.	Generator Operator Certification	1	32
33.	Setting Your Sail on the Indonesia Carbon Trading Ecosystem Part 1	2	4
34.	Socialization of 5R	30	30
35.	Socialization of General Safety	6	12
36.	Socialization of GHG and Energy	26	26
37.	Socialization of Hepatitis	72	144
38.	Socialization of Breast Cancer	38	76
39.	Health Socialization of Diabetes	19	38
40.	Health Socialization of Hypertension and Obesity	32	64



No.	Training Theme	Number of Participant (Person)	Total Training Hours
41.	Health Socialization of Hypertension and its Preventions	31	62
42.	Health Socialization of MPOX	63	126
43.	Socialization of Environmental Management Committee	31	31
44.	Socialization of Healthy and Hygienic Lifestyle	457	457
45.	Sosialization of Safety Driving	38	46
46.	Socialization of Metabolic Syndrome	70	111
47.	Strategies for Achieving the Pillars of the Sustainable Development Goal	7	112
48.	Green Industry Transformation Strategies	2	19
49.	Sustainability	26	39
50.	Sustainability Reporting Standards	1	2
51.	Sustainability Strategies: Best Practices for ESG Framework and Roadmap	1	6
52.	Toward Sustainable Prosperity Through Local Community Empowerment and Environmental Conservation	2	6
53.	Webinar A Cutting-Edge Approach to Sustainability Reporting	2	6
54.	Webinar in Celebration of OJK Anniversary: Transformation of Governance as a Pillar of Integrity	2	8
55.	Webinar on CORES.KSEI System and e-BAE Next Generation, Latest Innovation for Digital Transformation in the Company	1	2
56.	Awareness Training, ISO 27001:2022	17	119
57.	Internal Audit, ISO 27001:2022	18	126
	Total	2.697	5.413

In addition to conducting employee training, Avian Brands also actively conducts sustainability-related training for partner companies, including suppliers and distributors, which are an important part of Avian Brands' external stakeholders. Through this socialization, Avian Brands ensures that its business partners understand and implement sustainability standards consistent with Avian Brands' commitments. This is intended to build harmony in sustainable business practices across the entire supply chain, thereby supporting the achievement of broader sustainability targets and ensuring greater positive impacts on the environment and society.

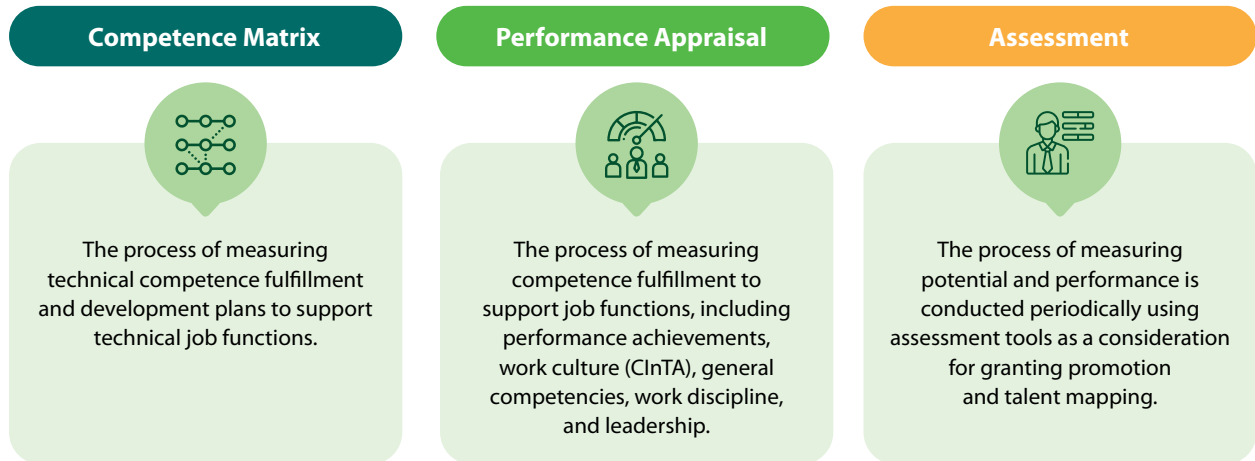
The HR Department regularly evaluates the effectiveness of all employee competence development programs to ensure they remain effective and relevant in accordance with Avian Brands' business condition and development. Continuous evaluations allow Avian Brands to identify areas of success, challenges, and improvement, which in turn allows us to make necessary adjustments to improve program results and efficiency. This process also enables Avian Brands to tailor its HR initiatives to Avian Brands' shifting business needs and strategies, to ensure that each program remains consistent with Avian Brands' long-term goals. With this evaluative approach, Avian Brands is committed to continuously improving the quality and effectiveness of Avian Brands competence development programs, providing maximum support for employees, and ensuring that investment in HR development fully contributes to the achievement of Avian Brands' goals.

Performance Evaluation

Avian Brands conducts periodic employee performance evaluations to maintain and improve HR quality. This evaluation process focuses on several aspects, particularly on performance achievement, work culture (CInTA), general competence, work discipline, and leadership. In addition, Avian Brands also conducts technical competence assessments for all employees to ensure that they have the skills and expertise that suit Avian Brands' needs. This evaluation is conducted thoroughly on each employee by evaluating their respective skills and positions. For outsourced employees, performance assessments are managed entirely by the partner companies that employ them, but still adhere to the standards Avian Brands has established.

Additionally, Avian Brands has designed the 9 Grid Box Method to measure employee potential and performance and map out talents. This approach helps Avian Brands design more appropriate and efficient development programs and make better decisions regarding promotions, employee career development and succession planning. Avian Brands is committed to providing fair opportunities in career paths, including promotions, transfers, and job rotations, to allow each employee to progress according to their potential and performance.

Types of Employee Performance Evaluation



In 2024, all employees of AVIA, TKTW and TKBI have undergone performance evaluations. Avian Brands rewarded employees who achieved the highest scores in the annual performance appraisal by giving special awards. These awards not only recognize individual achievements but also serve as an encouragement for other employees to keep improving their quality and productivity. Avian Brands believe that by motivating employees through these awards, Avian Brands are able to foster a more competitive and performance-oriented work environment, as well as reinforce their commitment to achieving better results in the future. By doing so, Avian Brands strives to cultivate a positive and sustainable work culture that supports long-term growth and success for all employees and Avian Brands. [GRI 404-3]

Retirement Program [GRI 201-3, 404-2]

The retirement age for AVIA employees is 57 years for staff and 65 years for employees with positions above supervisor. Meanwhile, for TKTW and TKBI employees, the retirement age for all employees is 57 years old.

Avian Brands upholds the normative rights of employees as stipulated in labor regulations in Indonesia, including pension rights. Avian Brands administers a contributory pension plan for permanent employees managed by BPJS Employment. The employees contribute 1% and Avian Brands contributes 2% of the employee's basic salary to meet the required amount. In 2024, the amount of contributions paid to such pension funds institutions amounted to IDR1,42 billion, an increase of 3.47% compared to the previous year.

Remuneration

Avian Brands has implemented a fair and competitive remuneration policy as part of fair compensation to our employees. Avian Brands offers competitive remuneration, both in the form of basic salary and allowances, to attract and retain top talents. The remuneration amount is determined based on applicable regulations, internal evaluation of alignment with industry standards, individual performance assessment, and each employee's position. Avian Brands constantly ensures a fair and equal remuneration system, free from discrimination based on gender, religious, or racial factors. With an equal one-to-one (1:1) remuneration ratio between men and women, Avian Brands ensures there is no pay gap for equivalent positions. The Board of Commissioners and Board of Directors also receive equal remuneration



based on the achievement of predetermined KPIs. The Nomination and Remuneration Committee regularly oversees Avian Brands' remuneration policy to ensure proper implementation thereof in accordance with the principles of fairness. With this policy, we are committed to creating an equitable work environment, to motivate employees to excel, and to support the long-term success of Avian Brands. [GRI 3-3, 202-1]

Avian Brands constantly ensures that all remuneration, particularly basic salary, complies with the applicable laws and regulations, in particular the Regional Minimum Wage (*Upah Minimum Regional* ("UMR")) stipulated by the local government in each operational area. Avian Brands is committed to offering basic salary that exceeds the minimum wage, including for non-permanent employees, as a form of compliance with government regulations and concern for employees' well-being. Information regarding the comparison between the lowest level of permanent employee salaries with the UMR, is described as follows:

Comparison of AVIA Employee Wages of the Lowest Level to the Regional Minimum Wage [POJK F.20]

Operational Area	Lowest Wage of Permanent Employee (IDR)	Regional Minimum Wage (IDR)	The Ratio of the Lowest Wage of Permanent Employees to Regional Minimum Wage [GRI 202-1] (%)
Surabaya	5,000,000	4,725,479	105.81
Sidoarjo	4,725,479	4,638,582	101.87
Serang	4,720,000	4,560,895	103.49



Comparison of Salaries of Male and Female Employees at the Same Level of Position [GRI 405-2]

1:1

Such data comparing the lowest permanent employee salary to the UMR, shows that the basic salary that Avian Brands determines has exceeded the UMR standard that applies in each operational area. Avian Brands also has achieved this in both TKTW and TKBI, where the ratio of the lowest permanent employee salary to the UMR, exceeds 100%. This achievement is an indication of Avian Brands' commitment to ensuring that the remuneration provided is both legally compliant and competitive in the labor market. This reflects Avian Brands' dedication to providing fair compensation in compliance with the regulations, with the primary aim of improving employee well-being and motivation across the organization. Avian Brands believes that a competitive wage system is key to attracting and retaining top talents, as well as motivating employees to achieve maximum performance.



In line with the foregoing, Avian Brands also gives additional rewards in the form of annual bonuses to employees at certain levels, as a token of appreciation for their performance achievements. In addition to bonuses, Avian Brands provides a range of additional benefits designed to support employees' needs and improve their quality of life. Information on the benefits received by employees is described as follows:

Benefits Received by Employees of Avian Brands Based on Employment Status [GRI 401-2]

Type of Benefits	Permanent Employees		Contracted Employees	
	Male	Female	Male	Female
Basic Salary	Yes	Yes	Yes	Yes
Healthcare Social Security	Yes	Yes	Yes	Yes
Employment Social Security	Yes	Yes	Yes	Yes
Religious Holiday Allowance	Yes	Yes	Yes	Yes
Annual Incentive*	Yes	Yes	No	No
Meal Allowance and Transport	Yes	Yes	No	No
Overtime Pay and Night Shift*	Yes	Yes	Yes	Yes
Insurance*	Yes	Yes	No	No

Notes:

*Only valid for employees of certain levels.

Annual Total Compensation Ratio [GRI 2-21]

The annual total compensation ratio is an indicator for us to assess the balance between the highest remuneration received by the employees, and the average compensation in Avian Brands. We actively evaluate this ratio to ensure that compensation fairly reflects employee contributions and is in line with Avian Brands' long-term business objectives. In determining the compensation ratio, we take into account Avian Brands' overall performance as well as individual contributions, to ensure a proportionate remuneration structure. Compliance with prevailing laws and regulations is also a key focus to maintain transparency and accountability in Avian Brands management.

