



# Sustaining Sustainability

2015 SUSTAINABILITY REPORT







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In 2015, as the coal industry remained deep in economic doldrums, PT Indika Energy Tbk. undertook an extensive internal business consolidation drive, including better, more integral alignment with subsidiary companies to ensure the Indika Energy Group's overall resilience and strength for the long-run. In line with this drive toward greater integration, efficiency and efficacy of operations across the Group, Indika Energy also took steps to evaluate, analyze, and revamp its approach to Corporate Social Responsibility, and has shifted focus to ensure higher effectiveness and sustainability of its various community programs to ensure lasting empowerment of communities in its operational areas.

## SUSTAINABILITY MATTERS

Indika Energy believes the matter of sustainability matters greatly for all stakeholders. Sustainability of business, community, and environmental are of utmost significance in our development of business and social strategies that leverage sectoral acumen and local wisdom to ensure long-term benefit for Indika Energy Group, the community, and the environment in which all live and work.

### Strategizing Sustainability at All Levels

In 2015, Indika Energy Group faced not only lower prices and decreased production in the coal mining sector, but also of transition to a low-carbon energy future in which the energy sector must provide adequate safe energy for sustained socioeconomic development.

Sustainability means Indika Energy, which consistently manages risk for a competitive edge, must address stakeholder's rapidly changing expectations with a strategy that creates both efficient high value growth and community values. Therefore, we have reformulated our Sustainability DNA to simplify business processes, facilitate communication, and align programs along all subsidiary companies to strengthen not only business operations, but also our social and environment commitment by ensuring efficacy of our community service pillars of education, health, community empowerment and environment.

### Material Content Aspects and Boundaries

This Sustainability Report provides an integrated overview of Indika Energy's business, social and environmental strategies, activities and performance, as well as new initiatives, which cover the particularly relevant stakeholder's concerns and sustainability issues in 2015.

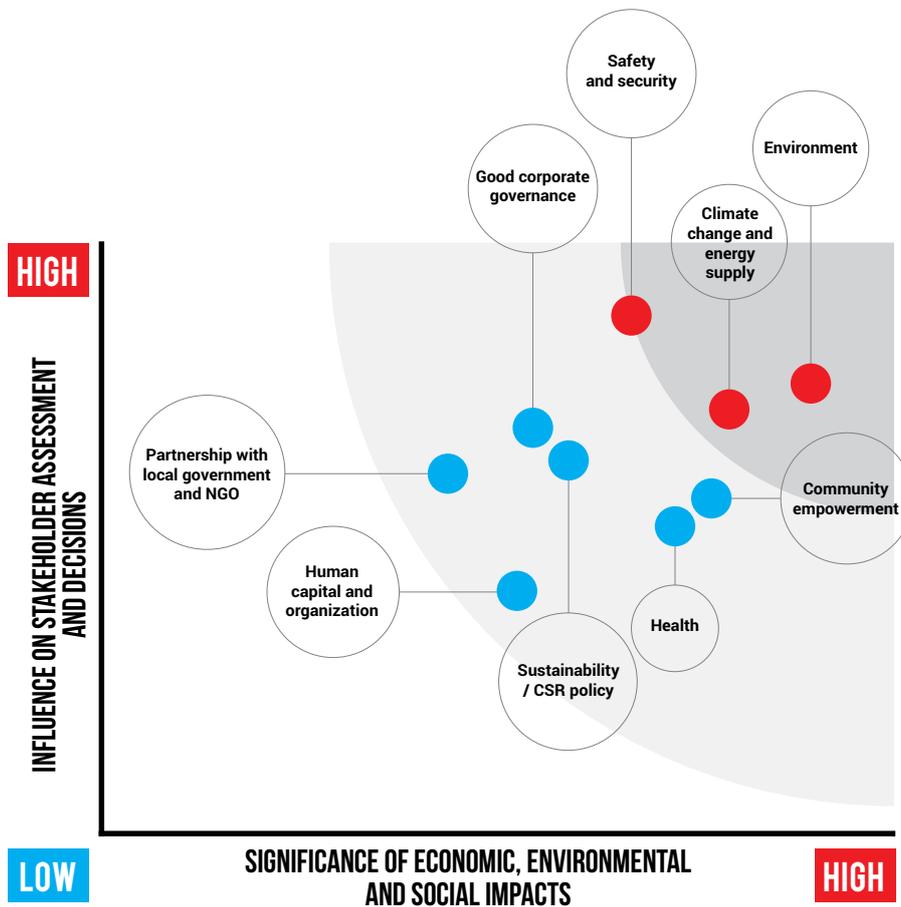
Content selection for this report was based systematically on the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines for a more concise and intensely informative printed document (also shared online). The process follows:

- o Identifying relevant aspects to be assessed for potential inclusion, based on sustainability context, stakeholder expectations and business impact
- o Interviews with top management to assess and prioritize the aspect's significance to stakeholders and their potential financial and reputational impact for Indika Energy
- o Validating the completeness of material aspects identified in terms of scope, boundary and time

The materiality plot illustrates the Group-level importance of the specified sustainability aspects in relation to issues relevant to and managed by Indika Energy.

The internally validated Sustainability Report data was compiled for the period of 1 January to 31 December 2015, with much of the quality management data internationally certified through ISO 9001, OHSAS 18001 and ISO 14001. Financial performance data, verified by a public accountant, is based on the 2015 Indika Energy Annual Report.

Unless otherwise stated, we report non-financial data, including environmental, health and safety performance data. Due to size of income contribution, ownership, and data availability, performances for several Indika Energy's subsidiary and affiliate companies -- PT Multi Tambangjaya Utama (MUTU), PT Kideco Jaya Agung (Kideco), PT Petrosea Tbk. (Petrosea), PT Tripatra Engineering and PT Tripatra Engineers & Constructors (Tripatra), PT Mitrabahtera Segara Sejati Tbk. (MBSS), PT Kuala Pelabuhan Indonesia (KPI), PT Petrosea Offshore Supply Base (POSB), and PT Cirebon Electric Power (CEP) -- are included here.



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To learn more, please visit [www.indikaenergy.co.id](http://www.indikaenergy.co.id)



M. Arsjad Rasjid P. M.  
President Director

# President Director's Message

**Indika Energy runs all aspects of its business, social and environmental programs on the basis of a strong awareness that we co-exist and share the future with all of our stakeholders; the people we care about most. As we move forward through uncertain times, our longstanding commitment to business, community and environmental sustainability remains at the core of everything we do. We consistently consolidate, integrate and elaborate our overall Sustainability DNA to ensure that we function optimally as a holistic, harmonious, coordinated business and social entity whose parts and activities exceed the sum of the whole.**

## CONSOLIDATING TOWARD SUSTAINABILITY

Indika Energy's ongoing commitment to sustainability has been apparent since our incorporation in 2000 through the good corporate governance, healthy business practices, social welfare partnerships, and stewardship of the environment, which we embrace to empower all stakeholders toward sustainable benefit for the company, community and nation.

In the energy business for the long haul, Indika Energy has pushed forward from incorporation into expansion and public listing to consolidate our strengths toward ever greater sustainability of operations. We have never reneged on our conviction that energy empowers the world toward a better future.

For this reason, Indika Energy has built an energy sector value chain that stretches from mining operations to electricity generation; providing infrastructure that connects our business network and isolated operation site communities to cities, harbors, shipping lanes, electrical power plants, as well as international and domestic markets.

Indika Energy, with a solid foundation for business sustainability in our three pillars of energy resources, energy services and energy infrastructure, also carries out the roles of mentor to communities and steward of environment through our sustainability pillars of education, health, community empowerment, and environment. All of this together constitutes our company's Sustainability program.

In this way, we are able to extend the positive impact of our energy endeavors in support of the government's efforts to establish adequate energy to drive the nation's economic expansion, while generating economic benefits for our shareholders, regulators, employees, business partners, contractors, suppliers, and consumers. Beyond that we are also able to positively impact a wider array of stakeholders in civil society, non-governmental organizations and local customary communities.



We are convinced that the holistic encompassing of the corporate and community aspects of our endeavors is the best kind of business possible for the long run.



