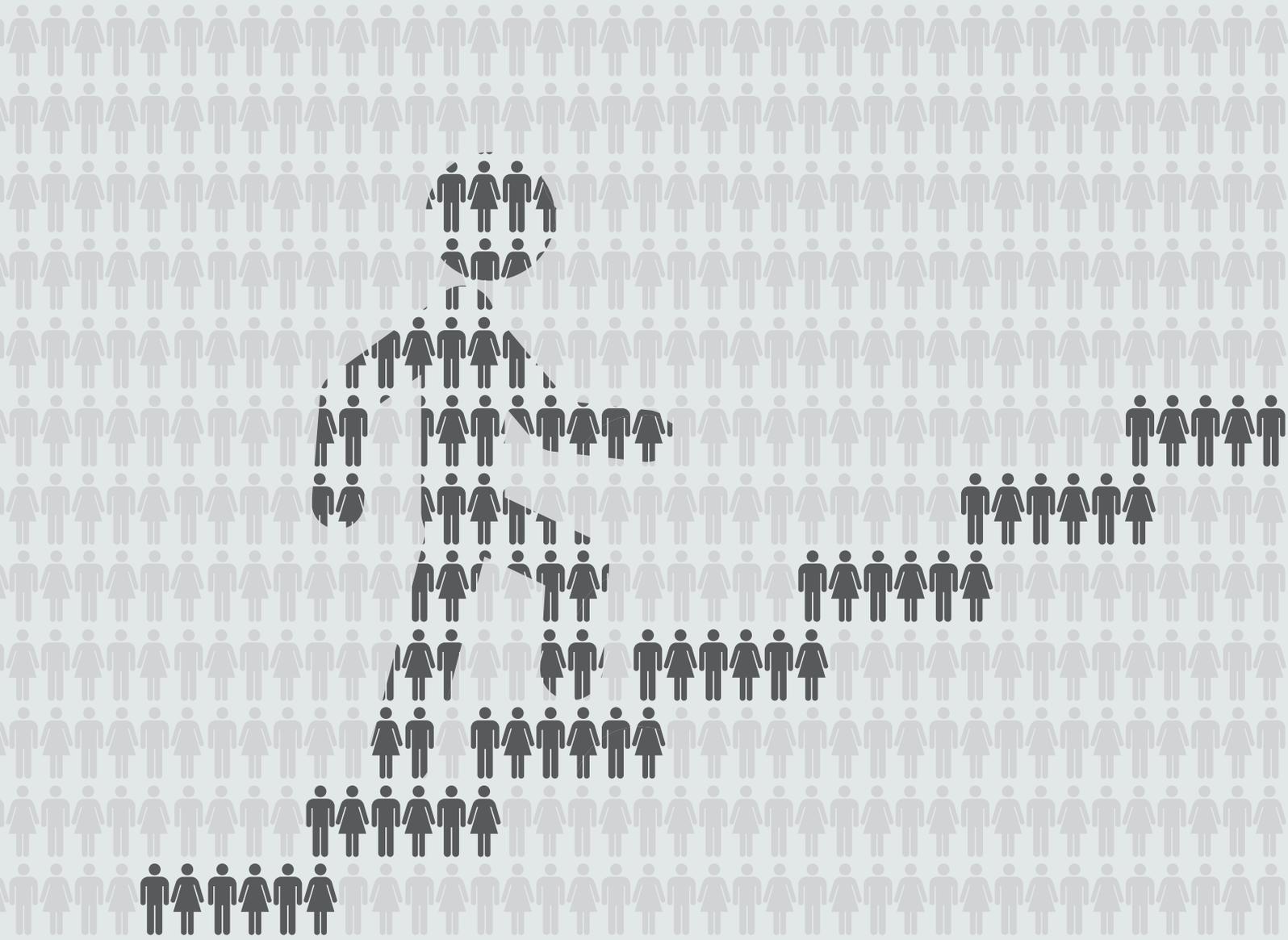


SUSTAINABLY EMPOWERING PEOPLE



A NEW APPROACH TO REPORTING

Indika Energy continually seeks ways to enhance communication by consistently incorporating feedback from the diverse audiences interested in our business and sustainability activities. This commitment extends to our annually published Indika Energy Sustainability Report through which we aim to provide an integrated overview of Indika Energy's business, sustainability strategies, activities and performance. To this end, our 2014 report uses the Global Reporting Initiative (GRI) G4 approach to achieve a more concise and intensely informative printed document that we are also sharing online.

MATERIAL ASPECTS AND BOUNDARIES

This Sustainability Report, the fifth published by Indika Energy thus far, was compiled for the period of 1 January to 31 December 2014. All data presented has been internally validated, with much of the quality management data also being internationally certified through ISO 9001, OHSAS 18001 and ISO 14001. Data regarding economic performance is based on the 2014 Indika Energy Annual Report, which has been verified by a public accountant.

The sustainability performances for a number of Indika Energy's subsidiaries and affiliate companies have been included here. PT Multi Tambangjaya Utama (MUTU), PT Petrosea Tbk. (Petrosea), PT Tripatra Engineering and PT Tripatra Engineers & Constructors (Tripatra), PT Mitrabahtera Segara Sejati Tbk. (MBSS), PT Kideco Jaya Agung (Kideco), PT Kuala Pelabuhan Indonesia (KPI), PT Petrosea Offshore Supply Base (POSB) and PT Cirebon Electric Power (CEP) have been especially selected on the basis of the size of their contributions in terms of income, ownership, and data availability.

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To learn more, please visit www.indikaenergy.co.id

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A photograph of Wishnu Wardhana, President Director, speaking at a microphone. He is wearing a white shirt and a dark vest. The background is dark with a bright light source at the top, creating a dramatic effect. He is gesturing with his hands while speaking.

Wishnu Wardhana
— President Director

Indika Energy's longstanding commitment to sustainability in its business, community partnerships and environmental stewardship is at the core of everything we have done, are doing and plan to do going forward. We are reaping encouraging results as we go, and are formulating a roadmap to ensure even better performance in the future.

“ Indika Energy is aware that we co-exist and share a common future with all of our stakeholders – the people we care most about. ”

PRESIDENT DIRECTOR'S MESSAGE

FOUNDATION FOR SUSTAINABILITY

Indika Energy is in the energy business for the long run. From the outset of our journey from incorporation into expansion, public listing and consolidating of strengths toward sustainability, we have acted on our conviction that energy empowers people, communities, nations and the world toward a better future.

Step by step we have built an energy sector value chain stretching from our mining operation sites, which provide skill training and jobs for local workers, and expanding along roads we have built that connect our business network and isolated communities to cities, harbors, shipping lanes, electrical power plant facilities and international markets.

Over the years, since our incorporation in 2000, Indika Energy has consistently established a solid foundation for business sustainability through its three pillars of energy resources, energy services and energy infrastructure, while also continually delineating and enhancing our simultaneous roles as mentor to communities and steward of the environment. We have accomplished the latter through our three Sustainability pillars of education, health, and community empowerment, while most recently expanding the scope of our efforts to include the “plus one pillar” of environment sustainability.

In this way, we believe that we can extend the efficacy and positive impact of our energy endeavors far beyond our pit to port to offices and homes economic benefit for all of our stakeholders; not only for our shareholders, regulators, employees, business partners, contractors, suppliers, and consumers, but also to civil society groups, non-governmental organizations and local customary communities. We aim to empower whole communities to enable more Indonesians to actively contribute to the development of their nation.

Indika Energy is convinced that a concerted focus on overall sustainability through carefully thought out and formulated short, medium and long-term strategies is the best kind of business possible for our corporation and the communities we operate in. Along with this, we also support the government's efforts toward establishing and maintaining adequate energy to drive the nation's economic expansion.

We understand that solid business practices, good corporate governance, partnering with communities and supporting the government toward better policy and program implementation fosters sustainability of business, environment friendly economics, and social

development toward creating an empowering cycle of long-term benefit for all: company, community and nation.

In 2014, Indika Energy continued our prudent risk management approach - in the face of the ongoing challenges to the energy sector posed by the continuing economic slowdown worldwide - by taking careful stock of our policies, strategies and actions thus far in all of our operations and activities. We believe that it is imperative to periodically evaluate what is efficacious and to determine what can be enhanced, and whether anything may have to be changed.

We strongly believe that if something works effectively it should not be changed, but rather should be enhanced and expanded toward greater positive impact. At Indika Energy we embrace experience; learning valuable lessons from the challenges we have faced and overcome, as well as those we continue to weather. We make a point to consistently leverage what we are learning to improve on workable strategies, expand viable programs and intensify effective policies and actions.

In 2014, Indika Energy acted systematically to enhance and revamp its organization and operations where necessary to ensure the effective implementation of our business, our community partnerships and our stewardship of the environment to achieve a more solid platform of sustainability within an energy industry environment in which a number of pressing issues required addressing in the short, medium and long-term. Details of these strategies and actions can be found in Indika Energy Annual Report 2014.

One of the most pressing issues facing the overall energy sector in 2014 and going forward is the consistently increasing demand for energy globally. Although this bodes well for the sustainability of the energy industry on its own, it is an undeniable reality that as demand for energy grows, environmental pollution, driven by inefficiency and waste, increases at an equal or more rapid pace. For this reason, it is imperative to enhance efforts toward developing better and more sustainable energy resources.

Currently, Indonesia, which has been slow out of the blocks in developing renewable sources of energy despite the country's vast potential, is exploring the possibility of balancing its energy mix, which has long comprised primarily petroleum-based fuels. The expectation is to maintain the 30% contribution of coal to this mix, while increasing input from reliable renewable energy resources from 6% to 23% in the next decade.