In 2024, the ratio of the highest annual remuneration received by employees to the average remuneration of employees was 28.73 times with an increase in ratio of 1.56 times.

Policy against Child Labor and Forced Labor [GRI 408-1, 409-1] [POJK F.19]

Avian Brands consistently ensure that our HR management emphasizes compliance with labor regulations at all times, including in terms of employees' minimum age. This is also stated in Avian Brands' Sustainability Policy on point 6 of Social, Labor, and Human Rights Pillar, i.e. "Ensuring workers are above 18 years of age and that working hours and wage payments are in accordance with applicable laws and regulations and that there is no human trafficking." Avian Brands strictly prohibits child labor practices by stipulating that the minimum age of prospective employees in Avian Brands is 18 years old. As of the end of 2024, Avian Brands has successfully maintained a child labor-free work environment, both in our operational areas and in Avian Brands supply chain. [GRI 3-3, 408-1]

In addition, Avian Brands has also established an anti-forced labor policy to create a work environment free from all forms of forced labor and human rights violations. In this regard, we have identified and prohibited a number of. This is also stated in Avian Brands' Sustainability Policy on point 12 of Social, Labor, and Human Rights Pillar, i.e. "Respecting the right of individuals to act without coercion and to maintain control over their personal information, as long as it does not relate to or impact the Company." In this regard, Avian Brands has identified and prohibited activities that constitute forced labor as described below:

1. Recruitment by Force: Prohibiting any form of employee recruitment that involves threats, coercion, slavery or fraud;
2. Confiscation of Identity Documents: Prohibiting the taking, damaging, or hiding of employees' original identity documents;
3. Charging for Recruitment Costs: Avian Brands does not charge recruitment fees to prospective employees;
4. Unlawful Profits from Recruitment: Not receiving any benefits, material or non-material, from employee recruitment activities;





5. Unauthorized Deposits: Refusing all forms of deposits from employees, except those required by law;
6. Loans that Bind Employees: Avian Brands does not provide loans with the condition of binding employees in an employment relationship as collateral;
7. Contract Restrictions: Not forcing employees to sign contracts that restrict their right to terminate the contract;
8. Restrictions on Employee Movement: Employees are free to move around during working hours, including toilet or refreshment breaks, without restrictions;
9. Forced Overtime: There is no coercion to work overtime or punishment for those who refuse; and
10. Inhumane Work Targets: Avian Brands does not set any work targets that require employees to work without breaks or without leaving the workplace.

This policy is an integral part of Avian Brands' efforts to maintain operational integrity and sustainability in each of Avian Brands business lines. [GRI 3-3, 409-1] [POJK F.19]

Freedom of Assembly and Association

[GRI 407-1]

Avian Brands constantly maintains a good relationship with all employees. A manifestation of this commitment is to give employees the freedom to join labor unions. This is also stated in Avian Brands' Sustainability Policy on point 9 of Social, Labor, and Human Rights Pillar, i.e. "Upholding the freedom of assembly, expression, and participation in labor organizations/unions in accordance with the prevailing laws and regulations as well as providing room to negotiate and consult with the company." By allowing freedom of association, Avian Brands is committed to creating an inclusive work environment, where every employee feels valued and actively participates in dialog with management. [GRI 3-3]

This is also aligned with human rights principles and applicable labor regulations, which protect freedom of association and assembly. As of the end of 2024, the number of AVIA permanent employees who are members of labor unions reached 515 people in the SPI Union of Association of Family of PT Avia Avian Tbk. (*Serikat SPI Paguyuban Keluarga Besar PT Avia Avian Tbk*) which was registered on March 18, 2008 and 52 people in the PB.GB.IK Union of Sarbumusi PT Avia Avian Tbk. Which was registered with the relevant agencies on March 10, 2008, representing 31.12% of the total permanent employees of AVIA. By respecting freedom of association,

Avian Brands hopes to build stronger and more sustainable working relationships, where each employee plays an important role in fostering better working conditions and strengthening collective progress. [GRI 2-30, 407-1]

In addition to providing flexibility for employees' participation in trade unions, Avian Brands also provides a forum for trade unions within AVIA to conduct regular meetings as a means of communication between management and employees. Such meetings are regularly held every six months to facilitate constructive dialog to discuss important issues related to employee welfare and Avian Brands' policies. Throughout 2024, these meetings have covered a wide range of topics, including the formation of a new association structure, supervision of association activities, and optimization of the use of the association budget.

Additionally, Avian Brands also ensures that the rights and obligations between Avian Brands and employees are clearly stipulated in the Company Regulations. Avian Brands Regulations serve as the main guideline in practicing transparent and fair working relationships in accordance with the prevailing laws and regulations. Therefore, every Company employee can work with a sense of security and comfort.

Policy on Respect of Human Rights

We recognize the importance of protecting Human Rights ("Human Rights") in all of Avian Brands' operations. This commitment is manifested through the Business Ethics and Code of Conduct, which expressly governs the relationship between Avian Brands and the Company personnel. This serves as an important guidance to ensure that every individual within Avian Brands environment is treated fairly, with dignity and equality, without discrimination of any kind. In line with the foregoing, point 1 of the Social, Labor and Human Rights Pillar in Avian Brands' Sustainability Policy states "Ensuring that all personnel within the Company are treated fairly and with dignity based on human rights principles". This policy has been socialized to all employees, to ensure their understanding of basic human rights principles as well as their responsibility in creating a safe environment and respecting individual rights.

Avian Brands also communicates information on Human Rights through induction activities for new employees. We also understand that Human Rights protection applies not only in Avian Brands' internal environment, but also in its relationship with suppliers. As part of Avian Brands' commitment to sustainability and social responsibility, we ensure that suppliers of Avian Brands comply with human rights principles. Avian Brands cooperates with suppliers in ensuring that their entire production and operational processes do not involve Human Rights violations, such as labor exploitation or discrimination. In addition, Avian Brands emphasizes transparency and supports the suppliers in implementing policies that respect workers' rights and creating a safe and equitable workplace.

To ensure Human Rights protection throughout Avian Brands' operations, we have implemented a transparent and safe complaint mechanism through the *Whistleblowing System* ("WBS"). Any complaints received through the WBS system will be processed fairly and objectively, in accordance with human rights principles, to ensure that individual rights are protected and human rights violations are swiftly and appropriately addressed. With these measures, we are committed to maintaining the safety of Avian Brands' operations while respecting and protecting individual rights, in accordance with the ClnTA values that Avian Brands upholds. Implementation of this policy has yielded positive results, with no human rights violations occurring within Avian Brands environment during the reporting year.

Operating Hours of Avian Brands

Avian Brands' operating hours are regulated to ensure work efficiency while providing adequate rest for all employees. At AVIA, employees work for 8 hours per day with 5 working days a week, bringing the total working time to 40 hours per week. This arrangement gives AVIA employees two full days of rest each week, allowing them to enjoy work-life balance. As for TKTW and TKBI, working hours are adjusted to the duties and responsibilities of each section. Employees in the office administration department work for 8 hours per day, also with 5 working days per week, which means they also fulfill a total of 40 weekly working hours. Meanwhile, for operational employees in various branches, working hours are divided into 7 hours per day from Monday to Friday, and 5 hours on Saturday,

so the total working time remains 40 hours per week. This arrangement provides employees in the office administration department with two days of rest per week, while employees in the operations department get one day of rest per week.

Meanwhile, in certain work units and employee levels, AVIA implements a shift work system, whose arrangements are adjusted to work conditions. With this arrangement, if there is excess working time, it will be calculated as overtime work which compensation and benefits are in accordance with labor regulations regarding overtime. In addition, Avian Brands also provide opportunities for employees to rest at certain hours. [GRI 409-1] [POJK F.19]

Minimum Notification regarding Changes in the Work Environment

In an effort to create harmonious industrial relations between the Company and employees, we always build and maintain effective communication. With regard to highly significant operational changes, such as closure, expansion, merger, new opening, outsourcing of operations, restructuring, or sale of all or part of the organization that may impact the employees, particularly mass termination of employment, the Company always complies with the prevailing laws and regulations, such as Government Regulation No. 35 of 2021 on Fixed-Term Employment Agreement, Outsourcing, Working Time and Rest Time, and Termination of Employment. [GRI 3-3]

Maternity Leave [GRI 401-2, 401-3]

Avian Brands implements a maternity leave policy for female employees and dispensation for male employees who accompany their spouses during childbirth, in accordance with the provisions stipulated in Law No. 13 of 2003 on Manpower, which has been amended by Law No. 11 of 2020 on Job Creation (Omnibus Law). Avian Brands provides maternity leave of 90 calendar days to female employees, which can be used to prepare for childbirth as well as to get ample time for postpartum recovery. Avian Brands also provides special leave for 2 consecutive working days for male employees to accompany their spouses during childbirth. This policy is a manifestation of Avian Brands' commitment to encourage both parents' active role in childcare, while ensuring a balance between work and family life. [GRI 3-3]



Throughout 2024, 99 of AVIA, TKTW, and TKBI employees (excluding outsourced employees) applied for maternity leave and 40 male employees applied for dispensation. Of these, 42 or 42.42 % of the female employees have returned to work in the reporting year and the rest will return in the coming year, at the end of leave period. As for the male employees, all of them have returned to work in the reporting period. Further information is described as follows:

Total Employees Who Took Dispensation/Maternity Leave [GRI 401-3]

Description	2024*					2023*					2022*				
	Male	%	Female	%	Total	Male	%	Female	%	Total	Male	%	Female	%	Total
Employees entitled to dispensation/maternity leave	40	28.78	99	71.22	139	63	48.46	67	51.54	130	26	52.00	24	48.00	50
Employees exercising dispensation/maternity leave	40	28.78	99	71.22	139	63	48.46	67	51.54	130	26	52.00	24	48.00	50
Employees returning to work during the reporting period following their dispensation/maternity leave	40	48.78	42	51.22	82	63	70.00	27	30.00	90	26	59.09	18	40.91	44
Employees returning to work following their dispensation/maternity leave, who are still employed 12 months thereafter	40	48.78	42	51.22	82	63	70.00	27	30.00	90	26	59.09	18	40.91	44

Notes:

* AVIA, TKTW, and TKBI.

Employment Disputes and Complaints [GRI 2-16]

Employees may submit employment complaints to their supervisor, through the complaint form they can access 24/7, or by filling in the suggestion box provided at each plant as stipulated in the Complaint Management SOP (AA-HRD-SOP-28). Avian Brands warrants the right of all employees to submit complaints without threats or intimidation. The settlement of complaints is facilitated by the Human Resource & General Affair ("HRGA") Department by appointing a Complaints Team that will take further action to find solutions to the complaints, including escalation to the Bipartite Cooperation Institution if necessary. As a proactive measure, the Company also conducts a yearly employee complaint survey.