Sustainability is a core element in our corporate value system. Indika Energy believes strongly on working toward overall sustainability through carefully thought out and formulated short, medium and long-term business and corporate social responsibility strategies. We are convinced that the holistic encompassing of the corporate and community aspects of our endeavors is the best kind of business possible for the long run; and certainly the best strategy for ensuring that our company and the communities in which it operates weather the current coal energy industry price crunch and global macro-economic challenges.

To accomplish this, in 2015, Indika Energy steadily strengthened its solid business practices, good corporate governance (for further information, see Indika Energy's 2015 Annual Report), and set into place more efficient programs for partnering with communities through more hands-on involvement of our subsidiaries.

Indika Energy also continued prudent risk management and took careful stock of our policies, strategies and actions in all of our operations and activities to determine what we can enhance toward greater positive impact both in business and community service and for overall sustainability.

At Indika Energy, we glean valuable lessons from challenges as a basis for addressing ongoing issues and to anticipate future possibilities. We consciously leverage what we learn to improve on workable strategies, expand viable programs and intensify effective policies and actions.

Indika Energy systematically moved toward revamping our existing sustainability systems and programs (Sustainability DNA) to make them more effective and efficient on the ground in reflection of our awareness that building a business in synergy with communities not only empowers those communities, but revitalizes and supports the company's presence as a visionary viably sustainable enterprise.

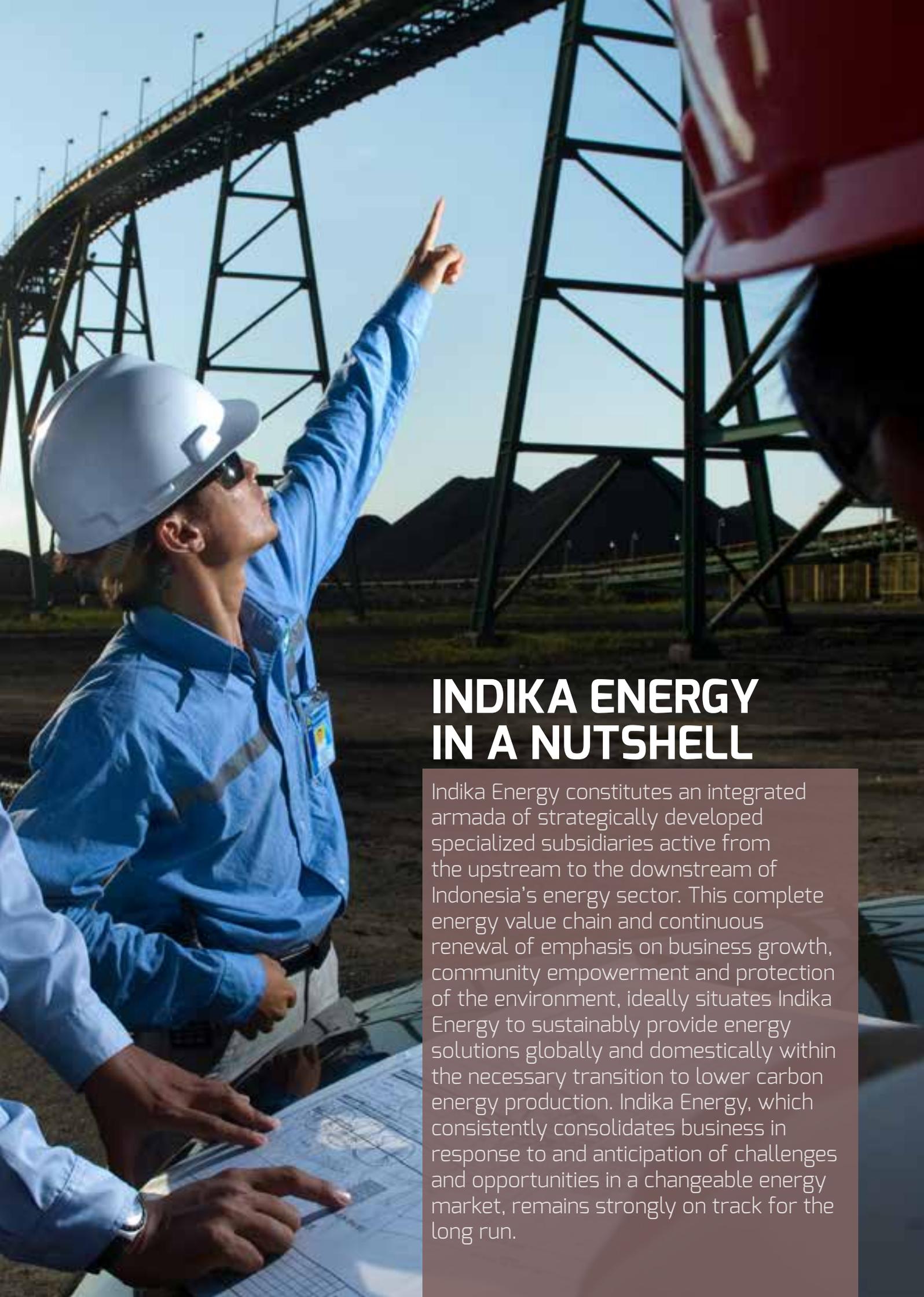
Sustainability Panel, which is meant to function as a consultation, coordinating and monitoring body, was established in the second quarter to work out a collaboration model with and among subsidiaries that would inform the directions taken in sustainability program development and implementation at operation sites across the Group.

One of the key focuses of the Sustainability Panel was how to bring the Company's community efforts into line with the concepts of both securing social license to operate and strategic intervention in support of business and to make them more readily useful and sustainable for the people living in our business operation surroundings.

We believe that to be optimally effective, overall community empowerment effort must be carried out on the back of willing partnership and cooperation, which will generate greater community investment in support of the Company. We encourage our subsidiaries to collaboratively reformulate the existing sustainability policy into a grassroots level road map for working more effectively in their operational regions. The idea for Indika Energy and its subsidiaries, to enlist local leaders, customary figures, Non-Governmental Organizations (NGOs), local government, and even possibly other business entities as partners to develop and carry out sustainability programs specifically designed to meet the needs of their local communities.

The key to this smart partnering approach, especially with other businesses, is to extract benefit from our various partners' core capabilities and activities in a mutually advantageous way to enable Indika Energy to leverage its social concern pillars of education, health, community empowerment and environment. By connecting the dots between various elements of society and creating a solid chain of purpose, communication and action with the melding of our business and community endeavors, Indika Energy expects to push forward sustainably on all fronts.



A construction worker in a blue shirt and white hard hat is pointing upwards towards a large steel structure under construction. The structure consists of tall, lattice-like towers and a long, elevated walkway or bridge. The scene is set outdoors during the day, with a clear sky and some distant hills or mountains in the background. Another person's hand is visible in the foreground, pointing at a set of blueprints on a table.

## INDIKA ENERGY IN A NUTSHELL

Indika Energy constitutes an integrated armada of strategically developed specialized subsidiaries active from the upstream to the downstream of Indonesia's energy sector. This complete energy value chain and continuous renewal of emphasis on business growth, community empowerment and protection of the environment, ideally situates Indika Energy to sustainably provide energy solutions globally and domestically within the necessary transition to lower carbon energy production. Indika Energy, which consistently consolidates business in response to and anticipation of challenges and opportunities in a changeable energy market, remains strongly on track for the long run.

# About Indika Energy

## 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

- o **INTEGRITY**  
Honest with oneself, others and one's work at every moment by upholding prevailing ethical standards and legal norms
- o **UNITY IN DIVERSITY**  
Viewing diversity as an asset to the company and accepting, valuing, completing and strengthening one another as a solidly unified entity
- o **TEAMWORK**  
Actively contributing and collaborating based on trust and shared interests rather than personal interests
- o **ACHIEVEMENT**  
Achievement as the measure of success and the motivation to do what is best for the company
- o **SOCIAL RESPONSIBILITY**  
Highly concerned for the environment and community, and contributing added value as well as contributing to the prosperity of the society

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

We understand the energy sector must meet the need for adequate safe energy for sustained socio-economic development, also believe that investment in communities is good business. This is reflected in Indika Energy's community service pillars of education, health, community empowerment and environment.