It can best be done by leveraging the country's vast potential for renewable energy through enhanced exploitation of its abundant bioenergy, geothermal, solar, wind and hydro resources. This, however, will require extensive expenditure, meaning that the Indonesian government will have to make an intensive effort to attract more investment for renewable energy projects through incentive schemes, as well as improving overall business rationale.

Indika Energy Group, whose business, environmental and community empowerment activities have become increasingly geared toward sustainability over time, has already set into place policies and practices geared to address and mitigate inefficiency, pollution and environmental damage in its operations. We are also supporting the government's current efforts to further review the country's energy mix by contributing input for new policies and strategies in Indonesia's energy sector through Indonesia Energy Scenario 2030.

in this program to ensure these changes occur, as well as to joining in the efforts to achieve Indonesia's energy mix target.

Because Indika Energy is aware that we co-exist and share a common future with all of our stakeholders – the people we care most about – we are convinced that the long-term growth of the company and the future of all people involved in and affected by the energy sector are inseparable. For this reason, we are consistently looking for ways to expand and more effectively focus our commitment to the welfare and development of our larger community; from our shareholders to our employees, partners, suppliers, and customers to the people who live in the regions in which we operate and have the capacity to impact lives in a positive manner.



Indika Energy, which operates primarily in the coal mining sector – from production to transportation to coal-fired electrical power generation - has a lot to contribute to the accelerating efforts of Indonesia's energy development from our operations and experience to date.

The coal mining expertise of our associate company, Kideco Jaya Agung, which enables Indika Energy to produce fewer emissions at its Cirebon Electric Power plant, produces a range of environmentally friendly sub-bituminous coal for use in coal-fired power plants, which contains low levels of sulfur, ash and nitrogen, making it ideal in terms of curbing carbon emissions.

Indika Energy fully supports the current Administration's effort to develop 35,000 megawatts of power to provide sufficient electricity to the whole nation. This power plant plan is ambitious, and Indika Energy is aware that it will be impossible to accomplish unless significant efforts and changes are undertaken. We are committed to taking part

ENGAGEMENT FOR SUSTAINABILITY

Over time, as Indika Energy and its subsidiaries have developed our various Sustainability programs, we have learned that it is imperative to engage communities, in particular the traditional peoples in the often isolated regions in which we operate, through identification of their specific needs. We have also come to understand the importance of partnering with these customary communities and integrating their inputs and participation into any effort at improving educational, health, economic and environmental conditions in order to ensure the sustainability of their activities and of the environment in which we operate and where they live.

Within this context, Indika Energy consistently strives to implement the principles of good corporate governance that result in good mining practices through the highest standards of environmental compliance throughout our subsidiaries. This enables us to consistently minimize any negative impact on the ecosystems in our operational

“ Solid business practices, good corporate governance, partnering with communities and supporting the government fosters sustainability of business, environment friendly economics, and social development toward creating an empowering cycle of longterm benefit for all: company, community and nation. ”

areas because we understand that environmental damage of any sort has negative implications far down the line on wildlife and human populations.

Indika Energy is driven by our corporate mission and values to function optimally as a good corporate citizen. This requires that we actively apply our sustainability principles through stringent adherence and implementation in all aspects of our business and in our relationships with stakeholders.

To achieve this, Indika Energy has made concerted efforts to properly develop, implement, communicate, monitor and evaluate our CSR programs over the years in compliance with prevailing laws and regulations as our business has grown, and the global industrial, economic and social landscapes have shifted.

In 2014, in the midst of the challenges and constraints facing the global economy and the energy sector, we continued that commitment with increased emphasis on empowerment rather than philanthropic assistance; steering away from straight forward donations with temporary or limited impact and moving toward the initiation of sustainable action on the part of individuals and whole communities through skill training programs and establishing savings and loan cooperatives.

Indika Energy community empowerment programs are created for the Indonesian people with the objective of educating and retaining within them deep respect for the cultures of their regions and the archipelago, with an emphasis on integrity, communal ties, mutual self-help, and other values integral to the overall mindset of Indonesians, which can enable them to create a healthier, more prosperous, and independent way of life on a community level.

Throughout the year, Indika Energy took steps toward enhancing the effectiveness of its Sustainability programs by more directly engaging local non-governmental organizations in our community empowerment programs that are designed to provide the people with what they need to better their lives.

All of the activities that Indika Energy has and will initiate going forward under this expanded approach, which emphasize the sustainability of empowerment, encompass a specific localized focus on the natural environment at our operational sites and the long-term impact of our activities there.

ROADMAP FOR SUSTAINABILITY

In 2014, Indika Energy set into place policy concepts to be further developed and built upon in 2015 to set out a more effective roadmap toward more firmly entrenching our concern for the environment within our sustainability and community empowerment scopes.

This is reflected clearly in our current social engagement policies and our empowerment paradigm of 3+1 Pillars, with a concerted focus on: 1) education, 2) health, 3) community empowerment, and 4) the plus 1 element of the environment, some of which have been set out in this report as examples of what Indika Energy has and hopes to accomplish in terms of sustainability.

Indika Energy has compiled this Sustainability Report 2014 to provide all of our stakeholders quick and easy access to information about our Sustainability challenges, how we have addressed them, our performance thus far and our intensified commitment going forward.



INDIKA ENERGY IN BRIEF

Indika Energy leads the integrated energy sector in Indonesia by bringing together energy resources, energy services, and energy infrastructure into a complete value chain to provide energy solutions both domestically and globally with a conscious emphasis on sustainability of business, operations and the environment.

ABOUT INDIKA ENERGY

Indika Energy, incorporated in 2000, was listed on the Indonesian Stock Exchange (IDX) in 2008 to enable consistent development and expansion, both organically and through acquisitions, of its three business pillars: energy resources, energy services, and energy infrastructure.

Over time and through careful planning and strategic implementation, Indika Energy has grown to become a fully integrated energy company with the capacity to sustainably extract increasingly greater value through leveraging synergic linkages in all of its diverse operations. These linkages span from exploration, engineering, construction, production, shipping, and transshipment to domestic and international customers to the utilization of the produced coal for electrical power generation.

As a result, Indika Energy currently guides a group of major operating companies and other business entities with extensive experience in coal, oil and gas, and electricity generation. Indika Energy also anticipates the possibility of collaboration with key stakeholders in support of the government's ongoing drive toward energy diversification and the development of renewable energy in the current and coming decade.

Looking forward, with clear signs of steadily increasing energy demand at home and abroad, coal remains a reliable resource. In Indonesia, in particular, along with the development of renewable energy resources, coal offers a way for balancing Indonesia's oil-fuel heavy energy mix to provide the people with affordable energy as demand rises. Indika Energy is committed to being a strong contributor to that solution.

VISION

To be a world-class Indonesian energy company recognized for its integrated competencies in energy resources, energy services, and energy infrastructure

MISSION

1. To capitalize on the abundant energy resources in support of the global economic growth
2. To create integration and synergies across businesses
3. To create optimum shareholders value
4. To continuously develop its human capital
5. To become a good corporate citizen

CORPORATE VALUES

Integrity

Honest with oneself, others and one's work at every moment by upholding prevailing ethical standards and legal norms

Unity in Diversity

Viewing diversity as an asset to the company and accepting, valuing, completing and strengthening one another as a solidly unified entity

Teamwork

Actively contributing and collaborating based on trust and shared interests rather than personal interests

Achievement

Achievement as the measure of success and the motivation to do what is best for the company

Social Responsibility

Highly concerned for the environment and community, and contributing added value as well as contributing to the prosperity of the society

OUR BUSINESS PILLARS
ENERGY RESOURCES

Indika Energy capitalizes on Indonesia's abundant natural resources to leverage both domestic and global energy demand through strategic and efficient production at the existing mining assets exploited by Kideco Jaya Agung, Santan Batubara, Multi Tambangjaya Utama (MUTU) and Mitra Energi Agung (MEA).



Kideco produces a range of low-Sulphur (0.1%) sub-bituminous coal and ash (average 2.5%) from five open-pit mine concession sites in Paser Regency, East Kalimantan, where it has aggregate probable and proven coal reserves of 651 million tonnes and estimated coal resources of 1,376 million tonnes (Australian Joint Ore Reserves Committee-2011). The Roto North, Roto South, Roto Middle, Susubang, and Samarangau mines produce environmentally friendly coal, which emits relatively low nitrogen levels during combustion in coal-fired power plants.

#Kideco is Indonesia's 3rd largest and one of the lowest cost coal producers

In 2014, in a very challenging coal market, Kideco maintained its position among the lowest cost coal producers worldwide by leveraging its solid infrastructure and well-planned coal mines to produce total volume of 40.3 million tonnes of coal, up from 37.3 million tonnes in 2013, while continuing to achieve a low strip ratio of 6.4x.

www.kideco.com



A 50/50 joint-venture established in 1998 between Indika Energy's 69.8% owned Petrosea and PT Harum Energy Tbk.

#Santan Batubara, a coal mining company which engages in surface open-cut coal mining in East Kalimantan

Santan Batubara engages in surface open-cut coal mining at its 24,930 hectare concession in Kutai Kartanegara and Kutai Timur regencies, East Kalimantan, for which it holds coal mining rights until 2028 under a third-generation CCoW. In 2014, amidst prolonged coal price weakness, the 50% equity contribution from Santan amounted to US\$4 million net loss compared to US\$4.3 million net loss in 2013, prompting Santan's management to close the Separi block mine and suspend operations in the Uskap block in the second half of the year in order to maintain maximum value while formulating future strategies

www.petrosea.com



Acquired by Indika Energy in 2012, MUTU is a high-rank bituminous thermal and coking coal holding (third-generation CCoW) in Central Kalimantan.

