



INDOCEMENT
HEIDELBERGCEMENT Group



Together, Uncover the Potentials

Bersama, Mengelola Potensi

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"Bersama, Mengelola Potensi" di 2018 menjadi momen penting bagi Perseroan untuk lebih mendekatkan diri kepada pemangku kepentingan dan bersama-sama memaksimalkan potensi yang dimiliki. Untuk pelanggan, kami mengembangkan terminal semen dan melatih tenaga pemasaran untuk mendekatkan kehadiran produk Indocement melalui layanan terbaik. Bersama Pemerintah dan masyarakat Provinsi Jawa Barat, kami juga menjalin kerja sama pada Proyek Tempat Pengolahan dan Pemrosesan Akhir Sampah (TPPAS) Regional di desa Nambo dan Lulut untuk memanfaatkan sekitar 1.500 ton sampah per hari sebagai *refuse derived fuel* (RDF). Selain itu, dalam program integrasi *Continuous Emission Monitoring System* (CEMS) Kementerian Lingkungan Hidup dan Kehutanan, Plant 14 Kompleks Pabrik Citeureup Indocement menjadi percontohan dalam upaya pemantauan emisi konvensional secara *online*. Selanjutnya, kami juga bersama Badan Konservasi dan Sumber Daya Alam (BKSDA) Kabupaten Kotabaru melanjutkan Indocement Wildlife Education Center (IWEC) yang merupakan pusat pelatihan dan penyelamatan satwa langka endemik di Kalimantan Selatan. Hubungan yang baik antara Perseroan dengan para pemangku kepentingan yang terbangun selama ini telah menciptakan manfaat bersama untuk mencapai keberlanjutan, potensi yang maksimal, dan sinergi yang optimal.

"Together, Uncover the Potentials" in 2018 was an important moment for the Company to get closer to stakeholders and together maximized our potential. For customers, we developed cement terminals and train sales force to have Indocement's presence closer with its best services. Together with the Government and the society of West Java Province, we also working together in the Final Garbage Processing Plant (TPPAS) Regional in village of Nambo and Lulut to utilize around 1,500 tons of waste per day as refuse derived fuel (RDF). In addition, in the Continuous Emission Monitoring System (CEMS) program of the Ministry of Environment and Forestry, Plant 14 Citeureup Factory became a pilot project for online conventional emission monitoring. Furthermore, we also collaborated with the Natural Resources Conservation Agency (BKSDA) of Kotabaru Regency to establish Indocement Wildlife Education Center (IWEC) which is a training and rescue center for endemic and endangered species in South Kalimantan. The good relationship between the Company and the stakeholders that has been built so far has created mutual benefits to achieve sustainability, maximized potential, and optimal synergy.



Kesinambungan Tema

Theme Continuity



2017

Ketangkasan untuk Keberlanjutan

Agility for Sustainability

Ketangkasan Perseroan untuk dapat beradaptasi pada perubahan juga ditunjukkan dengan menjalankan Komitmen Keberlanjutan 2030. Komitmen ini memiliki tujuan utama: mengurangi jejak lingkungan di sepanjang proses bisnis; menerapkan ekonomi sirkular; mencapai keunggulan dalam keselamatan dan kesehatan kerja; menjadi tetangga yang baik; mendorong kekuatan ekonomi dan inovasi; serta memastikan kepatuhan dan menciptakan transparansi.

The Company's agility to adapt to change is also demonstrated through its 2030 Sustainability Commitments. These commitments' main objectives for all business processes include: reducing our environmental footprint; enabling the circular economy; achieving excellence in occupational Health and Safety; being a good neighbor; driving economic strength and innovation; and ensuring compliance and creating transparency.



2016

Menjaga Langit Biru: Berbeda dalam Membentuk Masa Depan

Keeping a Blue Sky: Being Different to Shape the Future

Perseroan berbeda dengan perusahaan sejenis lainnya dengan berperan aktif dalam "Menjaga Langit Tetap Biru". Perseroan secara berkelanjutan menjalankan program *clean development mechanism*, pengendalian debu, penghijauan quarry, penelitian burung, dan pendampingan Kampung Iklim.

Company differentiate its competitive advantage from similar companies by playing an active role in "Keeping a Blue Sky". Company continuously carry out clean development mechanism program, dust emissions control, quarry conservation, bird research, and green village mentoring (Kampung Iklim).