Anti-Harassment and Non-Discrimination Policy

We recognize that there is a risk of discrimination, harassment, and sexual violence against all employees, both within Avian Brands environment and at Avian Brands suppliers. To prevent and protect all employees from harassment, Avian Brands impose strict sanctions on anyone found guilty of harassment. This is also stated in Avian Brands' Sustainability Policy on point 4 of Social, Labor, and Human Rights Pillar, i.e., "Creating a work environment that is safe, comfortable, motivating, respectful, and free from all forms of harassment." And point 7, i.e., "Providing equal employment opportunities and treatment regardless of gender, race, religion, color, ethnicity, class, and non-discrimination to persons with disabilities".

Avian Brands also builds a culture of mutual respect and cooperation in line with the Business Ethics and Code of Conduct that regulates Ethics among the Company Personnel. This policy applies to all individuals in Avian Brands, to protect both male and female employees within Avian Brands, as well as to protect all employees from unwanted treatment and to report incidents related to such harassment. Anyone found to have committed serious harassment will be dismissed, and the same applies to representatives of suppliers and partners.

Reports of harassment can be submitted through Avian Brands' complaint box or survey, as well as the Whistleblowing System. Each report will be verified and followed up professionally by the Internal Audit Unit and Complaints Team. Regarding report submission, Avian Brands also guarantees the confidentiality of the reporting party and always provides support or assistance for victims. In the last 3 years, Avian Brands has not received any reports related to harassment that occurred in Avian Brands' work environment.

Human Resources Management Evaluation

Avian Brands actively conducts periodic evaluations of all HR management programs, aimed to ensure that each initiative and policy implemented is consistent with best practices in similar industries and is able to achieve the predetermined targets and objectives. Through systematic evaluation, Avian Brands is able to identify potential gaps in program implementation and find opportunities to improve and enhance its effectiveness. The evaluation process addresses various aspects, starting from revising or creating SOPs and other HR-related policies. Avian Brands ensures that every employee management policy and program not only supports short-term business needs, but also contributes to the achievement of Avian Brands' long-term goals. Thus, Avian Brands is able to keep the needs of our employees aligned with the evolving demands of our business.

In addition, these periodic evaluations allow Avian Brands to anticipate changes in the industry environment and ensure that Avian Brands HR management programs remain relevant and adaptive. Avian Brands is committed to continuously developing innovative approaches to employee management, in order to maintain Avian Brands' position as an industry leader. Throughout 2024, Avian Brands has formulated and reviewed the effectiveness of SOPs, amounting to 6 SOPs, 4 standards, and 81 forms.



Occupational Health and Safety Management

As part of Avian Brands' commitment to fair and responsible labor management, we prioritize the implementation of Occupational Health and Safety ("OHS") principles to ensure a proper, safe and healthy working environment. Determined to achieve zero accident target, Avian Brands consistently implements comprehensive safety policies, procedures and standards in all operational areas of Avian Brands. We strive to ensure that every employee has full access to information on potential workplace hazards as well as appropriate prevention and response measures. The employees' right to proper OHS facilities and their active participation in OHS-related activities are Avian Brands top priorities. By providing clear information and necessary support, Avian Brands strive to create a work environment free from concerns about health or safety risks.

[GRI 3-3] [POJK F.21]

Prevention of incidents, whether minor, moderate, severe or fatal, remain the primary focus of Avian Brands. We believe that every incident is preventable through a proactive approach that includes regular training, risk assessments and continuous evaluation of OHS practices. Through this strategy, Avian Brands seeks to minimize potential occupational accidents and illnesses as well as prevent adverse impacts on employee productivity. In Avian Brands' efforts to maintain OHS standards, we involve our employees in an ongoing process of evaluation and improvement. Regular training and simulation programs are designed to ensure that all team members understand and comply with safety procedures. Avian Brands also conducts internal and external audits to ensure our compliance of our OHS policies with applicable laws and regulations and best industry practices. With this holistic approach, Avian Brands is committed to creating a work environment that supports long-term well-being, safety and productivity. We believe that an investment in OHS is an investment in the success and well-being of all Avian Brands employees, as well as in the sustainability of Avian Brands' operations as a whole.

[GRI 3-3] [POJK F.21]

Occupational Safety and Health Management System [GRI 403-1, 403-4, 403-8]

As a guide to the commitment and direction of implementing the Occupational Safety and Health Management System ("OHSMS"), Avian Brands established Avian Brands Sustainability Policy, specifically the Social, Labor, and Human Rights Pillars, which reads:

1. Providing safe and healthy working environment conditions to eliminate hazards and reduce OHS (Occupational Health and Safety) risks;
2. Ensuring proper and regular participatory consultation processes with all stakeholders; and
3. Providing funds and commitment to support the improvement of knowledge, skills, and competence of company personnel.

This policy is a manifestation of Avian Brands' commitment to protect all employees, partners, and visiting guests. The implementation of OHSMS is always carried out in accordance with international standards, laws and regulations, and relevant global safety standards. Avian Brands has also developed and implemented SOPs concerning work environment control. In line with that, Avian Brands also strives to continuously build an OHS-conscious culture in all lines and production units through briefings, promotions, socialization, and safety talks that are implemented in daily operations.

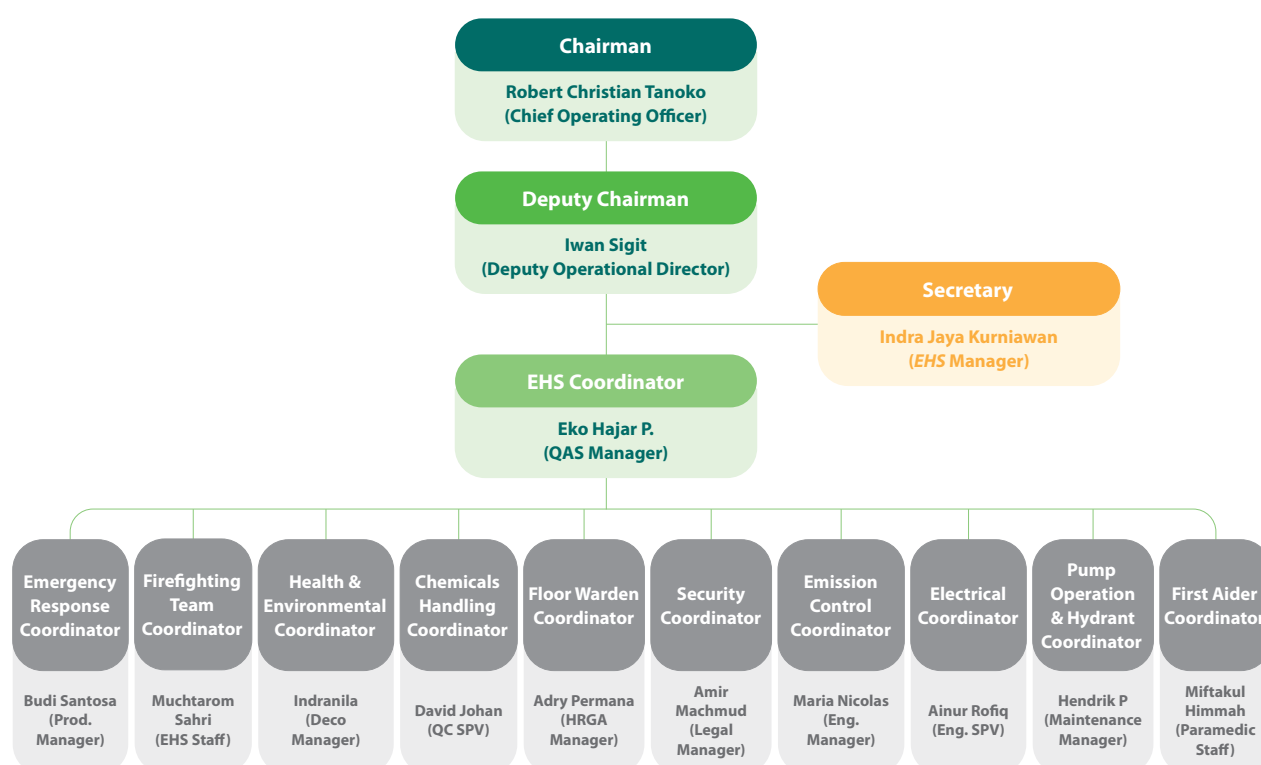
[GRI 3-3]

Avian Brands' management also at all times provides the necessary resources to implement OHSMS effectively and comprehensively. By implementing the Management System and establishing the OHS Organization, we ensure sufficient competence and resources are available in relation to OHSMS. Evaluation of the effectiveness of OHSMS implementation is also carried out periodically to ensure that all of Avian Brands' standards have been implemented properly. In 2024, internal audit and inspection activities have been carried out in the form of safety patrols and evaluation of OHS and environmental awareness. In line with that, Avian Brands has also obtained ISO 45001:2018 on Occupational Health and Safety Management System since 2020, to ensure optimal management of OHSMS in accordance with the standards.

[GRI 3-3]

Management of Occupational Health and Safety Management System

Avian Brands' OHSMS management is the Director's primary responsibility. The Director is fully responsible for ensuring effective implementation of OHSMS and its compliance with established standards. In its implementation, the Director is supported by the Occupational Health and Safety Committee ("OHSC"), acting as a supervisory and advisory group regarding OHS policies throughout Avian Brands' work environment. With OHSC's support, the Director is able to effectively direct and supervise all OHS initiatives, conduct regular risk assessments, and implement necessary corrective actions to improve workplace safety. More detailed information about Avian Brands' OHSMS management structure is described as follows:



Avian Brands ensures that all OHSC members possess the competence and expertise that are relevant to Avian Brands' needs. Selection of members is intended to support the achievement of Avian Brands' main objective of creating a safe, healthy and accident-free work environment. The OHSC regularly holds quarterly meetings to evaluate and improve existing OHS programs. Each meeting's main agenda includes discussing OHS programs, evaluating OHSMS findings and development, and consultation on employees' participation and feedback on OHS issues that emerged during the period. The OHS programs developed and implemented by the OHSC include all levels of employees regardless of gender. With this approach, Avian Brands ensures that all employees, from the highest to the lowest level, are equally informed and have equal access to applicable safety practices.

Hazard Identification, Risk Assessment, and Investigation GRI 403-2

In an effort to effectively implement OHSMS, parts of Avian Brands' focus is on hazard identification, risk assessment, and development of action plans aimed at preventing occupational accidents and illnesses. The process begins by identifying potential hazards across operational areas with particular attention to hazards related to chemical materials and processes. Once hazards are identified, Avian Brands proceeds with a risk assessment to determine the extent to which they may affect employee health and safety. This assessment allows Avian Brands to understand risk levels and impacts, allowing us to develop appropriate action plans to control and mitigate these risks. This approach relies on a risk control hierarchy that involves elimination, substitution, engineering, administration, and the use of personal protective equipment.



In addition, Avian Brands has established a comprehensive procedure for reporting and investigating any workplace accidents. This procedure includes steps for incident documentation, cause analysis, and development of effective corrective actions. By thoroughly investigating each incident, Avian Brands strives to prevent future recurrences and ensure proper implementation of all corrective actions. In addition to preventing incidents, Avian Brands' commitment to risk assessment and hazard management also focuses on establishing a robust safety culture. Avian Brands ensures that all employees are involved in this process through training and effective communication. With these measures, Avian Brands aims to create a safe and healthy working environment and minimize the impact of potential hazards on occupational health and safety.