#Multi Tambangjaya Utama, a high-rank bituminous thermal and coking coal asset in Central Kalimantan

Located approximately 30 km northeast of Ampah city and approximately 250 km north of Banjarmasin, MUTU holds an environmental permit to extract up to 1.2 tonnes of coal annually from a concession area of 24,970 hectares of which over 7,000 hectare have been mapped. MUTU succeeded in obtaining the permits necessary for production in the fourth quarter of 2014, however, in light of the ongoing market doldrums, Indika Energy has decided to defer production while re-evaluating its mine and business plan.



Also in 2012, Indika Energy acquired MEA, an IUP greenfield coal concession area covering 5,000 hectares in East Kalimantan, of which more than 90% has been explored and several promising coal seams identified. In 2014, MEA's exploration activities were put on hold until market conditions improve.

#Mitra Energi Agung, a greenfield coal asset which holds an IUP concession area of 5,000 hectares





ENERGY SERVICES

This pillar encompasses, contract mining, engineering, procurement and construction (EPC), operations and maintenance (O&M), and logistics to enable highly effective solutions all along the energy value chain. Through its two main subsidiaries - Petrosea and Tripatra - Indika Energy provides overall pit to port coal mining services, as well as oil & gas development services.



PETROSEA

Petrosea, with over 40 years of experience in contract mining, engineering, construction and logistics services, currently operates five mining sites in Kalimantan. Petrosea also operates a deepwater offshore supply base (POSB) located in West Balikpapan, which provides services to major oil and gas clients, including Chevron, Halliburton, and ExxonMobil. Petrosea also holds 50% of the Santan Batubara coal mining joint venture with Harum Energy (50%).

#Petrosea saved 19,000 litres of fuel by implementing a strict Fleet Management Systems

Petrosea, which leverages synergies from within Indika Energy Group in this highly competitive services sector, continued to face challenges in 2014. Petrosea revenues declined 3.3% to US\$347.9 million as most coal producers, struggling to maintain operations in a flat pricing environment, reduced stripping ratios, as well as production volumes.

#Petrosea's purchases from local vendors US\$103 million

Overall, overburden removal contract mining volumes declined by 7.0% from 141.1 million bcm in 2013 to 131.2 million bcm in 2014. In contrast, non-contract mining revenue showed stable growth, increasing more than 12.2% to contribute US\$53.7 million revenue for the year. Going forward, in order to rebalance its revenue streams, Petrosea is further strengthening its non-coal mining business segment.

www.petrosea.com

#Petrosea's continuous improvement initiatives saved US\$30,000 through fuel purifier and dozer CPH track link implementation



TRIPATRA

Established in 1973, Tripatra, with subsidiaries Tripatra Engineering and Tripatra Engineers & Constructors, is among the longest serving engineering, procurement and construction companies in Indonesia; providing a complete range of services for energy clients in the oil & gas, downstream, petrochemical, and power sectors.

#Tripatra used 340+ local vendors in 2014

In 2014, Tripatra secured two major engineering services contracts valued at over a billion dollars. The first, in which Tripatra is involved directly and through a consortium of four companies, is a US\$1.1 billion EPC project for a new Barge Floating Production Unit (FPU) in Muara Bakau B.V.'s offshore Jangkrik Complex in Makassar Strait, Kalimantan. This project contributed US\$61.6 million in revenue to Tripatra in 2014.

The second is an onshore Front End Engineering and Design (FEED) contract valued at US\$50 million for the Tangguh Expansion Project (Train 3) in Teluk Bintuni Regency, West Papua, in which Tripatra holds a 30% portion as part of a consortium of five companies.

In 2014, total revenue grew 37.7% to US\$417.7 million, mostly derived from full 12 month recognition of the Pertamina E&P Tomori Sulawesi, Eni Muara Bakau, and ExxonMobil Cepu projects, which commenced in 2013.

www.tripatra.com



ENERGY INFRASTRUCTURE

Spanning the energy sector spectrum with river and sea logistics services and electricity generation through partial ownership of the coal-fired Cirebon Electric Power plant. Indika Energy has a wide range of infrastructure and facilities, including roads, ports, barges and transshipment sites.



Incorporated in 1994, MBSS is an integrated one-stop coal transportation and logistics company providing services ranging from port, barging, river and sea based transportation to offshore vessels using floating crane systems.

#MBSS transported 52 million tonnes of coal in 2014

In 2014, MBSS adopted a price rationalization approach to sustain existing contracts, as well as offering flexible arrangements, including spot and time charters, to counter impact of higher available capacity and intensified market competition. This put pressure on gross profit margins, which decreased from 40.2% to 32.1% or US\$43.4 million in 2014. Net profit was US\$20.1 million, a 47.4% decline over 2013, with a backlog of US\$263.6 million as of year-end.

www.mbss.co.id

#MBSS operates a large, varied fleet comprising 76 barges, 84 tug boats, 7 floating cranes, 1 cement vessel and 1 support vessel



Petrosea Offshore Supply Base, located in Tanjung Batu, West Balikpapan, East Kalimantan provides offshore supply logistics services for international and domestic oil and gas exploration and extraction companies operating in the Makassar Straits.

#POSB, one of the largest Offshore Supply Base operators in Indonesia holds ISO 9001, ISO 14001, OHSAS 18001, PROPERDA Green Rating and PROPERNAS Blue for its HSE Management

In 2014, POSB maintained revenue growth with a 7.3% increase to US\$35.5 million. In anticipation of future demand from global and local clients, Petrosea is expanding with development of POSB facilities in Kariangau.

www.petrosea.com



Indika Energy established Cirebon Electric Power (CEP), a 660 MW coal-fired power generation plant (CFPP) located in Cirebon, West Java, in April 2007, through its wholly owned subsidiaries Indika Power Investments Pte. Ltd. and PT Indika Infrastruktur Investindo, together with Marubeni Corporation, Samtan Co. Ltd. and Komipo Global Pte. On 27 July 2012, which marked full operation of the plant, CEP began selling its entire output to State Electric Company PLN under a 30-year Power Purchase Agreement (PPA). CEP completes Indika Energy's coal value chain from resources ownership to electricity generation.

#CEP uses supercritical boiler technology for high efficiency, consuming less coal and producing fewer emissions

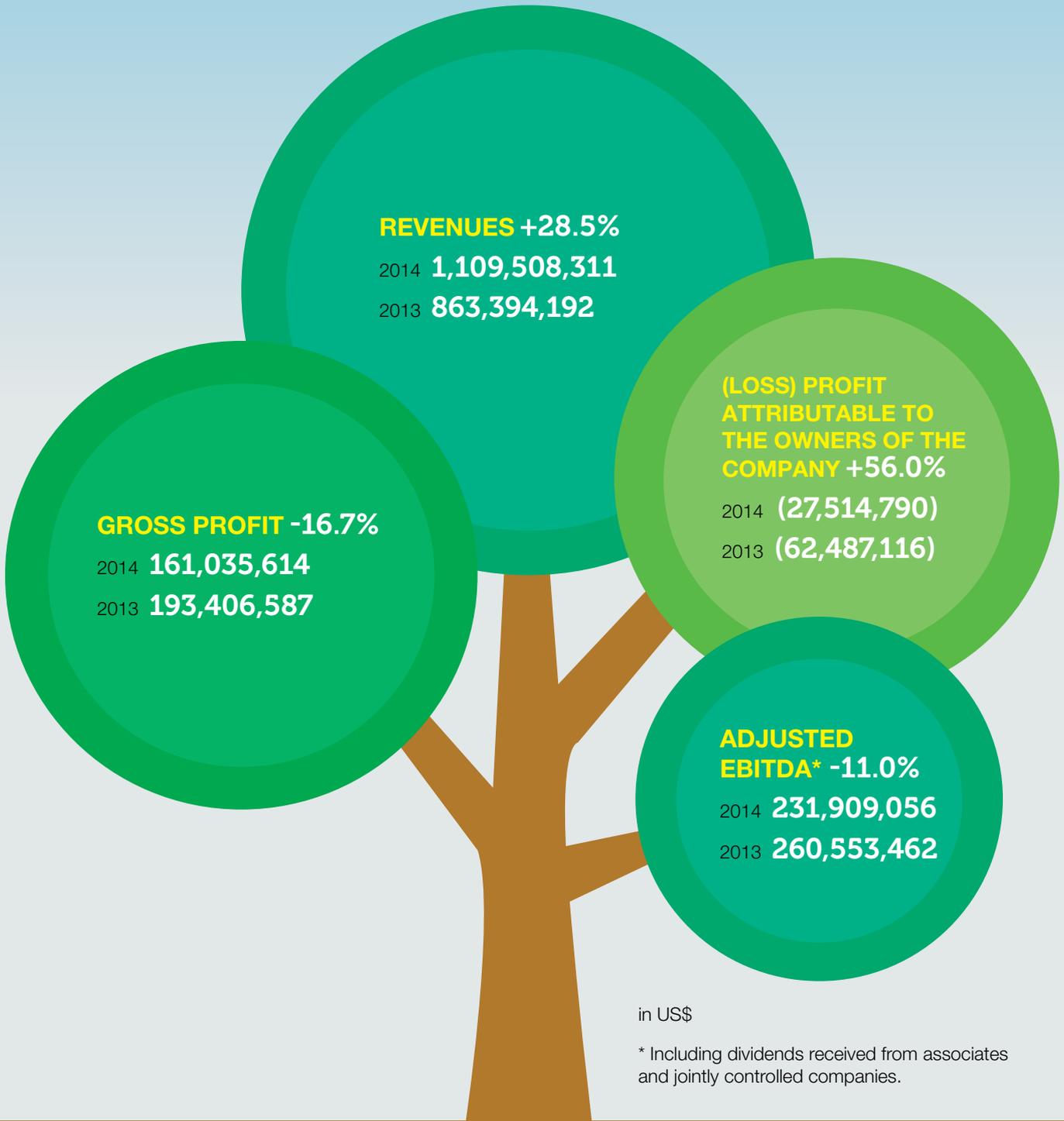
The power plant, in stable operations for two years with net dependency tests (NDC) consistently meeting PPA requirements, has operated above availability and performance expectations, including completely recycling remnant ash, and achieving gas emissions significantly below government and industry limits. In 2014, repayment of shareholder loans was initiated in the amount of US\$12.5 million, with periodic repayments to continue. Kideco, an Indika Energy associate, supplies 1.4 million tonnes of annual coal consumption of 2.7 million tonnes.

www.cirebonpower.co.id



Kuala Pelabuhan Indonesia, a marine fleet and port operator that provides integrated ship dock, management, logistics, maintenance and post-side services, is a subsidiary of Tripatra. KPI provides integrated ship dock operations, as well as management, logistics, and maintenance services for Freeport Indonesia.