Over time and through careful planning and strategic implementation -- including revamping our Sustainability DNA to more effectively encompass community empowerment and protection of the environment, 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 exploration, engineering, construction, production, shipping, and transshipment to domestic and international customers to the utilization of 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 collaboration with key stakeholders in support of the government's drive toward energy diversification.

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



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, Multi Tambangjaya Utama (MUTU), Santan Batubara, and Mitra Energi Agung (MEA), as well as Indika Capital Investment (ICI).



Kideco produces a range of Kideco produces low-Sulphur (0.1%) sub-bituminous coal and ash (2.5%) from five open-pit concessions in Paser Regency, East Kalimantan (651 million tonnes aggregate probable and proven coal reserves and 1,376 tonnes estimated coal resources in 2011). Kideco's Roto North, Roto South, Roto Middle, Susubang, and Samarangau mines produce coal that combusts at low nitrogen levels in coal-fired power plants.

Kideco is Indonesia's **3<sup>rd</sup> largest** coal producer; consistently maintaining lowest cost operations

In 2015's challenging coal market 2015, Kideco maintained position among lowest cost coal producers worldwide by producing a total volume of 39 million tonnes of coal, declined by 3.3% from 2014, while continuing to achieve a low strip ratio of 6.3.

[www.kideco.com](http://www.kideco.com)



Acquired in 2012, MUTU is a high-rank bituminous thermal and coking coal holding in Central Kalimantan with an environmental permit to extract up to 1.2 million tonnes of coal annually from a concession of 24,970 hectares. In 2014, MUTU succeeded in obtaining necessary permits for production, however, due to ongoing market doldrums, Indika Energy decided to defer production while re-evaluating its mine and business plan.

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



A 50/50 joint-venture established in 1998 between Indika Energy's 68% owned Petrosea and PT Harum Energy Tbk, 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. In 2015, amidst prolonged coal price weakness, the management of Santan Batubara took the decision to close Separi block mine and suspend operations in the Uskap block until such time as the market improves.

[www.petrosea.com](http://www.petrosea.com)

## INDIKA CAPITAL INVESTMENT (ICI)

Indika Energy's coal trading business was mostly carried out by Indika Capital Investment Pte Ltd. (ICI) in 2015, with the remainder carried out by PT Indika Inti Corpindo (IIC). By leveraging the Group's existing network and experience and working together with Indika Energy's owned mines as well as with other major coal producers, in 2015 revenue from the coal business increased more than 80% to US\$ 263.4 million from US\$ 143.0 million in 2014 on higher volume traded, with coal volume more than doubling from 3.6 million tonnes to 8.2 million tonnes during 2015.



# Energy Services

This pillar encompasses 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 and 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%).

By implementing Fleet Management Systems, Petrosea Fuel consumption savings from excavator hangtime to truck queue time was **24,340 litres**

Petrosea, which leverages synergies from within Indika Energy Group in this highly competitive services sector, continued to face challenges due to low coal prices, reduced coal industry production and overall global economic malaise throughout 2015.

Petrosea revenues declined 40.5% to US\$ 206.8 million in 2015 as most coal producers, struggling to maintain operations in a flat pricing environment, reduced stripping ratios, as well as production volumes. Overall, overburden removal contract mining volumes declined by 49.7% from 131.2 million bcm in 2014 to 66.0 million bcm in 2015.

[www.petrosea.com](http://www.petrosea.com)



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

In 2015, Tripatra successfully completed work on the major Pertamina Medco E&P Tomori Sulawesi EPC project. Progress was also achieved on the Exxon Mobil-Banyu Urip project and the ENI-Muara Bakau B.V. project, which is a billion dollar EPC contract for construction and installation of a new Barge Floating Production Unit (FPU) in ENI Muara Bakau B.V.'s offshore Jangkrik Complex (Jangkrik) in the Muara Bakau Permit area, Makassar Strait, offshore Kalimantan.

In 2015, Tripatra managed to grow revenue by 13.7% to US\$ 475.1 million. Tripatra continues to develop its business strategies toward greater efficiency and effectiveness to leverage its wide ranging service scope in several key energy sectors to anticipate, overcome, or take advantage from any global industry and economic shifts occurring in the future.

[www.tripatra.com](http://www.tripatra.com)

Tripatra used more than **260+ local vendors** in 2015





MBSS operates a large, varied fleet comprising **76** barges, **87** tug boats, **6** floating cranes, **1** cement vessel and **1** support vessel



# Energy Infrastructure

Over its 15 years of business operations, Indika Energy has developed and acquired a wide range of infrastructure and facilities, including roads, ports, barges and transshipment sites. In this way, Indika Energy covers the entire energy sector spectrum with river and sea logistics services and electricity generation through partial ownership of the coal-fired Cirebon Electric Power plant.



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

In 2015, MBSS adopted a price rationalization approach to retain existing contracts, as well as offering flexible arrangements, including spot and time charters, to counter the impact of higher available capacity and intensified market competition. This put pressure on MBSS' revenue which decreased by 33.1% to US\$ 89.8 million in 2015.

[www.mbss.co.id](http://www.mbss.co.id)



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. In 2015, POSB maintained revenue around US\$ 30 million.

[www.petrosea.com](http://www.petrosea.com)



In 2007, Indika Energy established Cirebon Electric Power (CEP), a 660 MW coal-fired power generation plant (CFPP) in Cirebon, West Java 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 CEP began full plant operations; 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.

The power plant, in stable operations for 3 years, consistently undergoes net dependency tests (NDC) that PPA requirements. CEP continually operates above availability and performance expectations, including completely recycling remnant ash, and achieving gas emissions significantly below government and industry limits. Kideco, an Indika Energy associate, supplies 1.6 million tonnes of CEP's annual coal consumption of 2.7 million tonnes.

[www.cirebonpower.co.id](http://www.cirebonpower.co.id)

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



This Indika Logistic & Support Services subsidiary, Kuala Pelabuhan Indonesia, which has a long-term contract with Freeport Indonesia, is a marine fleet and port operator providing integrated ship dock, management, logistics, maintenance and post-side services.



In October 2015, PT Cirebon Energi Prasarana (CEPR) signed a 25-year PPA with PLN a 1x1000MW coal powered expansion of the existing CEP power plant in Cirebon. The project is scheduled to begin commercial operations in 2020. Indika Energy indirectly owns 25.0% of the CEP expansion project with remainder held by Marubeni Corporation (Marubeni), Samtan Co. Ltd. (Samtan), Korea Midland Power Co. Ltd. (Komipo) and Chubu Electric Power Co. Ltd. (Chubu).

[www.cirebonpower.co.id](http://www.cirebonpower.co.id)

# Key Highlights

in US\$

**REVENUES (-1.1%)**  
2015 1,097,296,489  
2014 1,109,508,311

**GROSS PROFIT (-45.1%)**  
2015 88,329,632  
2014 161,035,614

**LOSS ATTRIBUTABLE TO  
THE OWNERS OF THE  
COMPANY 61.3%**  
2015 (44,587,878)  
2014 (27,635,381)

**ADJUSTED EBITDA\*  
(-17.2%)**  
2015 191,958,917  
2014 231,909,056



COAL  
PRODUCTION

**39 million  
tonnes**



NUMBER OF  
EMPLOYEES

**8,396  
employees**



NUMBER OF  
NATIONALITY

**17  
nationalities**

\* Includes dividends received from associates and jointly controlled companies



# COMMITMENT + IMPLEMENTATION = SUSTAINABILITY

Indika Energy is well aware that comprehending how vital it is to ensure that business operations benefit all stakeholders now and in the future is just the first step toward making sure that happens. However; without the further steps of identification of specific problems, the capacity to set out solutions to those problems, the commitment to follow that roadmap, and concerted implementation, the sustainability of our business and the actions we take toward community empowerment will never become a reality. In 2015, we identified the problems constraining overall momentum we planned our path, and began taking determined steps toward accomplishing our goal of overall sustainability.

## CREATING THE CORE OF SUSTAINABILITY

In 2015, Indika Energy tweaked the traditional building blocks of our basic business strategies, including those for our corporate social welfare program, breathing new life into the way we do things to create vital, functional, enduring DNA that will thrive down the line to guarantee consistent renewal toward sustainability.