Risk hazard identification and control within Avian Brands' operations are further described as follows:

Hazardous Activity [GRI 403-7]



Polymerization/ esterification process

Location

RDI – Resin

Type of Hazard

- Overheating reaction process;
- Hot chemicals;
- Water bath/heating mantle; and
- Fire.

Personal Protective Equipment (“PPE”)

- Boots;
- Safety goggles;
- Respirator;
- Rubber gloves; and
- Work apron.

Elimination and Control

- Providing active fire extinguishing system in the form of smoke detector and water sprinkler;
- Installing local exhaust;
- Using insulating materials to reduce heat;
- Providing appropriate working facilities, training, and socialization of the Safety Data Sheet (“SDS”) on each hazardous chemical and controlling its use in accordance with the SDS; and
- Providing workplace chemical storage and handling facilities and emergency equipment.



Operating the cutting machine

Location

Metal Prod – Kerinci

Type of Hazard

- Cut or clamped hands; and
- Struck by falling heavy objects (cutting sheet).

Personal Protective Equipment (“PPE”)

- Safety gloves; and
- Safety goggles.

Elimination and Control

Provide an emergency button on each cutting machine.



Cleaning processing tanks (work in confined spaces)

Location

Paint Prod- Merapi

Type of Hazard

- Exposure (contact) to chemicals;
- Slipping/falling;
- Exposure to dust and chemicals; and
- Airborne hazards.

Personal Protective Equipment (“PPE”)

- PPE special dust mask; and
- Safety goggles.

Elimination and Control

- Maximizing the dust collector function;
- Providing spill control kit (by a minimum of 2 people); and
- Using the gas detector.

Fire Prevention and Control

Potential fire in a paint manufacturing plant is a risk factor that must be eliminated to ensure employee health and safety as well as the sustainability of Avian Brands' business. The fire risks may come from product lines, raw materials, liquids, equipment, electrical currents, and others. To prevent and control these risks, Avian Brands has implemented several measures as described below:

1. Identifying fire hazards and risks using the Hazard Identification Risk Assessment and Determining Control ("HIRADC") method;
2. Providing active fire protection facilities (fire extinguisher, hydrant, fire alarm system, and sprinkler) based on the mapping of potential fire hazards analysis in accordance with applicable regulatory standards, as well as passive protection in the form of evacuation routes and building access;
3. Establishing an Emergency Response Team ("ERT"), i.e., a Workplace Firefighting Unit, in accordance with Minister of Manpower Regulation No. 186/1999;
4. The ERT conducts fire safety training periodically every 6 months;
5. Conducting periodic testing of electricity, lightning rods, and monitoring utility; and
6. Conducting periodic evaluations by carrying out inspections and audits to eliminate fire risks.

Health Facilities and Access [GRI 403-3, 403-6] [SASB RT-CH-320a.2.]

To anticipate employees' exposure to occupational illnesses, Avian Brands makes various routine efforts, which include:



1

Participating Avian Brands' employees in health insurance, including insurance from the Social Security Organizing Agency (Badan Penyelenggara Jaminan Sosial or "BPJS") in accordance with employment regulations, both the BPJS Health and BPJS Employment.



2

Organizing annual medical check-ups that include physical examination, spirometry, thorax, complete urine, complete blood, and audiometry. Since 2023, Avian Brands included all outsourced employees in the medical check-up programs according to work exposures and risks.



3

Providing a First Aid ("First Aid") Station that specifically provides first aid treatment in the event of a workplace accident or an employee experiencing health problems in the workplace. This First Aid room actively operates during the company's manufacturing hours from 07:30 - 16:00 WIB with expert assistance, namely one doctor and one nurse.



4

Participating employees in private health insurance programs.





Participation in BPJS Health is not only limited to employees, but also includes enrolling employees' family members in the National Health Insurance Program - Healthy Indonesia Card (Jaminan Kesehatan Nasional – Kartu Indonesia Sehat or "JKN-KIS") in accordance with the provisions of Law No. 24 of 2011. Since 2023, the program has covered all employees and their family members.

Building a Culture of Occupational Health and Safety [GRI 403-5]

Avian Brands regularly organizes various training programs and activities to enhance employees' awareness and understanding of OHS aspects. These efforts are designed to strengthen employee preparedness and to ensure safe and healthy work environment at all times. Avian Brands also conducts regular emergency response training to improve our preparedness for emergency situations. Firefighting training using Light Fire Extinguishers (*Alat Pemadam Api Ringan* or "APAR") is conducted every three months, while training with fire hydrants is conducted every six months at the Sidoarjo plant and Serang plant. To practice evacuation skills, Avian Brands also organizes evacuation drills every six months aimed at testing employee response in a fire or earthquake situation. Training on handling hazardous waste and toxic material spills is also conducted every six months to ensure that employees are prepared to deal with such situations effectively.

In addition to training programs, Avian Brands' commitment to building an OHS culture is also realized through various additional initiatives. Regular briefings are held to discuss the latest OHS issues, while the 5R training is implemented to maintain workplace hygiene and order. Socialization of OHS procedures and policies is also conducted regularly to ensure that every employee understands and complies with the established OHS standards. Avian Brands has also installed visible hazard signs in all work areas as well as CCTV surveillance to detect and address potential risks. The use of PPE is also required for all employees as a preventive measure against occupational risks.

With these numerous initiatives, Avian Brands continuously strives to create a strong and sustainable OHS culture, in which every individual plays an active role in maintaining workplace health and safety. Avian Brands believes that this approach will not only reduce the risk of occupational accidents and diseases, but also improve overall employee well-being and productivity.

Occupational Health and Safety Performance [GRI 403-9, 403-10] [SASB RT-CH-320a.1.]

Avian Brands has implemented OHSMS with consistency and discipline to ensure a safe and proper working environment for all employees. In addition to optimizing the role of OHSC as a specific organ responsible for OHS management, all employees are also involved and responsible for their own health and safety, as well as potential accidents in their surroundings. Avian Brands continues to strive to record positive OHS performance in achieving zero accident and zero fatality targets.

The Total Recordable Injury Rate ("TRIR") in 2024 increased/decreased compared to the previous year. We also managed to record a 13.04% decrease, compared to the previous year, in the Number of Fatality for all employees of Avian Brands and its Subsidiaries, including contract employees. A total of 34 accidents or 85.00%, fell under the category of transport incidents.

In addition, Avian Brands also recorded 1 case of process safety incident, namely a fire in the solvent raw material storage warehouse. Upon the incident, the Ministry of Environment and Forestry ("MoEF") has conducted testing around the scene, to ensure that there is no adverse impact of environmental contamination. Results thereof are presented in the Statement of Completion of Emergency Mitigation S.30/PLTTDLB3/TD/PLB.6.4/B/01/2025 issued by the MoEF, stating that there is no contamination of potentially harmful materials to the environment. Thus, Avian Brands can assure that the environmental impact of the incident is well controlled and all mitigation measures have been implemented in accordance with established standards. Avian Brands has taken full responsibility for the incident and continues to take corrective measures to ensure no similar incident occurs in the future. Information on OHS performance data over the past 3 years is described as follows:

Occupational Health and Safety Performance Data [GRI 403-9, 403-10] [SASB RT-CH-320a.1., RT-CH-540a.2.]

Performance Indicator	2024*	2023*	2022*
Employees who obtained MCU (People)	1,019	1,380	1,127
Total Recordable Injury Rate	1.57	2.16	2.01
Number of Fatality	0	0	0
Fatal Incident Rate	0	0	0
Total Recordable Illness Rate (TRIR)*	0	0	0
Total Recordable Incident Frequency Rate (TRIFR)**	2.05	2.69	1.74
Percentage of Serious Work Accidents (%)	0	0	0
Number of Accident (People)	40	46	34
Frequency of Work Accidents	0.0043	0.0054	0.0042
Number of Transport Incidents (People)	34	36	34
Process Safety Incidents	1	0	0
Total Manhours Worked (Hours)	18,751,324	16,871,767	14,959,320

Notes:

* AVIA, TKTW, and TKBI;

** The used equation applies a constant of 1,000,000.



*Including Covid-19 management costs.

Complaints on Labor and OHS Issues [GRI 2-25]

Complaints on issues related to employment and occupational health and safety can be submitted through a ballot box or a complaint survey periodically conducted by Avian Brands. Every incoming complaint will be processed and followed up properly and professionally. In addition, labor unions within Avian Brands also serve as a medium for employees to submit complaints related to labor and OHS, which will be a topic of consultation and negotiation with Avian Brands in regular meetings every 6 months.

During the last 3 years, Avian Brands has not received any reports related to labor issues and occupational health and safety. [GRI 2-16]





Community Social Development



“Avian Brands *Peduli* program is a manifestation of Avian Brands’ commitment to promoting the growth, independence, and welfare of the surrounding communities and environment. By emphasizing social and environmental development, Avian Brands strives to positively impact the communities and the environment. This commitment signifies Avian Brands’ continued focus on achieving the Sustainable Development Goals and concrete contributions to independent communities and thriving environments.”

Avian Brands Achievements [GRI 3-3]



195

A total of 195 Avian Brands Peduli CSR Programs, an increase of 98.98% compared to the 98 programs in the previous year.

25 Pillars of Education

164 Pillars of Environment

6 Pillars of Disaster Response



Avian Brands Peduli CSR program has reached numerous regencies/cities across Indonesia.

Petik Laut Program

11

Regions

Painting of Education Facilities

19

Regions

Painting of Places of Worship

45

Regions

Painting of Public Facilities

13

Regions



IDR 2.34 billion

allocated for Avian Brands Peduli CSR.