2015

Memastikan Keberlanjutan untuk Dekade ke Depan

Ensuring Sustainability for the Next Decades

Perseroan memastikan kembali komitmen keberlanjutan yang dijalankan sejak 40 tahun berdiri. Komitmen ini direalisasikan melalui pengembangan produk ramah lingkungan dan kegiatan kemasyarakatan secara lima pilar dan 4P.

Company reassure its commitments for sustainability which sincerely established since 40 years ago. The commitments are realized through green product innovation and community development by five pillars and 4P.



2014

Meningkatkan Efisiensi, Mencapai Keberlanjutan

Improving Efficiency, Achieving Sustainability

Perseroan berhasil mencatat efisiensi biaya operasi yang signifikan dan membuahkan laba yang optimal dan berkelanjutan. Efisiensi ini sebagian besar dihasilkan melalui kinerja rasio klinker yang lebih rendah, program *fuel and raw material*, dan pengoperasian *vertical roller mill*.

Company manage to achieve a significant efficiency in operating cost and resulted to optimal and sustainable profit. This efficiency is mainly derived from a lower clinker ratio, fuel and raw material programs, and operation of vertical roller mill.



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Ikhtisar Kinerja Keberlanjutan

Sustainable Performance Highlights

Ikhtisar Kinerja Keberlanjutan

Sustainable Performance Highlights

Uraian Description	Satuan Unit	2018	2017	2016
Mengurangi Jejak Lingkungan Kami <i>Reducing Our Environmental Footprint</i>				
Intensitas Emisi <i>Emission Intensity</i>	ton CO ₂ eq/ton	0,69	0,71	0,76
Intensitas Air <i>Water Intensity</i>	m ³ /ton	0,21	0,24	0,25
Menerapkan Ekonomi Sirkular <i>Enabling Circular Economy</i>				
Intensitas Energi <i>Energy Intensity</i>	GJ/ton	2,71	2,94	2,85
Pemanfaatan Limbah B3 sebagai Bahan Bakar dan Bahan Baku Alternatif <i>Utilization of Hazardous and Toxic Waste Management for Alternative Fuel and Raw Material (AFR)</i>	%	98	98	97
Pemanfaatan Limbah Non-B3 sebagai Kompos dan Bahan Bakar Alternatif <i>Utilization of Non-Hazardous and Toxic Waste Management for Compost and Alternative Fuel</i>	%	85	72	100
Mencapai Keunggulan dalam Kesehatan dan Keselamatan Kerja <i>Achieving Excellence in Occupational Health and Safety</i>				
Jumlah Kecelakaan Kerja Perseroan dan Kontraktor <i>Number of Work Accidents at Company and Contractors</i>	Kejadian Accidents	42	45	40
Menjadi Tetangga yang Baik bagi Masyarakat <i>Driving Economic Strength and Innovation</i>				
Realisasi Dana Pengembangan Masyarakat <i>Realization of Community Development Fund</i>	Rp Miliar Rp Billion	21,1	24,9	31,4
Jumlah Kegiatan Pemberdayaan Masyarakat <i>Number of Community Empowerment Activities</i>	Kegiatan Activities	720	560	480
Jumlah Local Hero <i>Number of Local Hero</i>	Orang Person	78	149	156
Mendorong Kekuatan Ekonomi dan Inovasi <i>Ensuring Compliance and Creating Transparency</i>				
Perolehan Insentif CER <i>CER Incentives Achieved</i>	Juta Dolar AS Million US Dollar	N/A ¹	N/A ¹	9,9
Laba Tahun Berjalan <i>Net Income for The Year</i>	Rp Miliar Rp Billion	1.146	1.860	3.870

¹Perolehan CER telah selesai diverifikasi dan dalam proses penjualan

¹CER acquisition has been verified and is in the sales process



Penghargaan dan Sertifikat

Awards and Certificates

PENGHARGAAN TERKAIT KEBERLANJUTAN AWARDS RELATED TO SUSTAINABILITY

Penghargaan yang diterima Indocement pada 2018 merupakan hasil dari komitmen menjalankan pendekatan pembangunan berkelanjutan pada Perseroan. Di sisi lain, Perseroan belum melanjutkan kembali penyelenggaraan ajang Indocement Awards dan Quarry Life Award (QLA).

Awards has been received by Indocement in 2018. This is the result of a commitment to implement a sustainable development approach by the Company. On the other hand, the Company has not resumed the continuation of the Indocement Awards and Quarry Life Award (QLA).