### Dynamic DNA toward Fruitful Activity

Indika Energy's new Sustainability DNA fundamentally improves the Group's policies, strategies and way of working to create a dynamic spin on the momentum of its activities and trigger more disciplined and consistent implementation. Our Sustainability DNA includes our Group sustainability principles, a solid collaboration model, and the manner in which we accomplish our overall sustainability policy of leveraging strategic intervention in community social welfare empowerment to support our business activities and fully benefit all stakeholders.

Indika Energy sets the following five core principles at the center of our sustainability drive:

- o **Corporate Mission**  
Sustainability programs must fulfill our mission to be a good corporate citizen
- o **Strategic Support**  
Sustainability programs must serve as strategic intervention in support of business
- o **Justifiable**  
Sustainability activities must be of the appropriate nature, scale and measurable effectiveness to bring positively beneficial impact to communities and the company
- o **Effectively Managed**  
Sustainability programs must be properly developed, communicated, implemented, monitored and evaluated
- o **Compliance**  
Sustainability programs must comply with prevailing laws and regulations

These 5 principles have been set into place so that the Indika Energy can viably strengthen its corporate image among key stakeholders, and for its subsidiaries to meaningfully secure social license to operate effectively on all levels in their various communities at their business sites.

We believe that, to accomplish this, it is necessary to seek out and employ a viable collaboration model and synergize with partners for whom sustainability is also the priority. Smart partnering will enable both sides to benefit from each other's core business activities and capabilities, as well as the leveraging of collaboration in the social awareness programs that both embrace.

The focus areas of our sustainability programs and related partnership efforts are the 3+1 pillars of education, health, community empowerment, and the environment; while the subsidiaries, for whom environment is part of their Health, Safety and Environment (HSE) programs, stress the 3 pillars of education, health, and community empowerment in their sustainability activities.



### Measuring DNA Sustainability Performance

Indika Energy's management stands strong on their strategic business decision to nurture an overall sustainability approach throughout all operations, including sustainability activities, nationwide. To enhance the effectiveness of each of its sustainability programs, Indika Energy Group's Sustainability Panel, made up of Directors tasked to oversee sustainability policy, meets semi-annually for high-level discussion and evaluation of progress of the company's sustainability programs and its grand strategy for moving forward sustainably.

In 2015, Indika Energy zoomed in on the task of how to make our sustainability programs more relevant and significant for the communities in which we operate through solidifying implementation frameworks that emphasize discipline, efficiency and efficacy. To facilitate this revitalizing of our community social welfare programs, guidelines, which included the requirement to submit quarterly progress reports, were developed and disseminated to all subsidiaries to guide program preparation, implementation and evaluation by defining program parameters, expected outcomes and achievements.

## EDUCATION PILLAR EMPOWERS FUTURES



### Applying Education Principles to Improve Lives

Indika Energy has learned from experience that education is the key to helping people better their lives through provision of the skills and knowledge they need to succeed. Indika Energy applies its core sustainability principles through its Education Pillar to see that children in their operational areas can exercise their right to access to quality education. We also provide skill training to enhance the livelihoods of their parents and other adult in their communities. There is no question in our minds that these things, along with better knowledge and understanding of important life enhancing basics, have and will continue to trigger a ripple effect.

We have witnessed how communities can be empowered by leveraging useful basic knowledge of sanitation, hygiene and good nutrition to achieve better health, which enables them better apply what skills they have learned to study and work productively. In the long run, this guarantees better educations, improved health and more viable livelihoods for generations to come.

Indika Energy has granted Educating the Nation's Children (Indika Energy Cerdaskan Anak Bangsa) scholarships to **500+** employee children



### Widening Horizons through Education and Skills Training

In 2015, Indika Energy collaborated with Yayasan Pemimpin Anak Bangsa (YPAB), a non profit organization providing remedial education for dropouts through Packet A (grade school), Packet B (middle school) and Packet C (secondary school) programs, to extend their course content with a computer literacy program at YPAB Learning Centers in Bintaro, South Tangerang and Tanah Abang, Jakarta.

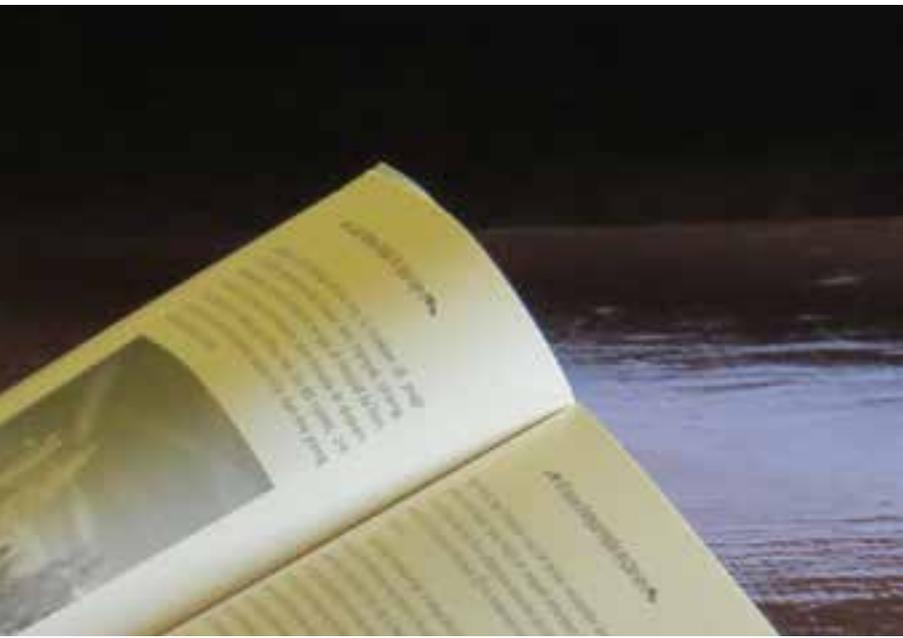
More than 80 students got to widen their horizons through basic computer training in Microsoft Office and surfing the internet to research school subjects and record the information in Microsoft Word dan Excel documents. This program is expected to open doors to employment that might otherwise remain closed.

Indika Energy's subsidiaries, Petrosea, Tripatra and MBSS, also implemented educational programs to compliment their sustainability visions for business operations and the communities in which they operate.

Petrosea held computer training lessons for state junior and senior high schools in Batu Sopang, Paser, East Kalimantan, as well as developed elementary school libraries in Balikpapan, East Kalimantan. Besides this, Petrosea also motivated students to develop their writing skills through competitions that had the additional impact of stirring more interest in reading.

Tripatra took the information technology route to promoting educational activities as well, by donating computer systems to the Komite Nasional Pemuda Indonesia (KNPI), an organization dedicated to educational and vocational guidance and capacity building for youths in Batui, Banggai, and Central Sulawesi, as well as at the Rumah Baca Asma Nadia learning center in Depok, West Java, who provides books to underprivileged children throughout Indonesia.

Through YPAB program, a roadside newspaper vendor now works on the **administrative staff** of a media company and a former housemaid is now an administrative assistance in an office



Indika Energy's Education Pillar serves to not only support the right to education for all Indonesians, but to engender hope for better future leaders to bring the country to its full potential. An educated populace means better quality human resources for corporate recruitment, a stronger economy in the regions, and a solid basis for nationwide prosperity.

Meanwhile, MBSS, aware of the need to provide the best quality possible education to small children to prepare them for entering the formal national education system, took steps toward facilitating the development of facilities for the Bunga Anggrek early education center in Palangkau Baru, Kapuas, Central Kalimantan.

Also in 2015, to enhance access to education, as well as encourage scholarly excellence, Indika Energy Group provided 42 scholarships through the Indika Energy Cerdaskan Anak Bangsa program, which initiated in 2012 out of social concern and as a sign of respect for its employees's loyalty and dedication. In addition, Indika Energy supported the Sokola in facilitating literacy and other community education activities for the customary people in Sumber Candik, Jember, East Java.