Community Development Strategy

We understand that the presence of Avian Brands in the community must provide benefits to improve the welfare of the local communities. Based on the Business Ethics and Code of Conduct governing Responsibility to the Community and Environment as well as on the Sustainability Strategy under the Social, Labor and Human Rights Pillar point 10 which states that “Avian Brands respects the rights of local communities, including indigenous and traditional communities” and point 11 which states that “Avian Brands participates in community empowerment”, we continue to be actively involved in implementing various initiatives to empower communities, address social, economic and environmental challenges, and bring about positive changes in various regions in Indonesia. These social responsibility and community development activities extend beyond the immediate vicinity of the plants, reaching out to wider communities in various regions of Indonesia. [GRI 3-3]

Avian Brands understands that the operations of its plants, particularly in paint manufacturing, potentially bring adverse impacts to the surrounding communities, such as noise, pollution, and so on. Avian Brands is well aware of these risks and is committed to always complying with applicable rules and regulations and implementing sustainable business practices. Every aspect of Avian Brands’ operations is carried out with utmost caution

in order to minimize adverse impacts and ensure that its business activities are not only safe, but also positively contribute to the surrounding communities. [GRI 3-3]

Avian Brands’ commitment to community and social contribution is materialized through an integrated approach that harmonizes sustainability performance from economic, environmental, social, and governance aspects. Avian Brands believes that economic success is not only measured by profitability figures, but also by the extent to which it can provide tangible benefits to society. Therefore, Avian Brands consistently strives to create jobs, develop useful innovative products, and undertake its Corporate Social Responsibility (“CSR”) consistent with sustainability principles. [GRI 3-3]

Avian Brands conducts social mapping studies in collaboration with verified research consulting agencies. These studies aim to obtain an analysis of community needs, vulnerable group classification, and explanation of social problems, in order to find program recommendations that match the specific needs of the surrounding communities to ensure concrete and sustainable positive impacts. With this initiative, Avian Brands also seeks to continue supporting the achievement of the Sustainable Development Goals in line with the national and global development agenda. In this context,



the “**Avian Brands Peduli**” program serves as the main platform for Avian Brands to channel its social responsibilities, with a focus on education, environment, and disaster response. The social activities carried out include community empowerment, capacity building, infrastructure building, and charity. This program embodies Avian Brands’ commitment to supporting the welfare of Indonesian communities and strengthening its relationship with its stakeholders. [GRI 3-3]

Community empowerment activities can indirectly make significant economic contributions. In the operational area of the Serang Plant, Avian Brands has opened an employee canteen. To provide meals, Avian Brands has collaborated with the surrounding communities to deliver a wide variety of food and beverages for purchase, by placing them for sale in the employee canteen. This collaboration is a manifestation of Avian Brands’s support for MSMEs to boost the economy around its operational areas, particularly businesses owned or run by women. [GRI 3-3]

Implementation of Avian Brands Peduli program is the duty of the CSR Committee, which is directly responsible to the Board of Directors. Further information on the management structure of Avian Brands Peduli program is described as follows:

Organizational Structure of CSR Committee



We place particular emphasis on the selection and assignment of individuals responsible for the management of Avian Brands’ CSR activities. We ensure that those involved in management possess the competence and expertise that fits the needs of Avian Brands. This is not only essential to effectively carry out Avian Brands Peduli programs, but also crucial in ensuring that each CSR initiative is consistent with the established goals and objectives. In the process, the CSR Committee is tasked with ensuring that Avian Brands Peduli programs are designed and implemented by considering the needs of the surrounding communities, thus resulting in tangible and sustainable impacts. The CSR Committee is also responsible for measuring and evaluating the effectiveness of these programs, ensuring that each activity is in accordance with established standards and achieves the desired targets. [GRI 3-3]

With this approach, we are committed to ensuring that Avian Brands’ contribution to the communities not only makes direct positive impacts, but is also well integrated in its overall sustainability strategy. Through professional and responsible management, we strive to improve the alignment between Avian Brands’ CSR programs and the real needs of the communities, so that Avian Brands Peduli can continue to provide meaningful benefits to the communities that Avian Brands serves. [GRI 3-3]



CSR Pillar Avian Brands Peduli

Education



Avian Brands believes that higher quality HR would result in a competent and highly competitive community. Therefore, the following three points are the Company's key foundation in improving the quality of HR.

- Quality of Education
- Scholarship
- Training and Skills

Environment



Avian Brands realizes that the potential development of the environment is directly proportional to the opportunity to minimize environmental impacts. Avian Brands believes that these would help bring the community a better standard of living.

- Improvement on the Environment
- Tourism Development
- Minimizing Impacts on the Environment

Disaster Response



Avian Brands continues to assist those in need according to the requirements and conditions of each incident.

- Disaster Mitigation
- Blood Donation

Supporting the Community

Pillars of Education [GRI 413-1] [POJK F.25]

Throughout 2024, the Company carried out various CSR programs related to supporting the development of quality human resources in order to create competent communities with high competitiveness. Some of these programs are described as follows:

Avian Brands x Yayasan Peduli Anak Sumbawa, West Nusa Tenggara



Avian Brands provided donations to Yayasan Peduli Anak in the construction of their second children foundation in Sumbawa, West Nusa Tenggara. As part of its commitment to continue supporting educational equality and opportunities for children in Indonesia, Avian Brands also took part in donating to support the successful development of the foundation. These donations included Sunguard Emulsion premium exterior wall paint, Cat Tembok Avitex Gold (multifunctional exterior and interior paint), Avian Cat Kayu dan Besi, Base Paint (Lenkote Alkali Resisting Primer and Avitex Alkali Resisting Primer), and Avian Cat Paving, with a total of 2,633 kg of paint and a total funds of IDR161.23 million.

Pillars of Education [GRI 413-1] [POJK F.25]

Painting the Buduran Vocational High School 3, East Java



Avian Brands provided assistance to Buduran Vocational High School 3, East Java to maintain and improve the comfort of various school facilities and infrastructure. The assistance provided consisted of 60 pails of Cat Tembok Avitex Exterior in 25 kg packaging, 58 pails of Avitex Interior in 25 kg packaging, 29 gallons of Avian Cat Kayu dan Besi in 5 kg packaging, 36 gallons/set of Avian Cat Paving in 5 kg packaging, and 25 cans of Avian Thinner A in 1 liter packaging. The total assistance provided by Avian Brands in this program amounted to IDR120.97 million.

Internship Program



Avian Brands organized an internship program for vocational school students and university students. In addition, Avian Brands also supported the internship program organized by the Ministry of Education and Culture of the Republic of Indonesia, by offering internship opportunities through the Certified Internship and Independent Study (*Magang dan Studi Independen Bersertifikat* or "MSIB") program. It aims to help students improve their competence and prepare for the workforce. Through this program, participants gain hands-on job experience and mentorship from professionals at Avian Brands. In addition to technical skills, the program also helps develop communication, teamwork, and problem-solving skills. Throughout 2024, Avian Brands accepted interns consisting of 9 vocational high school students and 16 university students with an allocated fund of IDR197.30 million.

Scholarship Program for Excelling Employees' Children & Tanoko School Scholarship



Avian Brands launched a scholarship program aimed at encouraging educational advancement among Avian Brands' extended family and the surrounding communities. In 2024, Avian Brands awarded scholarships to 25 elementary school, middle school, and high school students, who were children of Avian Brands' employees, who achieved excellent performance by placing in the top 3 of their class. This scholarship is a gesture of Avian Brands' appreciation for their enthusiasm and effort in achieving academic excellence.

In addition, Avian Brands also granted scholarships for orphans at Tanoko School, with a total of IDR228.00 million in tuition fee assistance. These scholarships are expected to provide better access for children in need to continue their education and reach their highest potential.

Apart from the above programs, Avian Brands has also implemented various other programs to help improve the quality of educational facilities in various regions in Indonesia. Among such programs are:

1. Painting of Sports Pitch at Surabaya Vocational High School 13, East Java;
2. Mural with the Christian University of Indonesia (*Universitas Kristen Indonesia* or "UKI"), East Jakarta;
3. Painting of Klakah Public School in Lumajang, East Java;



Pillars of Education [GRI 413-1] [POJK F.25]



4. Painting of Tennis and Basketball Courts of Vocational High School 3, Semarang
5. Painting of Yayasan Harapan Mulia Banyumas, Central Java;
6. Painting of Medan Ecumenical Theological Seminary, North Sumatra;
7. Painting of Medan Rehobot Christian Theological High School, North Sumatra;
8. Painting of Gegerbitung Middle School 2 in Sukabumi, West Java;
9. Painting of Purwokerto Christian Primary School 2, Central Java;
10. Painting of Istana Hati Middle School in Binjai, North Sumatra;
11. Painting of Santa Agnes Kindergarten in Merauke, South Papua;
12. Painting of Ciodeng Elementary School in Bogor, West Java with London School of Public Relations ("LSPR");
13. Painting of Tennis and Basketball Courts of Semarang Vocational High School 3, Central Java;
14. Painting of Pangkalpinang City Middle School 1, Bangka Belitung Islands;
15. Painting of Minu Dedawang School, Bawean, Gresik, East Java;
16. Painting of Gegerbitung Satu Atap Middle School 3, Sukabumi, West Java;
17. Mural with UTU Campus, Yogyakarta;
18. Painting of Santo Yusup Orphanage in Cianjur with UMN Campus, Cianjur, West Java;
19. Painting of RYDHA Tahfidz Qur'an Middle School, Tangerang, Banten; and
20. Painting of Nagrog Elementary School, Cicalengka, Bandung, West Java.

Pillars of Environment [GRI 413-1] [POJK F.25]

Throughout 2024, the Company carried out various CSR programs related to supporting the improvement of environmental potential, in order to minimize environmental impacts and develop tourism in local communities. Some of these programs are described as follows:

Kampung Berseri Program at Wadungasih Village



In managing environmental impacts, Avian Brands has involved the community through various initiatives, among which is the *Kampung Berseri (Bersih dan Lestari)* (Clean and Sustainable Village) empowerment program intensively carried out in Wadungasih Village, Buduran, Sidoarjo. In 2024, Avian Brands focused on continuing the community empowerment programs that had been successfully carried out in the previous year. Considering the improved waste utilization for maggot cultivation that has been in progress, in 2024, Avian Brands provided additional assistance by adding catfish cultivation mediums. In addition, Avian Brands also continued the urban farming crop diversification program on different lands. Avian Brands also focused on improving waste management in Wadungasih Village.

Through the infrastructure revitalization program, Avian Brands hopes to improve the waste management of Wadungasih Village so that it can reduce the volume of waste going to the landfill. In supporting this program, Avian Brands also procured segregation bins for organic and inorganic waste. In terms of competence, Avian Brands also provided advanced training for environmental cadres on waste processing at the Waste Bank. This year, a community development program was also carried out in the form of establishing a Collective Business Group (Kelompok Usaha Bersama or "KUBE") for the processing of catfish and processing of moringa leaves. In addition to improving the food security of Wadungasih Village, this program is also expected to provide a new source of income for the residents of Wadungasih Village. By the end of 2024, KUBE has been able to launch independent business groups and increase community income. Avian Brands also actively participates in supporting waste management at Wadungasih Village. Among the activities it carried out was to provide furnace and chimney assistance to support the operations of the Material Recovery Facility (TPST) of Wadungasih Village.

Pillars of Environment [GRI 413-1] [POJK F.25]

Community Engagement for Planting and Tending of Trees on the slopes of Mount Arjuno



Avian Brands carries out a CSR program that focuses on environmental preservation by involving the community in planting and tending trees on the slopes of Mount Arjuno. The program is part of the environmental protection initiatives to increase the area's forest cover, prevent erosion, and preserve the mountainside ecosystem. Through a participatory approach, the local community is invited to contribute to the reforestation process and also empowered to care for the trees, thus creating a double impact of preserving the environment while providing educational value to the surrounding community.

CSR Program of Jogging Track & Car Park Canopy Construction



The CSR Program of Jogging Track & Car Parking Canopy Construction was carried out in RW 04 of Binangun Residences, Wadungasih, Sidoarjo. This program aims to improve the quality of public facilities in the neighborhood. The construction of the jogging track is expected to encourage people to exercise more, while the construction of the car park canopy will provide comfort and protection for parked vehicles. This program highlights the commitment of Avian Brands to creating a more comfortable, healthy, and friendly environment for the community.