Beberapa Penghargaan kepada Indocement 2018

Several Awards for Indocement in 2018

Tanggal Date	Penghargaan Awards	Lembaga Penyelenggara Awarding Body
23 Februari 2018 February 23, 2018	Indonesia Corporate Social Responsibility Award-II-2018 - Penghargaan Platinum (Excellent-A) untuk kategori perusahaan terbuka <i>Platinum (Excellent-A) for public company</i> "The Big 7 – The Best of The Best CSR of the Year 2018"	- Majalah Economic Review <i>Economic Review Magazine</i> - Ideku Grup Indonesia – Asia Institute
24 Februari 2018 February 24, 2018	Sustainability Reporting Awards (SRA) "Runner Up 1 – Best Sustainability Report 2016" untuk kategori Mining dan Metal <i>Runner Up 1 – Best Sustainability Report 2016 for the category of Mining and Metal</i>	National Center for Sustainability Reporting
29 Maret 2018 March 29, 2018	PR Indonesia Awards (PRIA) - Gold Award kategori Perusahaan Swasta Tbk., untuk Laporan Keberlanjutan 2016 <i>Gold Award for Public Private Company category, for the 2016 Sustainability Report</i> - Bronze Award kategori Program CSR sub kategori Community Based Development untuk "Indobatik Ciwaringin, Bersama Masyarakat Melestarikan Kearifan Lokal" <i>Bronze Award for Community Based Development sub-category CSR Program for "Indobatik Ciwaringin, Together with the Community Preserving Local Wisdom"</i>	PR Indonesia
6 September 2018 September 6, 2018	- Indonesian Sustainable Development Goals Award (ISDA) 2018 - Kategori Platinum-Pencapaian SDGs 4 (Pendidikan Berkualitas melalui Pusat Pelatihan dan Pemberdayaan Masyarakat (P3M) <i>Platinum category for its contribution in SDGs 4 (Quality Education) through the Center for Community Training and Empowerment (P3M).</i>	Corporate Forum For Community Development (CFCD) & Badan Standarisasi Nasional
27 September 2018 September 27, 2018	Business Innovation Awards dan Green CEO Awards 2018 Special Mention for Great Contribution in Supporting Public Welfare	Majalah Warta Ekonomi <i>Warta Ekonomi Magazine</i>
4 Oktober 2018 October 4, 2018	TOP CSR 2018 - TOP Leader on CSR Commitment 2018 - TOP CSR 2018 – Program Pengembangan Kawasan Binaan Terintegrasi: Kampung Iklim (Peringkat 1) untuk Desa Randakari <i>TOP CSR 2018 - Integrated Development Area Development Program: "Kampung Iklim" (Rank 1) for Randakari Village.</i>	BusinessNews Indonesia (TOP Business) yang bekerja sama dengan Komite Nasional Kebijakan Governance (KNKG) dan Indonesia CSR Society <i>BusinessNews Indonesia (TOP Business) magazine in collaboration with the National Committee on Governance Policy (KNKG) and the Indonesian CSR Society.</i>
8 Desember 2018 December 8, 2018	Asia Sustainability Reporting Rating 2018 (ASRR 2018) Gold Rating	National Center for Sustainability Reporting (NCSR)

Tanggal Date	Penghargaan Awards	Lembaga Penyelenggara Awarding Body
11 Desember 2018 December 11, 2018	Penghargaan Industri Hijau Level 5 Green Industry Level 5 - Kompleks Pabrik Citeureup Citeureup Factory - Kompleks Pabrik Palimanan Palimanan Factory - Kompleks Pabrik Tarjun Tarjun Factory	Kementerian Perindustrian Republik Indonesia Ministry of Industry Republic of Indonesia
27 Desember 2018 December 27, 2018	Program Penilaian Peringkat Kinerja Perusahaan (PROPER) - PROPER Hijau untuk Kompleks Pabrik Citeureup Green rating of PROPER for Citeureup Factory - PROPER Hijau untuk Kompleks Pabrik Palimanan Green rating of PROPER for Palimanan Factory - PROPER Biru untuk Kompleks Pabrik Palimanan Blue rating of PROPER for Palimanan Factory	Kementerian Lingkungan Hidup dan Kehutanan Republik Indonesia Ministry of Environment and Forestry Republic of Indonesia

PEMBARUAN SERTIFIKAT

CERTIFICATES RENEWAL

Indocement secara berkala memperbarui seluruh sertifikasi untuk menjaga standar operasional dan kualitas produk yang dihasilkan. Berbagai sertifikat telah diperoleh Indocement dari lembaga bertaraf nasional maupun internasional.