KEY HIGHLIGHTS



in US\$

* Including dividends received from associates and jointly controlled companies.



COAL PRODUCTION

40.3 million tonnes



NUMBER OF EMPLOYEES

8,300 employees



NUMBER OF NATIONALITY

17 nationalities



CONSOLIDATED LTIFR NUMBER

0.16 (per million manhours worked)

COMMITMENT TO SUSTAINABILITY

Indika Energy works toward fulfilling its commitment to benefit all stakeholders by functioning as a good corporate citizen concerned not only with the safety and advancement of its employees, but also with the sustainable welfare of its business associates and its partner communities, as well as the preservation of the natural environment.





Safety is our top priority because only a consistent commitment to keeping people and the environment safe will ensure the ongoing viability of our operations and sustainability of life and livelihoods for the benefit of all of our stakeholders.

SAFETY DRIVES SUSTAINABILITY

#Indika Energy Group holds monthly safety coordination meetings and submits safety reports to Board of Directors

SAFETY PRINCIPLES

In 2014, Indika Energy Group's effectively committed safety leaders guided their teams in all product groups to build an ever stronger zero harm culture through integrated safety principles focusing on injury reduction, fatality elimination and catastrophic risk management.

Because Indika Energy Group believes that Health, Safety and Environment (HSE) is the key element for business sustainability, we have developed regulations and established the i-Drive HSE management system set out in the Employee Handbook on Safety, in accordance with the OHSAS 18001:2007 certification.

Under this system, we expect our leaders to set high safety standards through their own actions and willingly accept accountability for the safety of everyone working in their teams.

Our HSE Committee complies strictly with all regulations through consistently stringent application of HSE services, management policies and the identification of hazard factors, as well as the delivery of feedback, and the provision of motivational education for employees.

In Indika Energy Group, success is driven by the conviction that all incidents and injuries are preventable when employees actively protect themselves and watch out for their workmates.

SAFETY AWARDS AND ACHIEVEMENTS

In 2014, various member companies in Indika Energy Groups earned awards or commendations for their exemplary safety performance in their operational sectors. Among these award-winning Indika Energy Group business entities and divisions are: Tripatra, Petrosea, Kideco and POSB.

#The Health, Safety and Environment (HSE) guidebook setting out the i-Drive work safety pattern employed within Indika Energy Group



LTIFR NUMBER - LOST TIME INJURY FREQUENCY RATE PER MILLION HOURS WORKED

	2012	2013	2014
MUTU & MEA	-	0.45	0
Petrosea	0.24	0.23	0
Tripatra	0.04	0.04	0.06
MBSS	0	1.23	2.11

Tripatra was recognized for a project which achieved a total of 15 million man-hours worked without Lost Time Injury throughout the year. Petrosea was honored registering 20 million man hours worked without Lost Time Injury in that year. The Kideco ABN Project was awarded the Zero Accident Award by the East Kalimantan Governor, while the Minister of Manpower and Transmigration of the Republic of Indonesia conferred a similar award, both in 2104.

Kideco also received the Blue Proper National Award from the Minister of Environment and Forestry, and the Gold Proper Province Award from East Kalimantan provincial government, as well as PKPPL Award from the Ministry of Energy and Mineral Resources, for environmental management.

POSB, Indika Energy's offshore supply base company, also earned the Blue Proper National Award.

IMPROVEMENT PROGRAM

Indika Energy sent HSE personnel to all of its subsidiaries for knowledge sharing during the Annual Corporate HSE Audit (internal resource cross-audit) to enhance safety awareness.

Also in 2014, Tripatra introduced their Potential Hurt Level System (PHL) Analysis to assess levels of severity for any incident or near hit in order to

determine the impact of various kinds of potential incidents. This is meant to raise the awareness of the negative impact of preventable incidents and accidents among employees so that they will be aware, be prepared, know what to do and do it.

Indika Energy kicked off the QSHE Integration Project covering the ISM Code, OHSAS 18001, ISO 14001 & ISO 9001 to develop effective better quality Management (K3) toward accommodating and resolving any problems encountered by the company and its clients.

#90%+ of all hazard reports were followed up with action



STRICTLY GUIDED BUSINESS CONDUCT

Indika Energy Group companies exercise our strong values and principles in the more than 20 cities in which we collectively operate. These core ethics are reviewed and updated regularly to accommodate any changes in our operating environments to which we deploy the necessary resources to put our commitments into practice.

GOOD CORPORATE GOVERNANCE

In 2014, Indika Energy, a recognized good corporate citizen listed on the Indonesian Stock Exchange (IDX), consistently applied Good Corporate Governance (GCG) to face the various local and global challenges emerging in economically turbulent times.

#87% employees completed our code of business conduct (COBC) e-learning program in 2014

Indika Energy, with the support of its highly effective internal control system, tangibly strives to comply fully with all prevailing regulations and laws in Indonesia, including those implemented by the Financial Services Authority, the Indonesia Stock Exchange, as well as the regulations existing in other places where the Company carries out its business activities. This system encompasses best practices policies and procedures, including authorization controls, the segregation of financial and operational duties, supporting documentation, reconciliation checks, and physical as well as systemic security.

#COBC certification is now one of the mandatory requirements in Indika Energy's employee recruitment process

Indika Energy's specifically customized internal control system, which supports the Board of Commissioners in oversight through the Company's Audit Committee, GCG Committee, Risk and Investment Committee and Human Capital Committee, provides the assurance that all operations are being conducted in an efficient and effective manner and that the records of the Company fairly and accurately record the results of these operations.

Although, 2014 was a year full of challenges for companies engaged in the coal sector in Indonesia, Indika Energy was able to overcome or mitigate the impact to continue running our business healthfully due to our strong risk management approaches based on the key corporate governance principles of transparency, accountability, responsibility, independence, fairness and equality.

CODE OF BUSINESS CONDUCT

Indika Energy, a public company committed to implementing Good Corporate Governance, considers creating an ethical and sound business climate as an obligation it must fulfill optimally to ensure its sustainability and to continue to benefit its stakeholders.

Indika Energy is convinced that good corporate governance, which prioritizes proper ethical processes, policies, rules and procedures in all of the aspects of its business management, will ensure sustainable harmonious relationships with its most valuable partners: Employees, suppliers, customers, banks and other creditors, and regulators, as well as the community at large.

To this end, the Company has created guidelines setting out a clear ethical basis for policies and a code of behavior as a reference for all employees in performing their daily business activities. In 2014, Indika Energy launched its Employee Handbook on Code of Business Conduct (COBC), which elaborates the values that all employees must adhere to and the principles they must implement in order to create and maintain a work environment conducive to integrity and proper ethical behavior.

WHISTLEBLOWING SYSTEM

In 2014, Indika Energy set up a violation or non-compliance reporting system as a channel for employees or other parties (whistleblowers) to submit data and other information regarding violations that occur at any time in any of the companies within Indika Energy Group. This system was designed to enable the best solutions to problems arising.

#In 2014, 50%+ of the filed complaints were resolved by the concerned committee(s). Others are currently being processed toward resolution

Employees of Indika Energy Group, who detect indications of violations and decide to file a report, may do so through their direct supervisor in accordance with clearly defined rules and procedures or through whistleblower mechanism which have been especially designed to prevent disputes among the parties involved in the report. Any whistleblowing reports will be acknowledged and followed up on by Ethic Committee including through the imposition of appropriate penalties in order to provide a deterrent effect.

This complaint mechanism, which reflects a zero tolerance stance on irregularities, is very important because unchecked violations have the potential to damage the reputation of and public trust in the companies within Indika Energy Group.