Petik Laut Program

Avian Brands recognizes the crucial role of the fishing communities in Indonesia's economy, given that a significant portion of the country consists of maritime areas. As a form of appreciation and support, Avian Brands consistently sets Petik Laut as a priority program that is held annually. The Petik Laut is a traditional ceremony that has been passed down for generations and holds profound value for coastal communities. By participating in the preservation of this tradition, Avian Brands contributes to protecting cultural heritage laden with spiritual values and respect for nature, as well as strengthening the relationship between Avian Brands and the coastal communities. In the Petik Laut program, Avian Brands also provides assistance related to the maintenance of fishing boats as the main instrument for their continued livelihood.

Throughout 2024, Avian Brands supported the Petik Laut events in various regions in Indonesia as described below:

1. Petik Laut at Ketapang Harbor, Manokwari, West Papua;
2. Petik Laut at Pagatan Beach Festival, Batulicin, South Kalimantan;
3. Petik Laut at Pelabuhan Ratu, Sukabumi, West Java;
4. Petik Laut and Painting of Rickshaw at Pelabuhan Doom, Sorong, Southwest Papua;
5. Petik Laut at Namosain Beach, Kupang, East Nusa Tenggara;
6. Petik Laut at Kwanyar Barat, Bangkalan, East Java;
7. Petik Laut at Kaduara Village, Pemekasan, East Java;
8. Petik Laut at the Fishermen Community Festival of Bahari Nusantara Jamarang Village, Makassar, South Sulawesi;
9. Petik Laut at Kuansing Taluk Kauntan Kota, Rengat, Riau Islands;
10. Petik Laut at Labuan Bajo, Ruteng, East Nusa Tenggara;
11. Petik Laut at Labuhan Lusa, Gresik, East Java; and
12. Petik Laut of Ship Painting at Al Baido Harbor, Kumai, Central Kalimantan.



Pillars of Environment [GRI 413-1] [POJK F.25]

Painting of Places of Worship

In addition to CSR activities for fishermen in the Petik Laut program, Avian Brands also has other regular CSR programs in the form of donating paints to places of worship, in support of social and religious activities of the community as well as other public facilities and infrastructure. This program aims to help repair and enhance places of worship facilities, thus creating a more comfortable and peaceful atmosphere for worshipers in performing religious activities. Through this initiative, Avian Brands hopes to contribute to the preservation and beautification of places of worship, while strengthening social and spiritual bonds within the community. Several CSR programs to enhance public places of worship that Avian Brands successfully realized throughout 2024 are described as follows:

1. Painting of Baitul Huda Mosque and Nurul Huda Musholla, Pekalongan, Central Java;
2. Painting of Jami' Nurul Iman Mosque, Situbondo, East Java;
3. Painting of Tuan Ma and Tuan Ana Chapel, Larantuka, East Nusa Tenggara;
4. Painting of GKMI Syaloom Sea Church, Manado, North Sulawesi;
5. Painting of St. Maria Imakulata Church, Tarakan, North Kalimantan;
6. Painting of Suara Kebeneran Injil Church ("GSKI"), Palangkaraya, Central Kalimantan;
7. Painting of Muhajirin Mosque, Berau, East Kalimantan;
8. Painting of Baitul Ihsan Mosque, Al-Ikhlas Mosque, and Annur Kasiak Musholla, Payakumbuh, West Sumatra;
9. Painting of Babul Jannah Mosque, Lhoksemawe, Aceh;
10. Painting of Miftahul Abrar Mosque, Bulukumba, South Sulawesi;
11. Painting of Al-Muhajirin Mosque, Bekasi, West Java;
12. Painting of Al-muklis Mosque, Central Lampung, Lampung;
13. Painting of Al-Mustharrah Musholla, Al-Khairat Mosque, Al-Hijra Musholla, Nur Hidayah, Nur Hidayah 2, and Nur Ikhlas Musholla, Pekanbaru, Riau;
14. Painting of Nurul Huda Mosque, Darul Falah Mosque, Al Hikmah Mosque, and Darussalam Mosque, Palembang, South Sumatra;
15. Painting of GMIM Ruth Matungkas Church, Manado, North Sulawesi;
16. Painting of GPDI Alfa Omega Molompar Church, Manado, North Sulawesi;
17. Painting of Miftahul Huda Mosque, Bandar Lampung, Lampung;
18. Painting of Al-Mukhtar Mosque and Mujtahidin Mosque, Blora, East Java;
19. Painting of Jannatul Firdaus Mosque, West Sumatra ;
20. Painting of Al Muhibbin Mosque, Mojoanyar, Jombang, East Java;
21. Painting of Imam Zamzun Mosque, Malang, East Java;
22. Painting of Al Hidayah Mosque, Bulukumba, South Sulawesi;
23. Painting of Padang Belimbing Grand Mosque, Nagari Koto Sani, Padang, West Sumatra;
24. Painting of Arrohim Mosque, Padangsidempuan, North Sumatra;
25. Painting of Gpdl Pagarawan Church, Pangkalpinang, Bangka Belitung Islands;
26. Painting of Nurul Safiah Mosque, Bulukumba, South Sulawesi;
27. Painting of Fransiskus Xaverius Church, Dumai, Riau;
28. Painting of Al-Masthur Mosque, Bogor, West Java;
29. Painting of Al-Muhajirin Musholla and Nurul Ikhsan Musholla, Pademangan, North Jakarta, Jakarta;



Pillars of Environment [GRI 413-1] [POJK F.25]



30. Painting of Jami An-Nur Mosque, Palembang, South Sumatra;
31. Painting of Jami Al Ikhlas Mosque, Padangsidempuan, North Sumatra;
32. Painting of Samaduha Musholla, Gunung Putri, Bogor, West Java;
33. Painting of Al-Ikhlas Halilulik Mosque, Atambua, East Nusa Tenggara;
34. Painting of Prapatunggal Musholla and Rabah Bawean Mosque, Gresik, East Java;
35. Painting of Rhoudatal Jannah Mosque, Depok, West Java;
36. Painting of Al-Shirotol Mustaqim Mosque, Muara Teweh, Central Kalimantan;
37. Painting of Al-Qadri Mosque, Samarinda, East Kalimantan;
38. Painting of Miftahul Huda Mosque, Banjarmasin, South Kalimantan;
39. Painting of Al-Misbah Mosque, Purwokerto, Central Java;
40. Painting of Nurush Shobah Mosque, Sampit, Central Kalimantan;
41. Painting of Darul Muhtadin Mosque, Batulicin, South Kalimantan;
42. Painting of Agani Mosque, Palangkaraya, Central Kalimantan;
43. Painting of Wihdatul Ummah Mosque, Bontang, Sangat, East Kalimantan; and
44. Painting of St. Peter Lempo Catholic Church, and Rantealla Congregation Toraja Church, Palopo, South Sulawesi.
45. Painting of Padang Balimbing Grand Mosque, Nagari Koto Sani, West Sumatra;
46. Painting of Jami Nurul Hidayah Mosque, Banten;
47. Painting At-Taqwa Mosque, Al-Khoziny Mosque, Al-Khudaimiyah Mushollah through FKUB, Sidoarjo, East Java;
48. Painting of Al-Ikhlas Mosque, Leuwi Limus Sub-district, Banten;
49. Painting of St. Andreas Catholic Church in Porong, Sidoarjo, East Java;
50. Painting of St. Peter Lempo Catholic Church, Rantealla Congregation Toraja Church, South Sulawesi;
51. Painting of St. Mikael Catholic Church, Surabaya, East Java;
52. Painting of Santa Maria Annuntiata Catholic Church, Sidoarjo, East Java; and
53. Painting of HKBP Waru Church, Jawi Wetan Christian Church, Sidoarjo, East Java.

In addition to places of worship, paint assistance was also provided to support the improvement of the quality of public facilities and infrastructure. We conducted 76 activities, some of which are described as follows:

1. Paint donation to Tambun Orphanage, Bekasi Regency, West Java;
2. Paint donation to Kemala Bhayangkari Foundation, Jakarta;
3. Paint Donation to Bukit Harimau Tourist Area, Batam, Riau Islands;
4. Painting of Caruban City, Madiun, East Java;
5. Paint Donation to Pratama Muhammadiyah Clinic in Cirebon City, West Java;
6. Mural Event with Belanak Mural Community, Padang, West Sumatra;
7. Painting of the Zoo, Surabaya, East Java;
8. Painting of Bambu Runcing Surabaya, East Java; and
9. Paint donation to Kodiklatal TNI AL, Krembangan, Surabaya, East Java.
10. Painting of Military Police Sub Detachment V/4-1, Surabaya, East Java.



Pillars of Disasters Response [GRI 413-1] [POJK F.25]

Throughout 2024, Avian Brands has implemented various CSR programs related to providing assistance to the victims of natural disasters in need. Some of these programs are described as follows:

Disaster Response to the Flood in Kudus, Central Java



Avian Brands provided relief to the residents of Kudus, Central Java who were affected by the floods. The relief was provided in the form of 400 cartons of mineral water, 200 cartons of instant noodles, and 200 packs of rice each weighing 5 kg. The total donation provided by Avian Brands in this relief amounted to IDR47.68 million.

Disaster Response to Flash Flood, West Sumatra



Avian Brands provided relief to communities in the West Sumatra region that were hit by flash floods due to high rainfall in several areas. The relief was provided in the form of basic necessities, such as mineral water, instant noodles, rice, eggs, and other supplies to victims at the two shelters. The total donation provided by Avian Brands in this relief amounted to IDR49.97 million.

Blood Donation Activity



As a form of concern for the surrounding communities in need of blood, each year Avian Brands also actively organizes blood donation activities for employees. Throughout 2024, Avian Brands has conducted 4 blood donation activities in January, April, July, and October, with 477 employees participating. This program is a form of Avian Brands' concern for the surrounding community, particularly for those in need of blood.

Corporate Social Responsibility Programs Implementation Costs

(in million Rupiah)

CSR Program	2024	2023*	2022
Education	562	354	447
Environment	1,669	1,620	1,430
Disaster Response	113	21	61
Other CSR Activities	0	0	40
Total CSR Cost	2,344	1,995	1,978

* Data restated.

Total Corporate Social Responsibility Programs Activities



Concern and Empowerment of Local Community

Avian Brands is committed to contributing to the welfare of the surrounding communities through various social concern and empowerment programs. While Avian Brands' operational areas are not located on lands or areas belonging to indigenous communities, we continue to ensure that our presence and business activities provide positive impacts to the surrounding communities. This commitment is reflected in point 10 and 11 of the Avian Brands Sustainability Policy, which state:

"Respecting the rights of local communities, including indigenous and traditional communities, as well as participating in community empowerment." [GRI 3-3]

As a manifestation of its social responsibility, Avian Brands actively conducts community empowerment programs, such as skills training, local economic improvement, as well as social and environmental activities. We also ensure that our business operations respect the rights of the surrounding communities and that there are no incidents that adversely affect them. During the reporting period, Avian Brands did not record any incidents of violation of the rights of local communities in our operational areas. Going forward, we will continue to strengthen our community empowerment initiatives and ensure that every business activity is aligned with sustainability values, and contributes to the social and economic development of the surrounding communities.