Indocement regularly renew all certifications to maintain operational standards and the quality of the products produced. Indocement has earned various certificates from national and international level institutions.

Sertifikasi [102-12]

Certifications [102-12]

Sertifikasi Certification	Pemberi Sertifikasi Certification Issuer	Kompleks Pabrik Factory	Periode Berlaku Validity
SNI 19-17025:2005 Akreditasi Sistem Manajemen Kualitas Laboratorium Laboratory Quality Management Accreditation	Komite Akreditasi Nasional (KAN) National Accreditation Committee	Citeureup	24 Oktober 2021 October 24, 2021
		Palimanan	19 Mei 2019 May 19, 2019
		Tarjun	24 Maret 2019 March 24, 2019
ISO 9001:2015 Sistem Manajemen Mutu Quality Management System	ICS SGS	Citeureup, Palimanan, dan Tarjun Citeureup, Palimanan, and Tarjun	11 April 2020 April 11, 2020
ISO 14001:2015 Sistem Manajemen Lingkungan Environment Management System	ICS SGS	Citeureup, Palimanan, dan Tarjun Citeureup, Palimanan, and Tarjun	28 Agustus 2020 August 28, 2020
OHSAS 18001:2007 Sistem Manajemen Keselamatan dan Kesehatan Kerja Occupational Health and Safety Management System	ICS Sucofindo	Citeureup, Palimanan, dan Tarjun Citeureup, Palimanan, and Tarjun	28 Desember 2020 December 28, 2020
SMK3 Sistem Manajemen Keselamatan dan Kesehatan Kerja Occupational Health and Safety Management System (OHSMS)	Kementerian Ketenagakerjaan RI Ministry of Manpower of Republic of Indonesia	Citeureup, Palimanan, dan Tarjun Citeureup, Palimanan, and Tarjun	16 Mei 2019 May 16, 2019
American Petroleum Institute (API) Monogram	American Petroleum Institute (API)	Citeureup	8 Maret 2020 March 8, 2020
Sertifikasi Industri Hijau Green Industry Certification	Kementerian Perindustrian	Citeureup	22 Desember 2021 December 22, 2021

Sertifikasi Certification	Pemberi Sertifikasi Certification Issuer	Kompleks Pabrik Factory	Periode Berlaku Validity
ISO 28000:2007/SNI ISO 28000: 2009 Supply Chain Security Management System Requirement	ICS Sucofindo	Citeureup	29 November 2021 November 29, 2021
		Palimanan	21 April 2019 April 21, 2019
		Tarjun	30 Juni 2019 June 30, 2019

Sertifikasi Produk Indocement oleh Balai Besar Bahan dan Barang Teknik (B4T- LSPR)

Indocement Product Certifications by Center for Material and Technical Products (B4T-LSPR)

Jenis Semen Type of Cement	No. Sertifikasi No. of Certification
Semen Putih White Cement	SNI 15-0129-2004
Semen Portland Komposit Portland Composite Cement	SNI 7064:2014
OPC Tipe V OPC Type V	SNI 2049:2015
OPC Tipe II OPC Type II	SNI 2049:2015
OPC Tipe I OPC Type I	SNI 2049:2015
Semen Sumur Minyak Oil Well Cement	SNI ISO 10426.1:2008
Semen Portland Pozolan Portland Pozolan Cement	SNI 0302:2014
Semen TR Superslag TR Superslag Cement	SNI 8363:2017

Keterangan: Rincian sertifikasi produk dilaporkan pada halaman 30

Notes: Details of product certification was disclosed on page 30



Sambutan Direktur Utama [102-14]

Message from President Director



**Christian
Kartawijaya**

Direktur Utama
President Director

Pemangku Kepentingan yang terhormat,

Selama 2018, Perseroan berupaya mewujudkan enam sasaran utama Komitmen Keberlanjutan 2030 dan meneruskan strategi keberlanjutan dalam mencapai Tujuan Pembangunan Berkelanjutan (Sustainable Development Goals/SDGs). Sejalan dengan Komitmen Keberlanjutan 2030, Indocement sebagai bagian dari HeidelbergCement Group, kembali menunjukkan dukungan pada inisiatif keberlanjutan (Cement Sustainability Initiative/CSI) yang dilakukan oleh 24 produsen semen di 100 negara yang kapasitasnya setara dengan 30% produksi semen dunia. Salah satu komitmen dan inisiatif keberlanjutan yang hendak dicapai adalah mendukung upaya penurunan emisi gas rumah kaca (GRK) melalui kegiatan operasi semen yang ramah lingkungan.