In 2014, East Java still had more than **1.2 million+** people who were illiterate



## BETTER LIVING THROUGH HEALTH

Indika Energy believes that good health is never possible without adequate nutrition, sanitation and hygiene. Without good health children cannot develop and learn optimally, adults cannot work effectively, and the elderly cannot function as fully as possible. For these reasons, Indika Energy includes health as a core pillar in its sustainability programs in operational communities.

### Investing in Health Means Investing in People

Indika Energy knows that without our sustainability Health Pillar, our sustainability efforts to empower communities through better education, provision of skills, livelihoods and facilities, would fall short of the impact we desire. Therefore, we adhere to the principle that health is a key investment in the sustainability of our business, as well as the overall development of communities and, in turn, the economy nationwide. We know that investing in health is investing in people by improving their capacity to gain knowledge, skills, and better livelihoods. A healthy, well educated and skilled individual works more productively and lives more independently over a much longer period of time. We believe that health is a vital element in empowering both individuals and communities and prioritize it accordingly in our business strategies and our sustainability programs.

**2,000+** people benefited  
from Tripatra health program



## Collaborating toward Better Health, Better Lives

In the implementation of its health activities, Indika Energy acts on its understanding that its sustainability pillars function together to enhance the living conditions of the people in its business operation regions. Experience has convinced us that education promotes knowledge that promotes health, both of which empower people to not only live healthier lives, but to better nurture and educate their children, and develop their communities in a social and environmentally sustainable manner.

**Partnership** with local health enforcement is one of the key success of these programs

To facilitate better health for as many people on as many levels as possible at one time, Indika Energy has been working hand in hand with the Women's Resource Development Center (Pusat Pengembangan Sumberdaya Wanita, PPSW) in Jakarta since 2014 to revitalize the Cempaka Integrated Health and Community Services Center in Petojo Selatan Sub-district, Jakarta.

In line with its holistic vision of public service, Indika Energy has gone well beyond only renovating and upgrading the health center facilities and facilitating a community nutrition program. Indika Energy is also cooperating with the Central Jakarta Health Agency to provide guidance and further training for 13 health care workers. In particular, these efforts resulted in the provision of nutrition and health care and management for 75 children under the age of five, and 60 senior citizens in 2015.

In addition, Indika Energy linked up with Obor Berkat Indonesia, a humanitarian foundation active in the fields of education and health, to provide free health examinations and treatment for the scavengers of Pondok Aren village in Tangerang.

Further, Tripatra, an Indika Energy subsidiary collaborated with the Bojonegoro Health Clinic to improve health service coverage by providing free health care for children and the elderly in 12 villages, effectively reaching more than 2,000 people. Petrosea, another subsidiary, undertook the capacity building of 700 health service workers in the communities surrounding its Petrosea Offshore Supply Base (POSB) in Batu Kajang, East Kalimantan.

Meanwhile, subsidiary Multi Tambangjaya Utama (MUTU) provided free health examinations and care in Barito Selatan, Central Kalimantan in collaboration with Pearl Medic, a health services provider, and the local government. The medical consultations were carried out in tandem with the provision of nutrition counseling and assistance for 21 children under five, 64 adults and 29 senior citizens.

"I strongly support Tripatra's health program. I hope their activities will inspire other companies,"

**Sukiran**  
Head of Brabowan District Banyu Urip



## EMPOWERING COMMUNITIES TOWARD ECONOMIC INDEPENDENCE

Indika Energy consistently endeavors to initiate and facilitate community efforts toward greater prosperity for the long run. The ancient wisdom that it is better to teach someone to feed themselves, than it is to feed them, holds true for us in our experience with boosting self-sufficiency among the members of the communities in our operational area.

### Fostering Community Spirit of Self-Sufficiency

Indika Energy is convinced that the development of financially independent and economically self-sufficient communities can only be achieved effectively and sustainably by teaching and motivating people to achieve the capacity to consistently and continuously help themselves. To this end, Indika Energy has formulated a sustainability framework geared for establishing and maintaining community independence, self-sufficiency and sustainability for the long-term.

The ultimate goal of this “a boost to get things started” approach is to create a sense of ownership of programs, which can be developed jointly by the company and the communities, that will motivate the local people to continue to identify and address their own basic needs to enable all community members to develop viable livelihoods for their benefit and that of their families for many generations to come with minimum ongoing support from the company.

**75%+** of Indika Energy Group community programs involve partnering with local governments, local companies or nongovernmental organizations



### Empowering Entrepreneurship for Economic Independence

In 2015, Indika Energy, collaborated with Women’s Resource Development Center (Pusat Pengembangan Sumberdaya Wanita, PPSW) of Jakarta to find a way to protect low income families from the debt traps of high interest rates on loans set by credit mongers. The action taken to empower the women of Petojo Selatan, Jakarta, was accomplished through a cooperative designed to facilitate the development of small-scale businesses through financial management training and the provision of low interest loans. The women joining the program would no longer need to run to the loan sharks when their budgets were strained, because they could now develop their own livelihoods to supplement family income. Within a year from the inception of the program, the membership of the cooperative had reached 118.



In an effort to address a similar problem in its operational area of Cirebon, West Java, the Indika Energy affiliate Cirebon Electric Power (CEP), linked up with the Community Service Institute (Lembaga Pengabdian Masyarakat, LPM) of Unswagati University to implement an interest-free loan program for small scale businesses in the area. This program, which was intended to break the financial death grip of local loan sharks on their borrowers, was applied in 10 villages in Astanajapura and Mundu districts in 2015. At this time, more than 400 business people have taken out loans, with 70 of them also participating in capacity building training to facilitate the development of their enterprises.

Indika Energy subsidiary MBSS took a different track toward empowering a community in their operational area of Paser, East Kalimantan. Understanding that a major challenge facing young people in the region was the lack of marketable skills, which left many unemployed and without any hope of livelihood, MBSS providing vocational training in welding for 20 local youths. These young men now have marketable skills they can use to seek employment or to start up their own welding service businesses.

Indika Energy and its subsidiaries carried out **10+** community development and empowerment programs focusing on education and mentoring to help small businesses



## SAVING THE ENVIRONMENT SUSTAINS BUSINESS AND COMMUNITIES



Indika Energy knows that without careful management and nurturing of the environment, it would be impossible to sustain its business, the wellbeing of stakeholders, and economic development. Our commitment to curbing pollution, rehabilitating mining sites, and replanting, among other efforts to protect the environment, is a permanent element of our policies and strategies.

Since its inception as an energy sector entity, Indika Energy has recognized that the dependence of its business on natural resource extraction and utilization of coal and other fuels for electricity production means doing as little harm to the environment as possible.

For that reason, Indika Energy ensures that its business is strictly managed through the principles of

With its supercritical boiler technology, CEP is consistently able to reduce coal consumption by **2%** from total **2.8 million tons** per year compared to 2014

safeguarding and preserving a clean, safe, and healthy environment. To accomplish this, Indika Energy, along with its subsidiary and affiliate companies, consistently innovates to reduce the impact of its operations, while conserving water, energy, and biodiversity resources. This means improving the way we work and learn through technologies that create social value.

Because we believe that improved sustainability creates net benefits for our business, our stakeholders, our nation and the planet, Indika Energy includes the creation of environment sustainability into each business function and process. All of Indika Energy Group ISO 14001 certified sites are audited by an independent third party.

POSB received East Kalimantan **PROPERDA** (Green category)



### Fulfilling Commitment to Sustain the Environment

In 2015, Indika Energy continued its efforts on as many levels and in as many ways as possible to make sure to fulfill our pledge to protect and when possible to rehabilitate the environment in and around our operational sites.

At Indika Energy we are well aware that our reputation as a business hinges on not only our dependably good service for our clients, performance for our shareholders, and concern for our stakeholders, but also our respect for and treatment of the natural environment.

This commitment and our efforts toward fulfilling it were readily apparent at our affiliate, Cirebon Electric Power (CEP), a 660 MW coal-fired power generation plant in Cirebon, West Java. This energy producer, which has been operating stably since its inception in 2007, continuously employs net dependency capacity (NDC) testing to fulfill PPA criteria and industry standards overall. CEP keeps its carbon emissions down through supercritical boiler technology that reduces coal utilization by up to 2% of the total of 2.8 million tons allocated per year.