Feedback on Corporate Social Responsibility Programs

[GRI 2-25]

[POJK F.24]

We are committed to ensuring that all CSR programs that Avian Brands realizes are always conducted responsibly, while ensuring their compliance with applicable laws and norms. To support this principle, we provide an open channel for all stakeholders to submit reports or complaints if they find indications of non-compliance of Avian Brands' CSR programs with applicable ethics, integrity or norms. We also receive complaints about operations that may impact the surrounding communities beyond environmental issues.

As part of this effort, we regularly conduct regular visits and meetings with communities to discuss issues related to the operations of Avian Brands. We always maintain good relations with the communities around our operational areas, including the Head of RT, the Head of RW, and local Sub-district Officials. These visits aim to hear and accommodate reports and aspirations from local communities, ensuring that every voice is heard and followed up with the utmost concern. Every complaint

received is processed with strict and professional procedures. If necessary, we will organize in-person discussions with relevant parties to discuss the issues and develop appropriate resolution measures.

Due to this commitment and proactive attitude, over the past 3 years, Avian Brands has not received any material and significant complaints related to the CSR programs. Furthermore, all CSR programs carried out by Avian Brands do not have significant adverse impacts on local communities, either actual or potential. Instead, Avian Brands' CSR programs are able to provide significant and sustainable benefits to the community, and we will keep striving to increase this contribution to the welfare of communities around Avian Brands on an ongoing basis. [GRI 2-16]



Sustainability Report Responsibility

Statement of Members of the Board of Commissioners and the Board of Directors on the Responsibility for the 2024 Sustainability Report of PT Avia Avian Tbk

We, the undersigned, hereby declare that all information in the 2024 Sustainability Report of PT Avia Avian Tbk (the "Company") has been completely presented and we shall be fully responsible for the correctness of contents in the Company's Sustainability Report.

This statement is hereby made in all truthfulness.

Surabaya, March 12, 2025

The Board of Commissioners,



Hermanto Tanoko
President Commissioner



Mohammad Noor Rachman Soejoeti
Independent Commissioner

The Board of Directors,



Wijono Tanoko
President Director



Ruslan Tanoko
Vice President Director



Robert Christian Tanoko
Director



Kurnia Hadi Sinanto
Director



Angelica Tanisia Jozar
Director



Written Verification from Independent Party

[GRI 2-5]

[POJK G.1]

[CDSB REQ-12]

The Sustainability Report has gone through the assurance process by an independent assurance institution, namely Decar Verite Asia, based on AA1000 Assurance Standard ("AA1000AS") with Type 2 - Moderate Assurance level. The report includes verification of data on environmental, social and governance performance, recorded in the Avian Brands Sustainability Report.



Independent Assurance Statement

No. DECAR-IAS/019/III/2025

Provided by **Decar Verite Asia**
On specified disclosures within the scope of work, included in PT Avia Avian Tbk 2024 Sustainability Report.

To: **PT Avia Avian Tbk Stakeholders**
As an independent licensed provider of sustainability assurance services, Decar Verite Asia has been engaged by PT Avia Avian Tbk ("Avian Brands") to provide independent assurance on the information reported in the PT Avia Avian Tbk's Sustainability Report 2024 ("the Sustainability Report") for the period beginning on 1st January 2024 and ending on 31st December 2024.

Objective

The objective of this assurance is to provide an independent opinion on Avian Brands's qualitative and quantitative information within the scope of work, as well as their supporting management system, as stated in the Sustainability Report. The assurance work was conducted within the define scope and limitations; therefore, this statement is not intended to serve as a basis for interpreting the sustainability or overall performance of Avian Brands.

Scope

Decar Verite Asia conducted a Type 2 assurance engagement for all material topics reported in the Sustainability Report. Data and information within the specified disclosures, including but not limited to, commitment, initiatives, and performance, were assured to a Moderate Level of Assurance. The procedures included evaluating the specified disclosures and assessing samples of evidence to verify the adherence, reliability, and quality of the information against criteria as stated below.

Reference and Criteria

Decar Verite Asia performed the assurance in accordance with AA1000 Assurance Standard v3 (2020). The criteria used include the AA1000AP Standard (2018) and the standards/regulation referenced in the Sustainability Report, namely:

- Regulation of Indonesia Financial Service Authority: POJK No.51/2017 and SEOJK No.16/2021;
- GRI Standards 2021;
- SASB Resource Transformation - Chemical.

Responsibilities

PT Avia Avian Tbk

Preparing the data in accordance with generally accepted reporting practices. This responsibility also includes ensuring the accuracy and completeness of the information reported, implementing and maintaining internal controls relevant to the preparation of the report, ensuring the performance data are fairly stated in accordance with applicable standards, as well as ensuring the data and information are not edited or amended in any way after assurance.

Decar Verite Asia

Evaluating the content of the Sustainability Report, assessing collected evidence on the agreed-upon subject matter and criteria, in accordance with the terms of reference agreed upon with Avian Brands.

Methodology

The team undertook the following activities to render their opinion:

- Conducted an initial review of the material topics in the Sustainability Report to generate a list of evidence needed to ensure accuracy and credibility;
- Engaged with individuals responsible for managing the material topics;
- Evaluated the management systems to perform data collection, compilation, calculation, reporting, and validation;
- Verified the information and evidence as regards the references and criteria used;
- Communicated the recommendations to provide an opportunity for corrective action;
- Reviewed the final content of the Sustainability Report;
- Prepared the statement letter and management letter, followed by the necessary approval as per Decar Verite Asia's assurance protocols.

Limitations

Decar Verite Asia planned and performed the work to obtain all the information and explanations deemed necessary to provide a basis for rendering a conclusion at a Moderate Level of Assurance. The assurors reviewed governance documents and relevant data, and performed limited recalculations on specific data sets through risk-based sampling. These processes enabled Decar Verite Asia to reduce the risk of error in its conclusions but does not reduce the risk to zero. Decar Verite Asia does not assure financial data and information as Avian Brands has engaged with other parties to verify or audit the financial statements. This assurance also does not include GHG verification. It is based solely on Avian Brands' internal calculations, which were reviewed using a sampling-based approach.



Statement of Competency and Independence

Decar Verite Asia is an independent licensed provider of assurance services. Our team of experts possesses the technical expertise, competency, and extensive experience necessary to conduct assurance engagements on environmental, social, and various other topics in accordance with the AA1000 Assurance Standard. No member of the assurance team has a business relationship with Avian Brands beyond this assignment. Decar Verite Asia conducted this assurance engagement independently and impartially with no conflicts of interest.

Adherence to AA1000 Accountability Principles Standard (2018)

Decar Verite Asia has concluded that the specified disclosures within the scope of assurance, as stated in the Sustainability Report, adhere to the AA1000 Accountability Principles Standard (2018).

Inclusivity

Avian Brands has implemented appropriate identification of significant stakeholders based on the AA1000 Stakeholder Engagement Standard. Avian Brands has also implemented ISO standards that include the identification of issues and impacts from a stakeholder perspective. Therefore, Decar Verite Asia can confirm that Avian Brands has applied the principle of inclusivity. Moving forward, Avian Brands may consider the results of impact identification holistically in determining material topics.

Materiality

Avian Brands has identified its material topics by considering its organizational context and engaging stakeholders through the distribution of questionnaires for assessment. The results of this material topic assessment were mapped according to their level of materiality. Based on this process, Decar Verite Asia can confirm that Avian Brands has applied the principles of materiality. Moving forward, Avian Brands may consider adopting the GRI standards comprehensively to further enhance the determination of material topics.

Responsiveness

Avian Brands has demonstrated the principle of responsiveness in the context of sustainability as a chemical industry, particularly in addressing climate change and promoting a culture of a safe and healthy work environment by implementing the OHS Management System. Avian Brands also has appointed Quality Assurance and

Sustainability (QAS) department responsible for driving the implementation of its sustainability strategy. We also value that Avian Brands has calculated its organizational emission of scope-1, scope-2, and scope-3, though it has not yet been independently verified.

Impact

Avian Brands has established the processes to identify, monitor, measure, evaluate, and manage its material impacts. For instance, Avian Brands has certified its paint products with Singapore's Green Label Certification. As of 2024, 34 paint products have been certified and the sales volume of Singapore's Green Label-certified products reached 51.96 tons or 30.21% of the total paint sales volume in the architectural solutions operations segment. Hence, Decar Verite Asia can confirm that Avian Brands has applied the principle of impact.

POJK No.51/2017 and SEOJK No.16/2021

The disclosure provided in the Sustainability Report align with the disclosure requirements outlined in POJK No.51/2017 and SEOJK No.16/2021.

Adherence to GRI Standards 2021

Decar Verite Asia can confirm that the disclosures are in line with Avian Brands's claim that the Sustainability Report has been prepared with reference to the GRI standards. The disclosures of management approach for material topic in general are fairly disclosed. The principles to achieving quality sustainability reporting have been applied. Supporting documents were adequately presented during the assurance.

SASB Resource Transformation- Chemical

While some information remains challenging to disclose, the Sustainability Report has, overall, provided sustainability disclosures and metrics in alignment with the SASB Standard.

Conclusions

Based on the methodology and activities performed within the scope of assurance, nothing has come to our attention that the specified disclosures as included in the Sustainability Report are materially misstated. The Sustainability Report provides appropriate and fair representation, aligned with AA1000AS V3 (2020) and Accountability's Principles (2018). This conclusion reduces the risk of error, but does not reduce the risk to zero.

Bogor, 5th March 2025
Signed on behalf of Decar Verite Asia



Corey Pernieda
Managing Director
Decar Verite Asia



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Reader Survey [POJK G.2]

1. In your opinion, would you recommend this Sustainability Report for your associates or colleagues to ?

1	2	3	4	5	6	7	8	9	10
Not at all					Highly recommended				

2. Is the presented information sufficient for you to draw a conclusion?

1	2	3	4	5	6	7	8	9	10
Not at all					Highly recommended				

3. Is the design of this Sustainability Report (layout, infographics, and other design elements) sufficiently enticing and helpful to read?

1	2	3	4	5	6	7	8	9	10
Not at all					Highly recommended				

4. Which sustainability topics interest you the most?

.....

.....

.....

5. Your suggestions and input for our next report:

Topic :

Language :

Design :

Data :

6. Your Information:

Name :

Age :

Occupation :

7. Identity by Stakeholder Category:

☐ 1 Customer	☐ 5 Business Partner
☐ 2 Employee/Employee Organization	☐ 6 Mass Media
☐ 3 Shareholder	☐ 7 Public
☐ 4 Government, Regulator, or Legislative	☐ 8 Others, please specify ...

8. Would you like to be contacted regarding our next sustainability information?

☐ Yes	Email address:
☐ No	

Please send this feedback form to:
PT Avia Avian Tbk
Avian Brands Building
Jl. Ahmad Yani No. 317
Surabaya 60234, Jawa Timur, Indonesia
✉: corsec@avianbrands.com
investor.relations@avianbrands.com

PT Avia Avian Tbk will treat your information as confidential and will not be used for any other purposes.