Dear honorable Stakeholders,

During 2018, the Company strives to realize the six main objectives of the 2030 Sustainability Commitments and to continue the sustainability strategy in achieving the Sustainable Development Goals (SDGs). In line with the 2030 Sustainability Commitments, Indocement, as a part of HeidelbergCement Group, continues to support the Cement Sustainability Initiative (CSI) adopted by 24 cement producers in 100 countries which its capacities equivalent to 30% of world cement production. One of the commitments and sustainability initiatives to be achieved is to support the efforts in reducing greenhouse gas (GHG) emissions through environmentally friendly cement operations.



Perkembangan dan Strategi Ekonomi

Pada akhir 2018, tercatat bahwa perekonomian Indonesia tumbuh 5,17% lebih tinggi dibandingkan tahun sebelumnya yang sebesar 5,07%. Pertumbuhan ini didukung adanya peningkatan investasi dan belanja pemerintah. Di sisi lain, nilai tukar Rupiah terhadap Dolar AS mengalami tekanan hingga ke tingkat lebih dari Rp15.000/Dolar AS.

Pelemahan nilai tukar Rupiah bersamaan peningkatan harga batu bara dan minyak mentah menjadi salah satu tantangan bagi Perseroan karena penggunaan energi merupakan komponen biaya produksi terbesar. Tantangan lainnya adalah persaingan usaha yang ketat dan menyebabkan produksi semen melebihi pasokan 42,7 juta ton dan berimbas pada penurunan harga yang cukup tajam di semester I 2018.

Di sisi lain, industri semen nasional tumbuh 4,8% seiring masih tingginya belanja pemerintah untuk proyek-proyek infrastruktur. Menghadapi situasi dan tren pada industri semen, Perseroan melakukan antisipasi dengan menghadirkan produk semen terbaru yaitu TR Superslag Cement, dimana pada tahun sebelumnya Perseroan juga meluncurkan merek semen Rajawali sebagai *fighting brand*. Penetrasi Semen Rajawali ke hampir seluruh wilayah Pulau Jawa berkontribusi terhadap total penjualan Perseroan mencapai 3%. Perseroan terus berusaha memenuhi kebutuhan pasar dan menciptakan nilai bagi pelanggan melalui program *Sales is a Science* (SiaS) dan pelatihan intensif, khususnya pada tim tenaga penjualan.

Adapun untuk menjaga pertumbuhan ekonomi, Perseroan melakukan efisiensi di berbagai bidang. Salah satu efisiensi yang berhasil kami catat adalah kegiatan operasi pada Plant 14 di Kompleks Pabrik Citeureup yang secara optimal berhasil menekan biaya produksi klinker dan semen sekitar 7–8 Dolar AS per ton.

Perseroan juga mengurangi biaya distribusi dan logistik dengan mendirikan terminal di luar Pulau Jawa. Selain meningkatkan efisiensi, pengoperasian terminal semen Palembang dan uji coba terminal semen Lampung diharapkan mampu memperkuat posisi Indocement, terutama dalam melayani kebutuhan pasar di Pulau Sumatera. Di samping itu, Indocement memiliki tujuh terminal lainnya di berbagai daerah strategis Indonesia yang disiapkan untuk memenuhi peningkatan permintaan semen nasional dalam dua tahun terakhir.