#Since the COBC was launched, we have collected more than 40 gift items from external parties. All of these items were donated for social welfare charitable activities

STAKEHOLDERS ENGAGEMENT

STAKEHOLDERS	INTEREST	ENGAGEMENT
Shareholders	<ul style="list-style-type: none"> – Opportunity for long-term growth – Commitment to achieving sustainable development goals 	<ul style="list-style-type: none"> – General Meeting of Shareholders – Company updates – Annual Report – Sustainability Report
Government/ Regulator	<ul style="list-style-type: none"> – Compliance with regulations – Tri-sector partnership – Monitoring of social and environmental performance 	<ul style="list-style-type: none"> – Official meetings – Joint Program – Performance reporting
Employees	<ul style="list-style-type: none"> – Occupational Health and Safety – Career and remuneration 	<ul style="list-style-type: none"> – Performance Review – Direct communication – Internal media – Education and training – Annual Report – Sustainability Report
Suppliers	<ul style="list-style-type: none"> – Collective Labor Agreement – Prioritization of local content – Transparency 	<ul style="list-style-type: none"> – Capacity building – Publication and dissemination of performance reports
Consumers	<ul style="list-style-type: none"> – Timeliness – Product quality – Waste management 	<ul style="list-style-type: none"> – Routine communication – Technological innovation and technical support – Dissemination of product information
Communities	<ul style="list-style-type: none"> – Impact management – Local manpower absorption – Contribution to the community – Capacity development – Community development 	<ul style="list-style-type: none"> – Public consultation – Participation in management of community development programs – Publication and dissemination of reports
Media	<ul style="list-style-type: none"> – Disclosure of information 	<ul style="list-style-type: none"> – Public exposes – Media releases – Media gatherings – Media consultation
NGO	<ul style="list-style-type: none"> – Social and environmental performance – Tripartite partnership 	<ul style="list-style-type: none"> – Consultation – Partnership – Sustainability Report

Employee Handbook
**ETHICAL
 BUSINESS
 CONDUCT**

PT Indika Energy Tbk.

Indika Energy Group acts on the conviction that all employees are entitled to develop their full potential. Empowerment of talent underlies our equal opportunity search for gifted individuals who are placed to ensure optimal and equal advancement based on individual capacity and performance in any given field.

EMPOWERMENT TOWARD ADVANCEMENT

PRINCIPLES AND INITIATIVES

Indika Energy, which operates in an industry where high safety standards and reliable services are keys to success, focuses on recruiting and enhancing the knowledge and skills of talented people, who are deemed valuable assets for building a respected domestic company that we can all be proud of well into the future.

We believe in listening to the voices of all of our people of diverse backgrounds and unique skills in our persistent communal efforts toward higher levels of ability and achievement. This results in a dynamic and innovative working environment that fosters the expertise necessary to ensuring sustainable business operations and advancement.

In 2014, the quality and productivity of Indika Energy's human capital was pivotal in the Company's ability to counter the intense pricing pressure stemming from the still slow global economy and prolonged decline in coal prices. Employees throughout the Indika Energy Group supported the Human Capital Division in carrying out both established and newly initiated programs to reduce cost and increase performance levels. Among these efforts were:

- Continuous adjustment of organizational structure in line with business needs toward being leaner, more flexible and more functional
- Introduction of Operational Excellence standards to ensure effective execution along the entire organizational chain
- Matching structural and functional/non-structural requirements of different units with the right numbers of qualified and competent employees
- Applying Key Performance Indicators (KPI) to effectively guide and measure the performance of employees in achieving the targets set by the Company

- Maintaining zero growth with no employees added to human capital headcount, except as required to replace employees resigning or retiring, or in case of pressing business needs
- Implementation of Leadership Development Program and dissemination of the 8+1 Leadership Competencies model across the entire Group; followed by assessments in December 2014
- Medical insurance and Jamsostek Pension Plan coverage of all eligible employees.

PROMOTING GENDER EQUALITY DRIVES PROGRESS

Indika Energy believes in selecting the best individuals most suited to a given task no matter their gender or any of the other differentiations, such as ethnicity, religion, race, customs, age and or physical obstacles, which hinder the placement of the best people possible in just the right jobs.



DIVERSITY IS DYNAMIC

Indika Energy Group believes that a dynamic and productive workplace most effectively reflects the diversity of humankind. Diversity in the workplace creates a positive impetus toward advancement as people of all genders, socio-economic statuses, cultures and religions share the best of who they are for the well-being and betterment of all.

- 17 nationalities represented among the employees hired in 2014

LOCAL DEVELOPMENT

Indika Energy acts on its conviction that partnerships with local organizations and institutions optimize operational and social effectiveness and guarantee sustainability. For that reason, most of our community engagement initiatives are partnerships. Where appropriate, Indika Energy sources products and services from diverse suppliers and supports various local sales channels to drive economic empowerment in underserved communities.



HUMAN RIGHTS

In view of the paramount importance of local contexts that are sensitive to potential violations of human rights, the Company involved KPI employees in human rights training. There were no human rights infractions reported by other business units in 2014. Our subsidiaries such as Petrosea and Tripatra, had grievance mechanisms in place for local communities concerned about the impact of our operations. Several audits were carried out to fine-tune existing procedures and enhance their efficiency.



Employee Numbers

#The total number of employees for the entire Indika Energy Group stood at **8,300+** in 2014

#**18%** of our supervisors, managers and executives were women in 2014, compared to 16% in 2013

Employee Engagement

#**66%** of our employees exhibit active commitment our organization as reflected in the surveys undertaken since 2013 to gauge satisfaction, identify improvement avenues and support change management

#**3,209** employees have been invited to participate in the Employee Engagement Survey and more than 83% responded with major feedback in the areas of talent management and career opportunitie

Training

#Indika Energy Group provided **2,900** training days provided to employees for a total cost of US\$ 494,500 in 2014 versus US\$ 291,500 in 2013

#**1,200** employees received training in 300+ topics

#**9,600** jobs were created by the Tripatra project in Bojonegoro, with local contractors performing 65% of the work.





EDUCATION FOR POSITIVE CHANGE

Indika Energy believes that education is the key to addressing a wide range of the problems people face on a daily basis. For that reason we support educational activities that drive positive change not only for individuals and communities, but for the nation and the world.

PRINCIPLES AND APPROACHES

Indika Energy knows the efficacy of educating people to better their lives by giving them the skills and knowledge they need to succeed. Indika Energy believes that providing access to quality education for all children and skill training for the people living in our operational areas will trigger a ripple effect that will last well into future generations.

The companies operating within the Indika Energy Group all take local conditions carefully into consideration when attempting to empower the communities in their operational areas in different parts of the Indonesian archipelago. The needs of the local people will vary in terms of the physical environment of their villages and towns, and existing access to educational and health facilities. For this reason Indika Energy has begun gearing up to shift from the philanthropic “giving a man a fish” approach to empowering “teaching a man to fish” initiatives.

Indika Energy believes in empowering the communities in its operational areas to leverage useful knowledge and

understanding of important matters that directly impact their lives, such as sanitation, hygiene and good nutrition. This knowledge is expected to enable them to achieve better health and be able to apply what skills they have learned to work productively; thus ensuring better educations, improved health and more viable livelihoods down through the generations.





PROGRAMS

In 2014, Indika Energy continued a program to improve teacher quality at SD Dinamika elementary school near the Bantar Gebang landfill in Bekasi. This upgrading program motivated teachers to develop and use proper pedagogical plans, while visiting other schools for benchmarking that widened their horizons and increased their motivation to teach.

Indika Energy also improved the quality of the school library through a library management training program and donation of reading books. More than 400 students at SD Dinamika elementary school have benefited and more than 63 students have been inspired to continue on to higher education through these efforts.

Indika Energy subsidiaries Petrosea, Tripatra, and MBSS have also implemented sustainable education programs in line with their shared vision of sustainability. Together with the Integrated Village Service Foundation (Yayasan Pelayanan Desa Terpadu) in Samarinda, Petrosea held training and mentoring programs to improve

the quality of teachers for early age education and preschools in West Kutai and Kutai Kartanegara. Over 6 months, materials covering child development psychology, teaching skills, and early education curriculum were provided to 5 teachers; resulting in palpable improvements in implemented curriculum and more creative teaching methods, such as use of various games as age suitable teaching tools.

Kuala Pelabuhan Indonesia (KPI), a subsidiary of Indika Logistic & Support Services, an integrated port services manager in Papua, provides skill training for the local people, which enables them to learn to operate long vehicle and heavy equipment. KPI also built a soccer school to develop the skills of talented players from throughout Papua.

In addition, since 2011 Indika Energy has granted Educating the Nation's Children (Indika Energy Cerdaskan Anak Bangsa) scholarships to more than 300 employee children as a manifestation of the Company's concern for employee families and appreciation for the loyalty, dedication, and hard work of its employees.





BETTER HEALTH MEANS BETTER LIVES

Indika Energy believes that what we do today provides building blocks for a much better tomorrow. We act concertedly on this conviction by applying the concept that better education and improved health enable individuals and whole communities to work productively and support themselves over the long run in a sustainable manner.

PRINCIPLES AND APPROACHES

Indika Energy believes that the low education levels and lack of viable livelihoods in Indonesia today are linked integrally to the health issues facing the vast majority of the nation's population across the archipelago. For that reason, health is a major concern within our business operations and in our approach to community empowerment around us.

We are convinced that synergy in our CSR activities in the fields of education, health and community empowerment has the capacity to improve the overall welfare and well-being of the communities in which we are present.

Children in the local community schools are taught the basics of hygiene, sanitation, and good nutrition, along with their science lessons and other pertinent subject matter. We are convinced that this approach offers a key to ensuring a healthier, more productive workforce and communities well into the future.

These children then pass this knowledge along to their parents and members of their extended families, who will teach their friends and neighbors by example, thus enhancing the overall education, health and welfare of their communities.

#In 2014, more than 1,500 seniors and children under 5 years old, benefited from this treatment

Children become healthier, the men in the workforce become healthier and more able to do their jobs. As well, the community women benefit from improved wellbeing through these efforts and through Indika Energy programs geared at helping them enhance household income through provision of skills, such as bookkeeping and sewing.

PROGRAMS

Indika Energy, working together with one of the leading women's social foundations in Indonesia, the Center for Development of Women Human Resources (Pusat Pengembangan Sumberdaya Wanita, PPSW), revitalized an integrated health and social services clinic in Petojo Selatan, Central Jakarta, as a frontline provider in fulfilling basic health needs and improving the community's nutritional intake.