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Response to the Previous Year's Report Reader Survey [POJK G.3]

Avian Brands did not receive any response from stakeholders following the issuance of the 2023 Sustainability Report. Thus, there is no specific information hereunder regarding the follow-up actions taken by Avian Brands on responses from stakeholders in the previous year.

List of GRI Standards Indexes for 2021 – with Reference

Statement on Utilization	PT Avia Avian Tbk has reported the information cited in the GRI content index for the period from January 1 - December 31, 2024 with reference to the GRI Standards.
GRI 1 utilized	GRI 1: Foundation 2021

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General Disclosure			
GRI 2: General Disclosures 2021	The Organization and Its Reporting Practices		
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	2-3	Reporting Period, Frequency, and Contact Point	2
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	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	74; 79
	2-13	Delegation of Responsibility for Managing Impacts	73; 79
	2-15	Conflicts of Interest	97
	2-16	Communication of Critical Concerns	96-97
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	2-19	Remuneration Policies	77-78
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	2-23	Policy Commitments	30-31
	2-24	Embedding Policy Commitments	33-36; 92; 94-95
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	2-29	Approach to Stakeholder Engagement	60-63
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	201-2	Financial Implications and Other Risks and Opportunities Caused by Climate Change	109
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	161
	201-4	Financial Assistance Received from the Government	109
202 Market Presence			
GRI 3: Material Topics 2021	3-3	Management of Material Topics	162
GRI 202: Market Presence 2016	202-1	Ratios of Standard Entry-Level Wage by Gender Compared to Local Minimum Wage	162
	202-2	The proportion of Senior Management Coming from Local Communities	76; 111
203 Indirect Economic Impacts			
GRI 3: Material Topics 2021	3-3	Management of Material Topics	110
GRI 203: Indirect Economic Impacts 2016	203-1	Investment in Infrastructure and Support Services	111
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GRI 3: Material Topics 2021	3-3	Management of Material Topics	93
GRI 205: Anti-Corruption 2016	205-1	Operations Assessed for Risks related to Corruption	93
	205-2	Communication and Training about Anti-Corruption Policies and Procedures	93
	205-3	Confirmed Incidents of Corruption and Actions Taken	93
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GRI 3: Material Topics 2021	3-3	Management of Material Topics	96
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GRI 3: Material Topics 2021	3-3	Management of Material Topics	168
GRI 403: Occupational Health and Safety 2018	403-1	Occupational Health and Safety Management System	169
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	169
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GRI 406: Non-Discrimination 2016	406-1	Incidents of Discrimination and Corrective Actions Taken	152; 154
407 Freedom of Association and Collective Bargaining			
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408 Child Labor			
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409 Forced or Compulsory Labor			
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413 Local Communities			
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GRI 413: Local Communities 2016	413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	110; 178-184
414 Supplier Social Assessment			
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415 Public Policy			
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416 Customer Health and Safety			
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417 Marketing and Labeling			
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	417-3	Incidents of Non-Compliance concerning Marketing Communications	140





Cross Reference GRI Standards with SDGs

We are committed to contributing to achieving the SDGs in Indonesia. This contribution is delivered through links between programs/activities in Avian Brands' Sustainability Report with GRI Standards and SDGs, as in the table below:

Logo	Aim	Discussion in the Report	Alignment with GRI Standards	Disclosure	Page
	Ensure Inclusive and Equitable Quality Education and Promote Lifelong Learning Opportunities for All	Competence Improvement without Discriminating against Employees' Gender and Background	GRI 404: Training and Education 2016	404-1 Average Hours of Training per Year per Employee	158
				404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs	157
				404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews	161
	Achieve Gender Equality and Empower All Women and Girls	Provision of Employment, Income, Remuneration, and Facilities	GRI 202: Market Presence 2016	202-1 Ratios of Standard Entry-Level Wage by Gender Compared to Local Minimum Wage	162
			GRI 401: Employment 2016	401-1 New Employee Hires and Employee Turnover	154-156
				401-2 Benefits Provided to Full-time Employees that are not provided to Temporary or Part-Time Employees	163; 165
			GRI 405: Diversity and Equal Opportunity 2016	405-2 The Ratio of Basic Salary and Remuneration of Women to Men	162
		Anti-discrimination Labor Management	GRI 406: Non-Discrimination 2016	406-1 Incidents of Discrimination and Corrective Actions Taken	152; 154
	Ensure Availability and Sustainable Management of Water and Sanitation for All	Responsible Water Usage and Management	GRI 303: Water and Effluents 2018	409-1 Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	105; 163-164; 165
				303-1 Interactions with Water as a Shared Resource	123
				303-2 Management of Water Discharge-Related Impacts	122
				303-4 Water Discharge	124

Logo	Aim	Discussion in the Report	Alignment with GRI Standards	Disclosure	Page
7 AFFORDABLE AND CLEAN ENERGY 	Ensure Access to Affordable, Reliable, Sustainable, and Modern Energy for All	Responsible Energy Usage and Management, including Efficiency Measures and Usage of Renewable Energy Sources	GRI 302: Energy 2016	302-1 Energy Consumption within the Organization	120-121
				302-3 Energy Intensity	121
				302-4 Reduction of Energy Consumption	120
8 DECENT WORK AND ECONOMIC GROWTH 	Promote Sustained, Inclusive and Sustainable Economic Growth, Full, and Productive Employment and Decent Work for All	Provision of Employment, Income, Remuneration, and Facilities	GRI 201: Economic Performance 2016	201-1 Direct Economic Value Generated and Distributed	108-109
			GRI 202: Market Presence 2016	202-1 Ratios of Standard Entry-Level Wage by Gender Compared to Local Minimum Wage	162
			GRI 401: Employment 2016	401-1 New Employee Hires and Employee Turnover	154-156
				401-2 Benefits Provided to Full-Time Employees that are not Provided to Temporary or Part-Time Employees	163; 165
		Freedom of Association	GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and Suppliers in which the Right to Freedom of Association and Collective Bargaining May Be at Risk	164
		Local Community Development and Empowerment	GRI 203: Indirect Economic Impacts 2016	203-2 Significant Indirect Economic Impacts	105; 110-111
			GRI 413: Local Communities 2016	413-1 Operations with Local Community Engagement, Impact Assessments, and Development Programs	110; 178-184
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Build Resilient Infrastructure, Promote Inclusive Sustainable Industrialization, and Foster Innovation	Avian Brands' Contribution to the Construction of Public Facilities	GRI 413: Local Communities 2016	413-1 Operations with Local Community Engagement, Impact Assessments, and Development Programs	111; 178-184





Logo	Aim	Discussion in the Report	Alignment with GRI Standards	Disclosure	Page
	Ensure Sustainable Consumption and Production Patterns	Responsible Use of Materials	GRI 301: Materials 2016	301-1 Materials Used by Weight or Volume	118-119
				301-2 Recycled Input Materials Used	118
		Management and Reuse of Waste as Raw Materials for Manufacturing	GRI 306: Waste 2020	306-1 Waste Generation and Significant Waste-related Impacts	128
				306-2 Management of Significant Waste-related Impacts	129
				306-3 Waste Generated	130
				306-4 Waste Diverted from Disposal	129-130
		Supplier Engagement that Emphasizes Sustainable Production Practices	GRI 308: Supplier Environmental Assessment 2016	308-1 New Suppliers that were Screened using Environmental Criteria	105
	Take Urgent Action to Combat Climate Change and Its Impacts	Reduction of Emissions as a cause of Global Warming and Climate Change	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	126
				305-2 Energy Indirect (Scope 2) GHG Emissions	126
				305-4 GHG Emission Intensity	127
				305-6 Emissions of Ozone-Depleting Substances	127
	Promote Peaceful and Inclusive Societies for Sustainable Development, Provide Access to Justice for All and Build Effective, Accountable, and Inclusive Institutions at All Levels	Implementing Accountable and Transparent Business Practices, and Zero-tolerance for All Forms of Corruption, Including Bribery, Extortion, Fraud and Money Laundering	GRI 205: Anti-Corruption 2016	205-1 Operations Assessed for Risks related to Corruption	93
				205-2 Communication and Training about Anti-Corruption Policies and Procedures	93
				205-3 Confirmed Incidents of Corruption and Actions Taken	93

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[POJK G.4]

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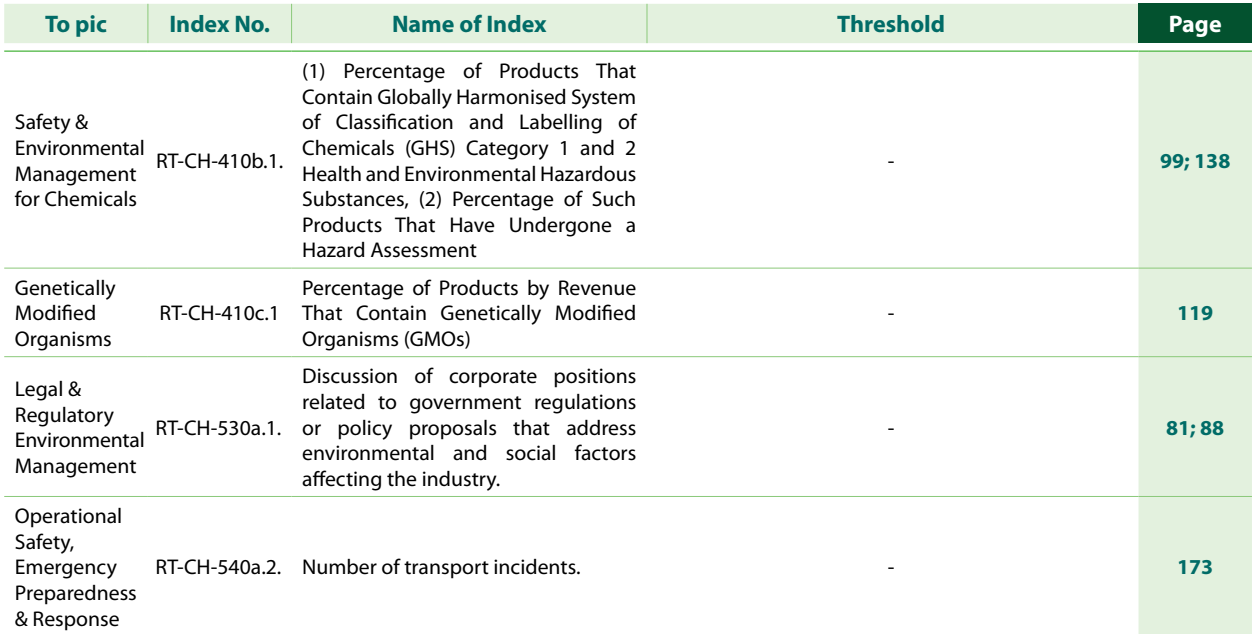
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Employee Health & Safety	RT-CH-320a.1.	(1) Total recordable incident rate (“TRIR”) and (2) fatality rate for (a) direct employees and (b) contract employees	Avian Brands has disclosed data related to workplace accidents, covering both permanent and contract employees. However, the data in the table is presented in aggregate, without distinction between permanent and contract employees.	172-173
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