In 2015, CEP continued its commitment to ensuring minimal impact of its operations by upgrading a 170 meter closed water channel in Waruduwur Village, as well as continuing the planting of more than 35,000 mangrove trees near the power plant site.

To preserve biodiversity in Tanjung Batu, Petrosea planted seeds of trembesi and mahogany in **3,000m<sup>2</sup>** landslide prone areas

Also in 2015, MBSS implemented a fleet tracking system and a fuel conservation system to enable the calculation and setting of fuel consumption standards for certain distances for the ships that it operates.

In addition, Indika Energy, which is headquartered in the nation's capital, participated in Clean Up Jakarta Day 2015 to promote greater public awareness of the detrimental impact of littering and the need for better sanitation and garbage management in the city. As many as 378 Indika Energy Group employee volunteers succeeded in collecting more than 125 kg of trash along the main throughfare Jalan Jenderal Sudirman.

Indika Energy also takes active and part in the ongoing Action for Earth campaign to encourage the public to embrace environment friendly lifestyles through application of the 4 environmental protection intervention points of recycling paper paper and plastic, proper disposal of garbage, and conservation of energy.

MBSS no longer used **chlorofluorocarbon** (CFC) and replaced all halon-based fire extinguishers with the ABC-type powder



From headquarters to far flung regional operation sites and from bottom to top of our organizational structure, each and every member of the Indika Energy Group team knows that Health, Safety and Environment (HSE) are matters of individual accumulation of the right skills, responsibility, discipline, accountability, and risk management teamwork.

**SAFETY IS  
EVERYBODY'S  
RESPONSIBILITY**

### **Making Safety the Priority**

Indika Energy uses an integrated educative and regulatory approach to optimize workplace safety, health and wellbeing of our employees group wide. This approach is driven by the core principles of risk management, which systematically, proactively and effectively address the handling of risks ranging from accidents to operational or financial losses to damage to the environment; educative culture; consistent enforcement of safety guidelines and standards; and the imbuing of personal responsibility and accountability in all employees.

Indika Energy Group holds monthly **safety coordination meetings** and submits periodic safety reports to the Board of Directors

Indika Energy believes that incident and injury are preventable if HSE performance is driven by the active participation of employees toward achieving a positive safety culture in all parts of our organization, in which everyone is committed to their own safety and the safety of their workmates.

This integrated safety approach, which centers on passionate and effective safety leaders engaging with their teams to build a zero harm culture, combines a focus on injury reduction, elimination of fatalities and catastrophic risk management, all of which are vital to the sustainability of our business activities.

As the realization of its commitment to protect and keep employees safe, Indika Energy has implemented Group i-DRIVE, a HSE management system applied in accordance with OHSAS 18001:2007 certification.

It also has established an HSE Committee to monitor compliance with existing national regulatory frameworks, as well as to apply sectoral standards for HSE implementation. The HSE Committee is also responsible for formulation of pertinent HSE management policies, identification of hazard factors, investigation of accidents, and the education and motivation of employees.

In 2015, **98% +** of the hazard reports were followed up with concrete actions





**LTIFR - LOST TIME INJURY RATE per Million Hours Worked**

	2013	2014	2015
<b>MUTU &amp; MEA</b>	0.45	0	0
<b>Petrosea</b>	0.23	0.0	0.0
<b>Tripatra</b>	0.06	0.05	0
<b>MBSS</b>	1.26	2.11	1.29

Indika Energy Group **provides handbooks** containing the Health, Safety and Environment (HSE) work patterns advocated through its i-DRIVE program to all employees



**Achieving Continuous Improvement in Safety**

In 2015, Indika Energy Group pulled together to achieve overall advances in our safety performance. Among the milestones established were: Petrosea's ABN project registering of 16 million man-hours worked without Lost Time Injury; the granting of Zero Accident Awards in connection with the Gunung Bayan Project, Zero Accident project to the ABN project, and Kideco by the East Kalimantan Governor and the Minister of Manpower and Transmigration; Petrosea's earning of "Gold" status from PT Kideco Jaya Agung; the granting of the Properda Green Category Award to POSB by the East Kalimantan Governor; and Indika Energy Group's ISO 14001 Environment Management System recertification on 20 May.

These achievements are a direct result of Indika Energy Group's synergic spirit, which results in solidarity and familial concern across all of its affiliate and subsidiary companies. This also resulted in the reinventing of the Group's HSE Management System in line with its overall operational needs and the Group's commitment to the 2015 OHSAS 18001 & ISO 14001 standards and guidelines.

Also in 2015, Indika Energy continued its annual HSE audits across the Group, as well as its mutual HSE knowledge sharing program. HSE coaching sessions were also implemented in the expectation of enhancing the Group's safety culture and promoting improved safety behavior in the workplace.

## SUSTAINABILITY MEANS DOING BUSINESS ETHICALLY

### Our Principles

Indika Energy uses the time-tested principles of Good Corporate Governance (GCG) as the broad basis for its roadmap toward sustainable business. We are committed to carrying out our activities, business and sustainability through committed application of transparency, accountability, responsibility, independence, fairness and equity in all management and business affairs. Without this we cannot achieve progress, growth, and sustainability.

Our code of ethics is our road map, keeping us on the right track for doing the next right thing.

As a publicly listed company, Indika Energy strictly adheres to Financial Services Authority (Otoritas Jasa Keuangan, OJK), Indonesia Stock Exchange (Bursa Efek Indonesia, BEI), and other regulations ruling business activities in Indonesia. To ensure uniform application of good management and ethical practices of the highest level across all of the Group's affiliate and subsidiary companies, in 2015, Indika Energy published and disseminated a number of manuals to all our entities and relevant third parties. They included: The Charter of the Boards of Commissioners and Directors; Business Code of Ethics; Health; Work Safety and Environment; Audit Committee, Good Corporate Governance (GCG), and Standard Operating Procedures (SOP) manuals.

The implementation of these policies are monitored by the Boards of Commissioners and Directors through specifically defined management units with clear-cut tasks, and the independent Good Corporate Governance, Audit, Human Capital, Risk and Investment Committees to guarantee adherence to regulations,

From the outset of its journey, Indika Energy has been aware that doing business in the mining sector is a long, hard road. Since then, we have climbed mountains, built on fertile plains, and weathered stormy seas. This takes a detailed map sketched out as basic ethical principles, then filled in with milestones of Good Corporate Governance.

prevention of conflicts of interest, attention to social responsibility, and environmental husbandry.

In particular, regular Internal Audits and independent consultations provide objective assurance and support for improving operations systematically through evaluation, intensified internal control, risk management, and overall policy. Indika Energy Group's internal control systems adhere to the international standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

### Whistleblowing System

In 2015, Indika Energy continued stringent application of the whistleblowing system it had set into place in December 2013 to facilitate reportage of breach of company policy and ethics. This system provides channels for the submission of data and other concrete information of any indication of impropriety in the company. This system is geared not only to detection but also to resolution. In 2015, no whistleblowing reports were submitted.

### Diversity of Boards of Commissioners and Directors

The application of diversity as an element of both Indika Energy's values and code of ethics is apparent in the makeup of its Board of Commissioners and Board of Directors and all the way along its employee ranks and across its Group members. Indika Energy prides itself in its ability to recruit, train, and nurture the knowledge and skills of its employees of all ages, ethnicities, cultures, religions, socio-economic statuses, genders, and sexual orientations.



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

## EMPOWERING EMPLOYEES MEANS SUSTAINING BUSINESS

### Investing in Human Resources for Sustainability

Indika Energy understands that without educated and well trained individuals in management and operations, the company could not have achieved, nor will we be able to maintain sustainable business operations and community empowerment.

Indika Energy seeks out high performing individuals, who share our corporate values and goals; investing consistently in their knowledge and skills. We also guarantee a safe, healthy, and interesting workplace that our employees experience as an integrated team with concern for each other and the communities in which we work.

The total number of employees for the entire Indika Energy Group stood at **8,300+** in 2015

Indika Energy's recruitment and career policies are open and fair for all, without consideration of race, religion, or gender, except when specific jobs (in mining and logistics handling in particular) require certain physical characteristics. The company also has set out clear human rights principles guidelines for all work units, and bases geographically competitive remuneration not only on knowledge, skill and experience, but also on the difficulty of the job, as reflected in mutually agreed contracts with employees.