Besides repairing the health facilities, Indika Energy saw that 13 integrated clinic staff experienced training from local government medical workers with an emphasis on good health clinic management and improved service. This training has enabled the clinic staff to increase their workload and serve as many as 73 children under 5 years old and 45 seniors.

Tripatra, which routinely provided free medical treatments once every 2 weeks in its operational area of Bojonegoro, East Java, in 2014, helped the community achieve enhanced service to area people and improvement in health conditions.

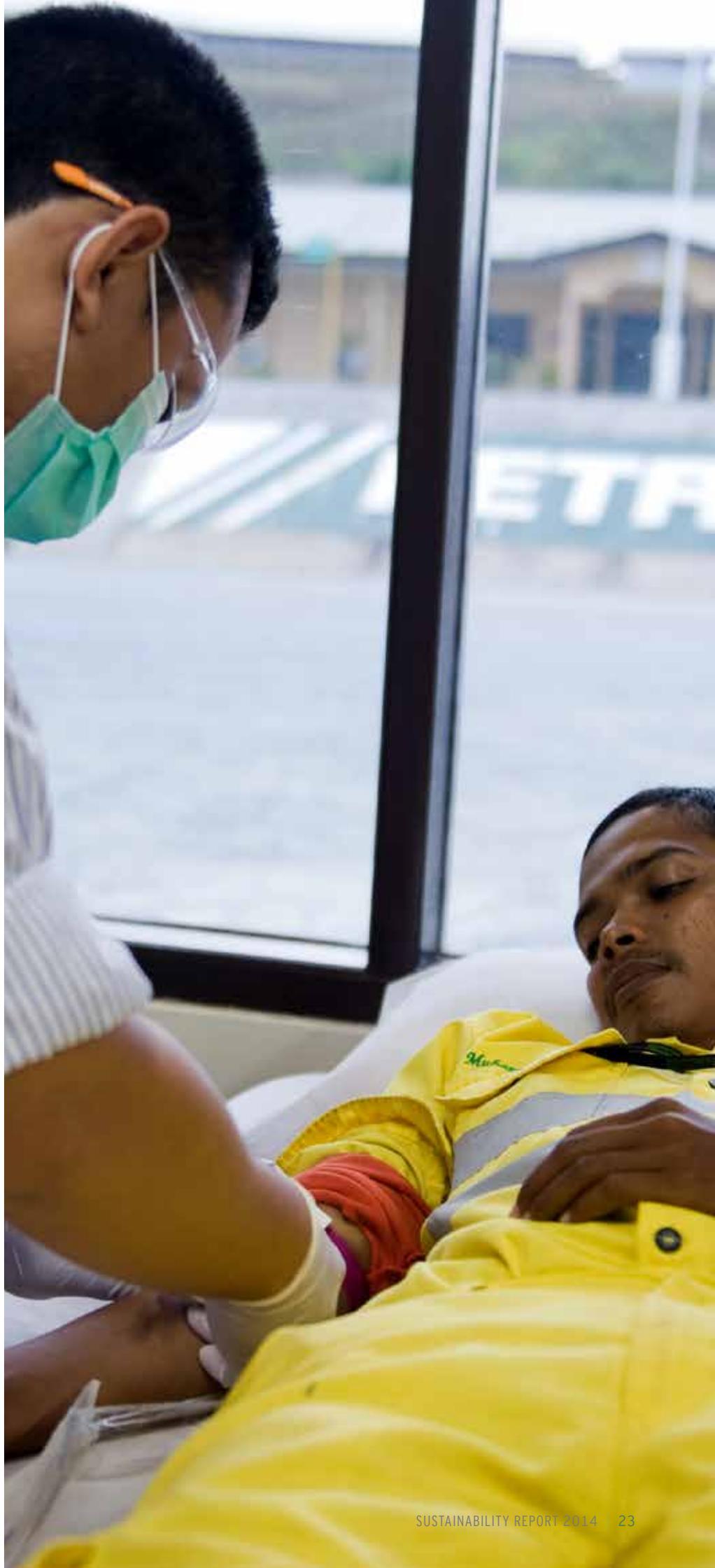
Petrosea focuses on health education overall. In 2014, it carried out a program to reinforce hygienic and healthy living habits among communities in Kariangau and Margomulyo, Balikpapan, East Kalimantan. Starting from government data indications that 40% of the community suffered from certain illnesses, hygienic and healthy living habits were reinforced by carrying out checks on cholesterol level, blood sugar, and uric acid, as well as a health and sanitation campaign. Records show that hundreds of community members participated in the activities provided.

MINIMIZING HEALTH RISK IN OUR WORKPLACE

As a responsible employer, Indika Energy works to minimize illnesses that develop as a result of onsite working conditions, such as excessive dust, fumes, noise, and vibrations. We implement a strict occupational health policy, which coupled with our approach to fitness for work, is expected to prevent occurrences of workplace-related ailments.

Our strict auditing of the implementation of our occupational health standards, which also apply to suppliers who work on our project sites, has improved identification and management of health risks; a prime example of which can be seen in Petrosea.

Indika Energy, aware that some jobs carry greater risk of workplace illness for employees, emphasizes prevention by monitoring exposure of individuals to potential hazards to their health. Appropriate exposure controls are stringently imposed where relevant. In 2014, the implementing of these occupational health standards led to a significant increase in our employees' awareness of health issues, and to noticeable improvements in performance.



EMPOWERING COMMUNITIES

Indika Energy actively demonstrates our commitment to the communities where we operate by creating jobs, employing and training local people, and development of and sourcing from local suppliers. This business strategy establishes Indika Energy Group as a partner of choice that helps build local economies and improves livelihoods.

PRINCIPLES AND APPROACHES

Indika Energy's community economic empowerment programs are based on helping people help themselves, which is the fastest way to establish more solid financial footing and the ability to support themselves independently and sustainably.

As is the case with all of our CSR activities, this is done by determining what communities need within the context of our long-term strategies toward sustainable operations that benefit all of our stakeholders. It is simply a matter of working with the community to develop programs that target their aspirations and enable implementation and achievement.

Indika Energy's Sustainability framework is geared toward community self-sufficiency and sustainability. The goal is minimum support from the Company to carry on programs that create a sense of ownership among communities who will continue to identify and address basic needs to enable people to develop viable livelihoods.

We work with nonprofit organizations to enhance the employability of individuals in communities around our project sites. These organizations provide training and employment for students and workers, to help them gain the skills and experience they need to find long-term employment and stable incomes. In general, the people who participate in these programs earn more than the average local salary. The extra income enables them to live more comfortably, send their children to school, and save for the future.





PROGRAMS

Working together with PPSW Jakarta, Indika Energy developed a women's cooperative in Petojo Selatan, Central Jakarta. The objective of this program is to empower and improve the capacity of women at a grass root level in developing their businesses, through the support of financial institutions so that they can increase their family's incomes. The assistance provided covered training in financial administration basics, the basics of how to run a cooperative, household economics and social analysis. At the end of 2014, the Makmur Sejahtera women's cooperative had 99 members.

#Indika Energy and its subsidiaries carried out **16 community** development and empowerment programs focusing on education and mentoring to help small businesses

Economic development for the community was also realized by MBSS through sewing lessons for 30 housewives in Rangka Ilung-Kelanis, Central Kalimantan. Through this program, the housewives' sewing abilities were able to decrease the amount of cost expended on buying school uniforms.

Cirebon Electric Power (CEP), an affiliated company of Indika Energy, launched a program of interest-free loans for small businesses in Cirebon, West Java. In collaboration with the Pengabdian Masyarakat Foundation (LPM) of Unswagati University, Cirebon, this program has been implemented in 10 villages in the subdistricts of Astanajapura and Mundu. Moreover, CEP has also assisted borrowers in developing their businesses. Currently, more than 300 people have benefited from this assistance.

#**60%** of Indika Energy Group community program are partnering with local governments, local companies or nongovernmental organizations



From the outset, Indika Energy has been determined to produce energy responsibly, while maintaining strong environmental performance to reduce the potential impact of our operations. We keep this core commitment to environmental sustainability by taking the environment into consideration in decision making, responsible operations and the stewarding of our sites.

SUSTAINING THE ENVIRONMENT

PRINCIPLES AND APPROACHES

Indika Energy manages its business on the basis of the principles of safeguarding and preserving an unpolluted, safe and healthy environment with the understanding that access to and proper management of Indonesia's abundance of natural resources is a core business asset. The Company continuously innovates to optimally conserve water, energy and biodiversity resources through environment-friendly technology.

Both Cirebon Electric Power (CEP) and Kideco are prime examples. CEP, a 660 MW coal-fired power generation plant in Cirebon, West Java, operated above environmental performance standards, with net dependency tests (NDC) meeting PPA requirements.

Kideco has 8 wastewater treatment sediment ponds for up to 10 million m³ of water. In 2014, 138,000 tons of treated wastewater, 49% less than last year, was discharged with no significant effect on surrounding water sources through an outer drain built with old tires.

#Petrosea's Fleet Management System cut down the amount of unproductive work time and able to reduce the truck queue time 18 seconds lower from last year.

At Indika Energy we believe that improved sustainability of the environment creates net benefits for our business, our customers, and the planet. We live and work this by instilling and building environmental sustainability into each of our business functions and processes. For our stakeholders, this means changing the way people work, live, play, and learn through technologies that create social value. All of Indika Energy Group ISO 14001 certified sites are audited by an independent third party.

state viable for post-disturbance land uses. Such reclamation is an integral part of the planning of mine operations, and is carried out progressively in a number of phases before, during and after operations, with replanting undertaken as soon as the land is ready.