Indika Energy Group adheres to fair employment practices; eschewing forced and child labor. To guarantee this, the company applies age verification screening mechanisms in all operational and business units; even extending this to contractors and subcontractors. Also, some of our workers are members of All Indonesia Labor Union (Serikat Pekerja Seluruh Indonesia, SPSI).

As of 31 December 2015, Indika Energy Holding Company had 290 employees, compared to 341 in 2014, while the entire Indika Energy Group employed 8,396 people compared to 8,320 in 2014.

**260+** jobs were created by the Tripatra project for local vendors

Indika Energy Group values its people as prime assets in the mutual undertaking of building, maintaining and expanding its business in a sustainable manner. For this reason we carefully recruit quality human resources and hone their knowledge and skills extensively; continuously and consistently investing in employee career development and empowerment.

### Initiating More Sustainable Approach

In 2015, the global economic doldrums of the past few years continued to expand worldwide; Indonesia being no exception. Meanwhile doing business in the mining and logistics sectors has become much more competitive and the pressures intensively challenging.

In order to curtail the impact of these external trends, including the ongoing industry sluggishness and the ensuing negative growth margin experienced throughout a large segment of our business, Indika Energy and its subsidiaries have actively reviewed our organizational structures in order to streamline our operations toward greater efficiency.





In addition, continuing our efforts of 2014 to maintain what momentum we can, Indika Energy's Human Capital Division acted in 2015 to curb expenditures:

- o Continued revamping of Indika Energy Group's organizational structures for greater flexibility and effectiveness in line with business needs
- o Promotion of Indika Energy Group's capacity to implement and follow through effectively; with each and every subsidiary and unit functioning strongly along the solid organizational chain
- o Adjust the existing structural requirements to the non-structural functions of Indika Energy Group's various units, and leverage the knowledge, skills and roles of competent employees to fulfill needs that arise in appropriate manners:
  - Leverage Key Performance Indicators (KPI) effectively to access individual employee performance to achieve targets set by the company
  - Streamline to maintain even zero growth through the strategic approaches of not replacing employees who have resigned or come of retirement age, while curtailing hiring except in cases when business interests require



Indika Energy Group, whose mining, shipping, logistics and other operations take place in rural areas, is convinced that only serious intervention by those who have the capacity to empower change will bring a better tomorrow for the people living there. It is not enough for a corporation to create jobs; the situation is such that something more fundamental is required. Indika Energy acts on the premise that empowering individuals and communities to help themselves will accomplish much more for the long run.

## **ENGAGING COMMUNITIES FOR THE BENEFIT OF ALL**

## PROVIDING ACCESS TO COMPUTER-BASED EDUCATION

Indika Energy works closely with Yayasan Pemimpin Anak Bangsa (YPAB) to facilitate access to proper educations for young people who would remain mired in an unending cycle of ignorance and poverty. Like YPAB, Indika Energy believes that empowerment through education can enable sustainable financial independence that will generate better lives generation after generation.



"Their ability to use a computer has proven to enhance their confidence."

**Marulini Salokang**  
YPAB Tutor



"I feel fortunate to learn here. Becoming familiar with computer programs and applications has opened up new opportunities. Thank you Indika Energy and YPAB."

**Enggar Margi**  
Student

### Program Overview

Indika Energy, which is concerned about the need for access to quality education that imbues young people with a sense of integrity and independence, has linked up with YPAB to support the Rumah Belajar (Learning Center), which actively assists school dropouts with remedial education, along with providing appropriate vocational training.

The founder of YPAB foundation, Andri Rizki Putra, believes in **integrity** so much that he left school due to the rampant cheating on examinations in order to counter the questionable trends in the school system and to instill greater integrity in generations to come

Even before the government, under the urging of a newly elected president, began emphasizing integrity-based education through the Coordinating Ministry for Human Development and Culture and its National Mental Revolution Movement, YPAB had embarked on a similar vision.

Since 2012, YPAB, a non-profit organization, has provided an educational forum and venues for the remedial education certificate programs known as Packet A (grade school equivalent), Packet B (middle school

YPAB's efforts to provide access to better **quality education** have resulted in a number of "alumni" success stories

and Packet C (high school). These free of charge equivalency courses, driven by socially concerned young professionals from various fields of endeavor who volunteer to share their knowledge to empower others to help themselves, within an impeccable framework

of integrity, honesty, and principled ethics, are targeted at providing quality education for school dropouts of all ages and all livelihoods; ranging from domestic workers to transit vehicle drivers and people from other informal sectors.

The core elements of YPAB's "self-sufficiency" empowerment program and the government's "mental revolution" drive, as well as the driving force behind Indika Energy's social concern, are the need for integrity, a solid work ethic, and a willingness to help one another, which can be harnessed to create a transparent, accountable, high performing Indonesian society unhindered by corruption and lack of solidarity.

Indika Energy is currently providing access to computer-based education through the "Cyber Peek" program, held at the YPAB learning centers in Tanah Abang and Bintaro, where participants in the Packet A, B, and C programs get the opportunity to learn the basics of how to

A roadside newspaper vendor now works on the **administrative staff** of a media company

use Microsoft Office software, including Microsoft Word, Excel, and PowerPoint, as well as gaining experience with the cyber world through searching the internet for information supportive of their study and vocational or work activities.

A former housemaid is now an **administrative assistance** in an office

## Program Overview

CEP, a 660 MW coal-fired power generation plant (PLTU) in Cirebon, West Java, has established a reputation for environmental concern. CEP has achieved this by utilizing supercritical boiler technology for high efficiency, which means consuming less coal, enabling the complete recycling of remnant ash, and keeping emissions significantly below government and industry limits, while producing energy above availability and performance expectations.

To date, more than **500+** high school and university students have taken advantage of CEP's invitation to visit its power plant

Currently CEP is sharing its concern for environmentally friendly and sustainable production of electrical energy that powers the daily lives of Indonesians and drives the development of the nation with high school and university students whom it invites to visit the power

plant. This program also constitutes one of CEP's initiatives to reassure all stakeholders of its deep commitment to preserving the natural environment and protecting the surrounding community from any potentially negative impacts from its operations.

The purpose of this educational program for students and CEP's efforts to communicate educationally and effectively with the local public about the plant's activities, is to create an informed perspective of CEP's commitment and to counter any misunderstandings or misconceptions among the public about the power plant's presence in Cirebon. These efforts are expected to enhance social acceptance and awareness of the significance of energy production for development on the local, regional and national levels.

CEP informs students and the general public about the importance of **environmentally friendly** production of electricity, and the need to conserve it

During the regular periodic visits to the power plant, the students are guided by a professional CEP technician and members of its management team who provide them with general knowledge about how the power plant works to produce electricity as efficiently and environmentally safely as possible. CEP carefully targets this program at educating and motivating youth to understand the importance of energy to the community and the need to conserve it in their daily lives at both home and school.

## GUIDING STUDENTS TO GREATER UNDERSTANDING OF ENERGY

Cirebon Electric Power (CEP) exercises Good Corporate Citizenship in various ways by complying energy sector regulations, utilizing clean coal technology, and cultivating a transparent relationship within the community. A large part of this effort by this Indika Energy affiliate centers on teaching young people the importance of energy and producing it in an environmentally responsible manner.





## HELPING HANDS FOR A CLEAN JAKARTA

Garbage, trash, and litter everywhere; in the streets, gutters and canals. Jakarta has a chronic problem that individual people create and only people coming together in the spirit of mutual assistance can fix. Indika Energy Group has taken the initiative to rally its employee volunteers to join other concerned Jakarta residents to try to make the capitol a more pleasant place.

### Working Together for a Cleaner Jakarta

One fine day, more than 370 volunteers from Indika Energy, Tripatra, Petrosea, MBSS, IIR, Indy Properti Indonesia, NET., Indika FM, and Hitz FM gathered in force to join other concerned Jakarta residents intent on cleaning up Jakarta's main business district artery, Jalan Sudirman.

They were commemorating Indika Energy's 15th Anniversary on October 18 with Clean Up Jakarta Day 2015 (CUJD), a much needed public service in Indonesia's capitol where trash is a perennial conundrum. Their enthusiasm

Indika Energy Group successfully fielded **370+** employees on this mass community environment sustainability effort

was so great that nobody seemed to mind having to be up and out so early to register at 5:30 a.m. in Indika Energy's Graha Mitra headquarters before splitting into groups and getting on waiting buses that would take them to their clean-up starting points at the Gelora Bung Karno Stadium and the Indonesia Stock Exchange Building Tower in Jalan Sudirman.

This impressive collective voluntary action, sponsored and organized by Indonesia Expat and Indorelawan was intended to draw the attention of the public to the need to keep Jakarta clean and to encourage others to do the same. Once the volunteer "sanitation workers" had gathered, the organizers passed out gloves and trash bags, all the while explaining how to differentiate between trash that could be recycled and that which could not.

Participation in Clean Up Jakarta Day is a perfect match to Indika Energy's Action for the Earth (Aksi untuk Bumi) program promoted publicly as #SaatnyaDietSampah and #HematEnergiHebat, and its working together cross-sectoral employee group, all of which reflect Indika Energy's commitment to active and effective

Clean Up Jakarta Day 2015 volunteers collected **125+** kg of trash during the activity

Corporate Social Responsibility. Indika Energy consistently imbues its employees with the integrity and passion to expand their corporate concerns to encompass the needs of the community. After all, we are all in this together, and only working together will make things better for everyone for the long run.

Indika Energy Group has embraced Clean Up Jakarta Day as a complementary part of its own **Action for the Earth** initiative



"I hope we can motivate continuing environmentally friendly community action by consistently applying 4-point intervention: paper, plastic, trash and energy."

**Azis Armand**  
Director, Indika Energy

"Great program to improve our togetherness as Indika Energy Group employees while doing something great for our environment."

**Petrus Tandi**  
Procurement Officer, Petrosea





### Program Overview

Tripatra, which was established in 1973, currently collaborates with local Community Health Care Centers (Pusat Kesehatan Masyarakat, Puskesmas) to provide free regular checkups for the elderly and children under five years of age. This program aims to increase health awareness and wellbeing in the community by assisting its more vulnerable elements with improved access to quality health care facilities, including appropriate treatment for any ailments, and nutritional supplements and counselling, especially for elderly and children.

Tripatra, like the other corporate members of Indika Energy Group, takes Corporate Social Responsibility seriously as an integral part of its own business identity, understanding that the sustainability of its business is only possible if its presence in communities is beneficial to all stakeholders for the long run. For this reason, Tripatra's community health enhancement program was undertaken on the basis of a preliminary study of community conditions and needs that indicated that health was a primary concern among the local populace.

Tripatra conducts **bi-weekly free medical checkups** for people of all ages living in 12 villages in its operational region

Tripatra, a subsidiary of Indika Energy Group, which along with its own subsidiaries, Tripatra Engineering and Tripatra Engineers & Constructors, is active in the engineering, procurement and construction sectors in Indonesia, has a Corporate Responsibility program involving, among other activities, free medical assistance in its operational site communities.

Tripatra specifically targets the nutritional and medical care of **children and senior citizens** within its overall health improvement drive

Tripatra, then linked up with the Bojonegoro Health Clinic to see what could be done. It was then decided that besides general healthcare service upgrading, that it would be especially beneficial to develop a specifically targeted health campaign to improve health service coverage to as many communities in the region as possible. The core concept was that also providing free health and nutritional supplement care for children and senior citizens would have an overall long-term beneficial impact for village families.

Currently Tripatra works hand in hand with the Bojonegoro Health Clinic and other regional health agencies to provide wide ranging assistance beyond its targeted age-group care, including upgrading training and capacity building for local healthcare workers, knowledge sharing programs, public health campaigns, and free medical checkups and treatment for all community residents.

Thus far Tripatra has assisted **2,000+** people of all ages through its health care activities

## TAKING CARE OF COMMUNITY'S HEALTH CARE NEEDS



## PROVIDING SKILLS TO BUILD BETTER FUTURE

Petrosea takes sustainability a quantum leap into the realm of sustainability through its livelihood program, which focuses on economic empowerment through provision of skills, business management training, and a savings and loan cooperative to keep newly established small-scale businesses moving and growing.

KUBE Bahagia I Cooperative currently manages **IDR 130+ million** in assets for its members

### Empowering Community Economy

Petrosea, a subsidiary of Indika Energy Group and a leading contract miners in Indonesia, believes that the key to helping communities is teaching them how to help themselves; the first step being to listen to the people living in the company's operational areas to determine their needs and to map out a workable plan toward designing a sustainability program to effectively build capacity, stimulate community collaboration, and imbue individuals with the desire to share what they know; paying the benefit forward sustainably.



Koperasi Sukamaju Cooperative currently holds membership assets of **IDR 45+ million**

Believing that education is the basis for empowerment, Petrosea initiated sewing classes to imbue the women of Petrosea's Kutai Kartenegara operations area, some the wives or mothers of Petrosea employees, with skills that could contribute to family incomes. This training was swiftly followed up with small-scale business management training and organization building training to encourage sustainable efforts toward greater prosperity. Then, to further drive the momentum, Petrosea, through its livelihood program, facilitated the formation of Koperasi Usaha Bersama (KUBE) since 2013, and has provided intensive guidance and encouragement since then to support KUBE's operations, and ensure the continued competitive edge of the cooperative's small business members in the burgeoning local clothing production industry.

Since its inception, KUBE has expanded its activities and earned recognition for Petrosea for breaking new ground in sustaining the positive impact of community empowerment efforts through creating independent community economic activities and generation of income.

In 2015, Petrosea took stock of the ongoing empowerment process in Kutai Kartenegara and took steps to enhance the capabilities and capacities of KUBE's various affiliate cooperatives, including KUBE Bahagia I, Koperasi Sukamaju (with IDR 45.7 million), and KUBE Harapan Bersama (with IDR 32.8 million) to assist their members with overcoming the challenge of expanding their marketing areas through establishing more viable distribution channels.

KUBE Harapan Bersama is managing **IDR 32+ million** in member funds





## CONSERVING THE ENVIRONMENT FOR LASTING IMPACT

MBSS, an Indika Energy subsidiary active in energy sector logistics and transportation solutions, is strongly committed to protecting the environment from any possible impact from its day-to-day operations. It also extends this concern into its sustainability programs with a special focus on the environment.



MBSS' concern for the environment and its **cleanup endeavors** have great significance for the coastal people

### Coastal Clean Up

As part of its ongoing quest to excel as a good corporate citizen and accountable business entity, MBSS strives to undertake its sustainability activities in such a way as to provide optimal benefit to the communities in its operational areas.

As a shipping company, one of MBSS's main concerns is the curbing and mitigating of any possible negative impact of its operations in coastal areas. MBSS is well aware that the very nature of its business, which involves conveying large shipments of coal, could give rise to unwanted impacts on the coastal environment, such as the effects of coal spillage, that could create problems for the communities along its shipping routes. For this reason, besides contributing to village empowerment through educational, health and other social welfare activities, MBSS exerts a special focus on the environment in its sustainability endeavors.

**170+** coastal villagers worked shoulder to shoulder with MBSS employees to clean up coal spills along the coast

These coastal villages, including Ranca Pinang, which has no road access to outside regions, have great potential for **coconut production**

MBSS's commitment to preserving the environment as extensively as possible can be seen in its strict operational adherence to domestic and international shipping regulations and environmental protection standards. In 2015, MBSS set into place and began applying an improved coal shipping system to ensure more efficient and more environment safe operations; especially in relation to the risk of cargo spillage. Even so, unwanted spillage can occur, especially when the coal is transported by barge.

To minimize or mitigate the negative impact of spillage on the coastal environment, in 2015, MBSS also undertook cleanup of coal spills along the coast of the Ujung Kulon National Park, which is included among MBSS' coal barge shipping routes. In cooperation with local communities, MBSS succeeded in cleaning up no less than 109 tons of coal soiled along the Ujung Kulon coast.

In this way, not only did MBSS fulfill its commitment to a sustainable environment, but also enhanced its relationship with the Cegok Ranca Pinang, Aer Jeruk and Ranca Ceced coastal communities.

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