#With super critical boiler, CEP able to reduce its coal consumption by 2% from total 2.8 million tonnes per year

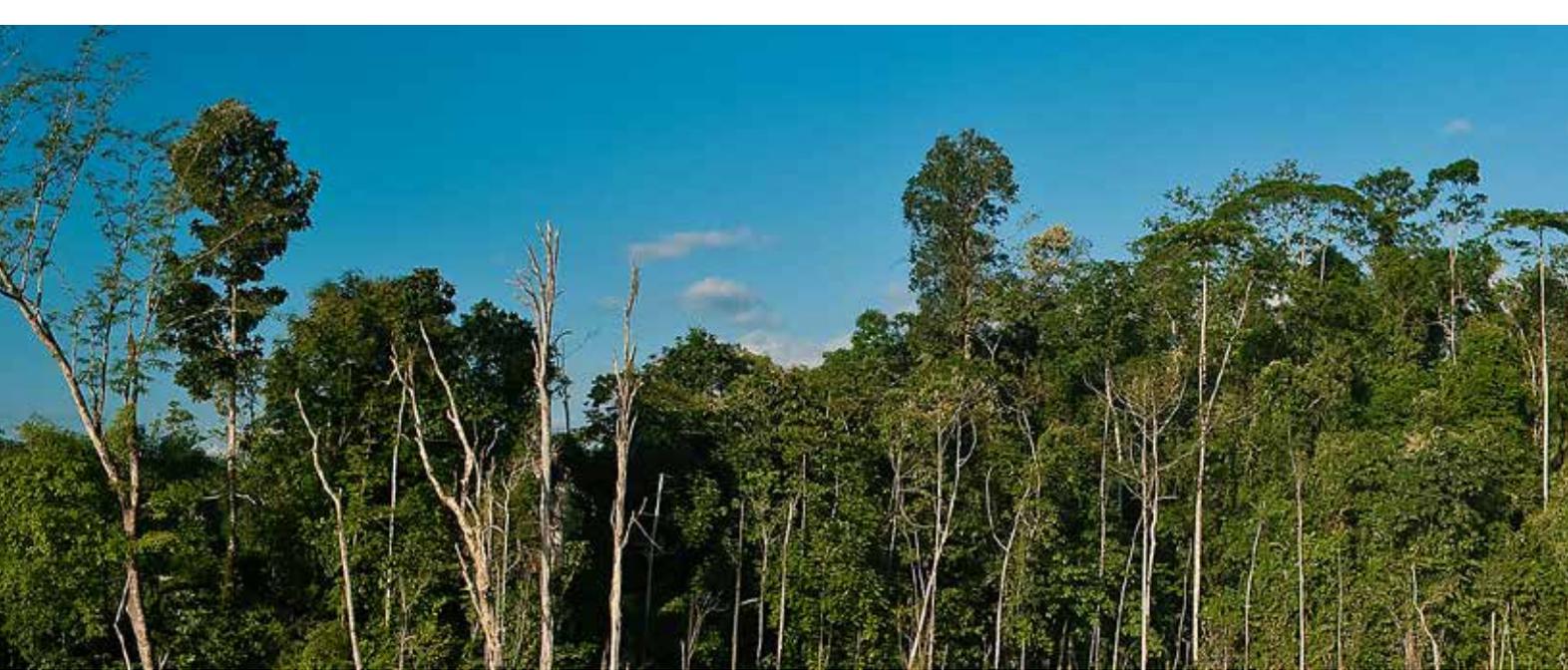
PROGRAMS

The year 2014 saw a continuation of Indika Energy's efforts to ensure sustainable exploitation of natural resources through rehabilitation and preservation of operational sites. Indika Energy Group systematically mitigated environmental impact by reclaiming land at its mining sites to return the soil to a

This is done throughout all of Indika Energy's operations with no exception because the Company understands the importance of returning the land to a state in which it can continue to benefit local communities in its operational areas on a sustainable basis.



"I am grateful with CEP mangrove program. It helps to preserve the ecosystem and environment."
 - **Nursin, Chairman of the Environmental Community Care Forum Cirebon**



#MBSS applying the Fuel Monitoring System and Vessel Tracking System, which enabled the setting of fuel consumption standards for certain distances for the ships it operates

One prime example of this attitude is the efforts of CEP, which worked together in 2014 with local non-governmental organizations to implement a program to care for mangrove trees at the edge of Waruduwur Beach in West Java. This program covers the regular maintenance of the trees planted, including fertilization and monitoring growth and height. CEP has planted more than 35,000 mangrove trees around its operational area.

CEP also undertook the normalization of 170 meters of blocked water channels spanning 170 meters in Waruduwur Village, starting with preparations and removal of 300 cubic meters of earth, which will be used for planting more trees.

#In 2014, Kideco restored 2,239 ha of land area

#MBSS no longer uses chlorofluorocarbon (CFC) and has replaced all halon-based fire extinguishers with ABC-type powder units

Kideco believes natural forest near mining areas serves not only as a wildlife habitat, but also as a natural seed source for post-mining reclamation. In cooperation with ECOSITROP (Ecology and Conservation Center for Tropical Studies), Kideco conducted flora and fauna biodiversity conservation research, monitoring and assessment of water quality, biodiversity, karst area, and soil fertility for 6 months, resulting in 7 reports providing criteria for a future ecosystem conservation program.

Kideco also expanded reclamation and restoration areas with the support of a 2 ha nursery facility with annual production of 800,000 seeds of 47 types near its operation site.

#Kideco planted 2,200,000+ saplings, with strong growth resulting in a 95% ratio of tree survival





IN THE SPOTLIGHT

Indika Energy puts its commitment to community welfare into action through volunteerism, linkages with institutions and nongovernmental organizations, and specific programs to empower members of communities in its operational areas, especially children and women, toward better education, health, welfare and enhanced contribution to their families, their regions, and their nation.

Indika Energy Group assists the 400 students at SD Dinamika Elementary School in collaboration with Yayasan Nurani Insani (YNI) foundation by providing training and motivational guidance to help educators there develop lesson plans and better manage the school library for which Indika Energy has provided books.

EDUCATION - SD DINAMIKA

Indika Energy, in cooperation with Anak Indonesia Suka Baca (AISB), has been providing training, motivational activities, and assistance with lesson planning and implementation to improve the competence library management training for the administrative staff and teachers, as well as the donation of the 14 educators teaching the students at the SD Dinamika Elementary School.

#Grades 4 and 5 highest dropout rate

Indika Energy also has supported the educational process at the school by enhancing the quality of the school library through professional books. More than 400 students at SD Dinamika are now benefiting from these efforts, and as many as 63 sixth-grade students have elected to continue on to a higher level of education.

#Scavenger occupation of 80% of students' parents

In addition, in coordination with Yayasan Nurani Insani (YNI) foundation, Indika Energy has assisted all of the teachers at SD Dinamika to visit YNI's non-formal schools that have succeeded in improving the quality of education at their schools despite the existing severe constraints. This comparative study to other schools is meant to expand and complete the knowledge of the teachers so that they can overcome the problems and constraints they are facing toward achieving a higher quality of education in as short a time as possible.

#180,000+ tonnes volume of garbage dumped in the surroundings of SD Dinamika



EMPLOYEE VOLUNTEERISM AT SD DINAMIKA

In collaboration with Indorelawan, a foundation who connects social organization and volunteers, 30 volunteers from Indika Energy Group, braved the heat to spend an entire day to inform and inspire over 400 students at SD Dinamika, which is located near a garbage dump. Aware of the dearth of information available to the students about the opportunities education could open up, IndiVolunteers, they used to be called, introduced the students to the possibility of joining professions like engineering, accounting, and the law.



VOLUNTEER TESTIMONIALS

"Exciting! Challenging, but worth it! Hope children enjoyed it!" - **Septiani Astila**

"Eye-opening! Let's do more for their education." - **Laila Muthia**



"Since my teacher said we could find answers for homework in the library, I have been using it more." - **Rafi Maulana Hakim, SD Dinamika Third Grader**

"I now link class subjects with library activities, so the children learn more effectively." - **Yuthi, Third Grade Teacher at SD Dinamika**



EARLY EDUCATION

In 2013, Petrosea began cooperating with the Integrated Village Services Foundation to provide upgrading training to teachers at early age educational facilities and kindergartens in Samarinda. This assistance includes provision of classroom furniture, educational toys, and story books to promote the use of more pleasant and creative teaching and learning methods.



“The training has directly enhanced our knowledge and teaching skills as well as our student’s motoric skills. Previously we had not had the opportunity to improve our competence as educators.”
- Nenty Boru Sitorus, teacher at Anugerah Kindergarten

Petrosea has been cooperating with the Integrated Village Services Foundation (Yayasan Pelayanan Desa Terpadu, PESAT) in Samarinda to improve the pedagogical skills of teachers at early age (pre-school) educational facilities and kindergartens to ensure better quality education in Kutai Barat and Kutai Kartanegara.

In the most recent phase of this collaboration, teachers were provided training covering child development psychology, pertinent pedagogical skills, and appropriate curricula for early age (pre-school) education facilities and kindergartens for a period of 6 months. The teachers participating in the training teach at different schools, Anugerah Kindergarten in Muara Tae Village near the GBP project in Kutai Barat Regency, Annisa Pre-School and Mawar Pre-School in Java Subdistrict in Kutai Kartanegara Regency near the ABN project.

This collaborative upgrading training program, which was initiated in 2013, started with the provision of assistance in the form of educational toys and equipment, children’s story books, and classroom furniture for the Anugerah Kindergarten in Muara Tae Village. This was done to facilitate the utilization of more creative, pleasant and pleasurable teaching and learning methods. In 2014, this skill upgrading segment of the program continued with the provision of focused early-age and kindergarten pedagogical methodology and skills for the teachers of Anugerah Kindergarten.

Not only has Petrosea supported the improvement of the educational environment and the skills of the teachers, it also participates directly in the evaluation of the results of the training as evidenced in the application of the training and the curricular materials by the participating teachers in their ongoing efforts to improve the teaching and learning processes in their classrooms, in particular at Anugerah Kindergarten. The success of this program can be seen in the effective application of the curriculum, the utilization of more creative teaching methods, and the ability to use the provided educational equipment and toys successfully in line with the ages and developmental stages of the children being taught.



HEALTH

- PETOJO INTEGRATED PUBLIC SERVICE POST

Indika Energy Group cooperates with the Women's Development Center to revitalize the Integrated Social and Health Services Post in Petojo Selatan, South Jakarta, to improve the capacity of health workers to better educate the public on hygiene and sanitation, and to improve the care and nutrition of children and the elderly in particular.



Indika Energy believes that ensuring good health through quality health services is an integral element for improving the quality of human resources and a vital investment in economic development.

#Service time decreased from 20 to **10** minutes

For this reason, Indika Energy has undertaken cooperation with the highly respected social welfare and empowerment organization Women's Development Center (Pusat Pengembangan Sumberdaya Wanita, PPSW) in Jakarta to revitalize the Integrated Social and Health Services Post (Posyandu) in Petojo Selatan Subdistrict, Central Jakarta, which is on the frontline of efforts to meet basic health needs and improve understanding of good nutrition for the public.

#Number of children under the age of five being served increased by **20%**

This collaborative effort has not only involved the repair and upgrading of health facilities and the education and enhancement of skills for Integrated Social and Health Services Post personnel, but also the enhancing of service to the public through improving the structure and management of the health center, which is expected to improve the quality of service to the community. Indika Energy and the Women's Development Center cooperated with local government

officials and bodies to provide the necessary upgrading and motivational training for 13 health services personnel.

#Number of elderly people being served increased by **95%**

Petojo Selatan Subdistrict is a Community Unit known for its vulnerability to diarrhea, dengue fever, and malnutrition resulting from the hygiene and living habits of the people. Part of the inadequate service coverage problem was that the staff at the Integrated Social and Health Services Post there had not yet had the opportunity to improve their competence toward increasing their capacity to optimal levels, nor did they have the proper facilities with which to provide quality services to the community.

#The activities at the Cempaka Integrated Social and Health Services Post in Petojo Selatan Subdistrict have become a model for similar health and social services posts in other Community Units in the area

At this time, the Integrated Social and Health Services Post is able to serve 73 children under the age of five and 125 elderly community members more quickly and with better quality and more complete services, ranging from medical examinations to provision of a variety of nutrition rich food to supplement their diets.

COMMUNITY EMPOWERMENT - MAKMUR SEJAHTERA WOMEN'S COOPERATIVE



Indika Energy Group assists the Women's Development Center in Jakarta to empower the women of Petojo Selatan Subdistrict economically through a cooperative designed to facilitate the development of small-scale businesses with basic training in financial management, as well as provision of low interest loans to supplement family incomes and reduce vulnerability to money lenders.

"Not only can I borrow money, I can gain knowledge about how to better manage my family's finances."
- **Ida, Member of Makmur Sejahtera Cooperative**



Indika Energy is committed to sustainably improving the quality of life of the Indonesian people and empowering them toward socioeconomic independence. Working with Women's Development Center (Pusat Pengembangan Sumberdaya Wanita (PPSW) of Jakarta, Indika Energy assisted in developing and expanding a women's cooperative in Petojo Selatan Subdistrict of Central Jakarta.

#Most women in the cooperative operate small neighborhood shops

This program is intended to empower women and increase their capacity at grassroots level through the development of small-scale businesses with the support of financial institutions to ensure increased household incomes. The guidance and training provided to the local women covers basic financial administration, basic principles of cooperatives, household economics and social analysis.

#Cooperative members have been honored with inclusion in the Social Security Welfare Assurance Body (Badan Penyelenggara Jaminan Sosial, BPJS) cadre, where they are active in raising public awareness of the health services program in Petojo Selatan

The Makmur Sejahtera Cooperative, the micro-financial institution initiated with the support of Indika Energy in Community Unit 08, has developed and advanced quickly. Established in April 2014, Makmur Sejahtera had registered 99 members from the Petojo Selatan Subdistrict community, all of whom are women, by December 2014.

#The core deposit required for an individual wanting to join Savings and Loan program at the cooperative is just around **US\$8**, which can be accumulated through **10 installments**

Besides that, the women of this community are also encouraged to improve their family incomes through small-scale businesses that leverage the proximity of a large number of office buildings. Through the cooperative, the women gain access to low interest loans, which reduces the community's vulnerability to money lenders.

#At the end of **3 months** membership, cooperative members can take out business loans

Traditionally, when families required extra funds to make ends meet, or for emergencies, such as illnesses or accidents, they would turn to the local money lenders, who charge exorbitant rates of interest. This had led to an ingrained cycle of financial difficulties and even poverty in this community.

Before the introduction of the Makmur Sejahtera Cooperative, with its savings and loan program, which provides interest-free funds for the specific purpose of setting up, or expanding small-scale enterprises, the women in Petojo Selatan Subdistrict had little recourse in seeking supplemental income for their families.

Indika Energy's ongoing efforts in collaboration with the Women's Development Center to empower the women of Petojo Selatan Subdistrict to help support their families have had an encouraging impact thus far. It is expected that these efforts will have a decided ripple effect on the community economy as more women join the cooperative and more small-scale businesses are established.

"I had always wanted to have a growing business, and joining the cooperative has made it possible."
- **Hilda, Member of Makmur Sejahtera Cooperative**



COMMUNITY EMPOWERMENT – SEWING LESSON

MBSS has enlisted the cooperation of textile and garment making experts to introduce basic sewing skills to housewives in its Rangga Ilung-Kelanis operational area in Central Kalimantan to enable them to improve the welfare of their families and support the overall development and expansion of the local economy.

MBSS sees a great deal of potential for housewives in the local communities to improve the welfare of their families through the assimilation of specific types of skills. For this reason, the MBSS decided to provide sewing and tailoring training to the local women.

The instructors for the program, who came from the garment manufacturing company, helped the housewives participating in the Sanggar Menjahit Melati sewing studio. The training sessions that lasted over a period of 2 days provided tips and tricks for sewing children's school uniforms, men's pants, and women's skirts.

sons and daughters and clothing for their husbands, which automatically improves individual family welfare. In turn, the greater prosperity of individual family units and the introducing and sharing of skills into the community can be expected to have a snowball effect on the growth of the economy in the larger community.



At this time, a large segment of the populace of Rangga Ilung-Kelanis earns a living from trading, horticulture, animal husbandry, or working as unskilled laborers. The training in sewing and tailoring skills provides a new avenue of endeavor for women wanting to go into business and to become more independent. It also enables them to sew and repair school uniforms for their



To accomplish this, MBSS enlisted the assistance of a number of textile and garment making experts from a clothing manufacturing company in Banjarmasin to develop a training program to introduce the basics of sewing to the women of Rangga Ilung-Kelanis. This training program was established in 2013 with the provision of basic sewing lessons designed to help the women gain a skill that could help improve their family incomes and support the overall development and expansion of the local economy.

In 2014, MBSS furthered this goal of helping expand the capacity of the local economy of Rangga Ilung-Kelanis, Central Kalimantan, by providing advanced sewing and tailoring lessons to 30 PKK family welfare association members as an extension of the basic sewing course they had completed in the previous year.



COMMUNITY EMPOWERMENT - CEP INTEREST FREE LOAN FOR SMALL BUSINESS



Cirebon Electric Power supports an interest free loan assistance program for small-scale enterprises in Cirebon, West Java, to help eradicate the devastating socioeconomic problem of exploitation by traditional money lenders, who demand exorbitant levels of interest for credit to business people.



CEP is collaborating with the public service institute (Lembaga Pengabdian Masyarakat, LPM) of Unswagati University in Cirebon to support the provision of short-term loans to help put an end to the tradition of money lending of loan sharking in the region. This program is now active in 10 villages in Astanajapura and Mundu districts.

CEP, which had observed the tendency for many small to medium scale companies in the region to become trapped in debt by loans sharks who demand exorbitant levels of interest for credit to businesspeople, decided to find a way to solve this devastating socioeconomic problem through the establishment and implementation of this interest-free loan program.

Before the no-interest credit program was launched, as many as 80% of small and medium-scale businesspeople in the 2 districts were dealing directly with money lenders to get enough funds to start up or keep their businesses going. Once the CEP supported loan program went into operation, that number dropped drastically, and now almost none of the small-scale businesses in those areas have any dealings with loan sharks.

Currently, CEP's efforts to assist the local communities in its operational areas have expanded beyond this loan program into business development. CEP also provides guidance to the small and medium scale business people taking advantage of the loan program so that they can better develop and expand their business activities.

At this time, as many as 300 people have benefited from this loan and business guidance assistance program, in which students from Unswagati University analyze the individual needs of loan seekers to determine the loan levels at which they can continue to grow their business and pay back the money borrowed without any difficulty. Thus far, this interest-free lending and business development program has been highly effective in changing the borrowing habits of the local people, especially the small and medium scale businesspeople. As a result, the detrimental practices of loan sharks no longer hinder the development of the local economy in Cirebon.

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