Economic Development and Strategy

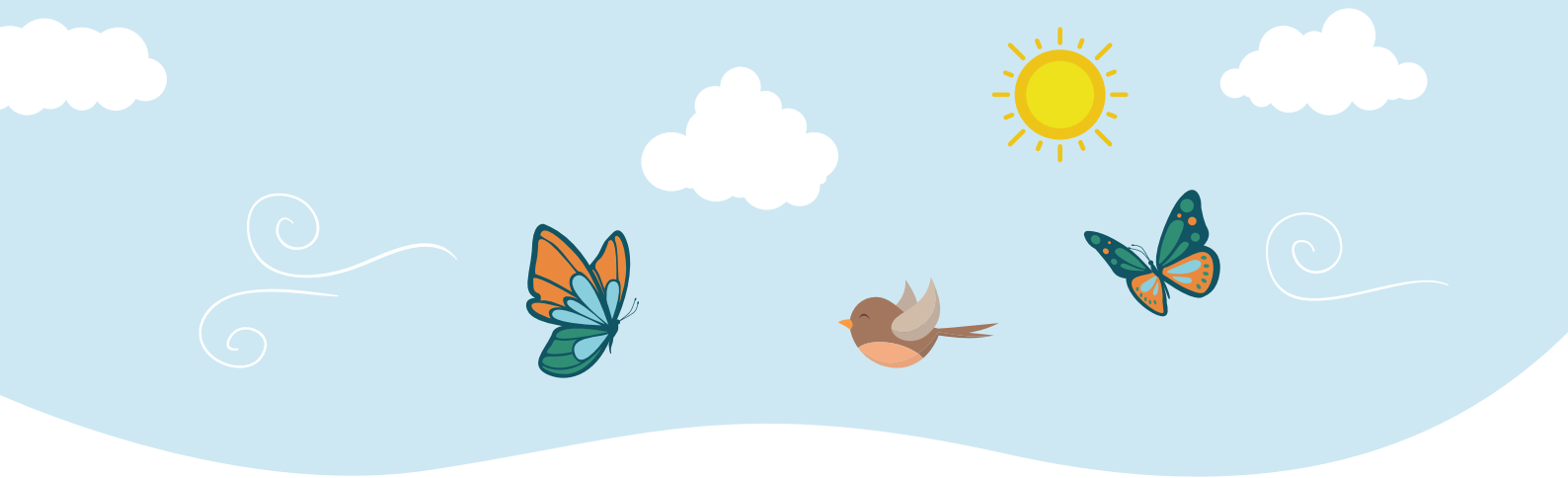
At the end of 2018, it was noted that the national economy growth level reached 5.17% higher than the previous year's growth of 5.07%. This growth was driven by an increase in government investment and expenditure. On the other hand, the exchange rate of Rupiah against the US Dollar is under pressured to the level of more than Rp15,000/US Dollar.

The decline of the Rupiah exchange rate along with the increase of prices for coal and crude oil have become a challenge for the Company as fuel is the largest production cost. The other challenge we had to manage is the intense business competition which contributed to the cement oversupply of 42.7 million tons and reflected to the strong decline of price in the first semester of 2018.

At the same time, the national cement industry grew by 4.8% as government expenditure is getting higher for infrastructure projects. Facing the situation and trends in cement industry, Company anticipated them by innovating a new cement product, TR Superslag Cement, where in the previous year the Company launched Rajawali Cement brand as fighting brand. The penetration of Rajawali Cement in almost all regions of Java contributes to the 3% of Company's total sales. The Company continues to meet market needs and creates value for customers through the Sales is a Science (SiaS) program and intensive training, especially on the sales force.

As for maintaining our economic growth, the Company has made efficiency in various activities. One of the accomplishment we have was the efficient operation at Plant 14 at the Citeureup Factory which optimally succeeded in reducing the cost of clinker and cement production for around 7–8 US Dollars per ton.

The Company also reduced distribution and logistics costs by developing terminals outside Java. In addition to improve efficiency, the operation of cement terminal in Palembang and the commission of cement terminal in Lampung is expected to strengthen Indocement's position, especially in serving market needs in Sumatera. In addition, Indocement has seven other terminals in various strategic regions of Indonesia which have been prepared to meet the increase in national cement demand for the past two years.



Serangkaian langkah strategis di sepanjang rantai pasokan dari efisiensi produksi, perluasan jangkauan distribusi, inovasi produk, hingga layanan pemasaran, memungkinkan Perseroan untuk menginisiasi momentum dalam upaya menaikkan harga produk. Meskipun di tengah kondisi *oversupply*, kebijakan ini berhasil terus berlanjut sampai triwulan III 2018 dan memberikan peluang ekonomi yang lebih baik di masa depan.

Bersama Menuju World Class Safety Culture

Kondisi lingkungan kerja yang aman dan nyaman menjadi prioritas Perseroan dalam mendukung kegiatan operasi menuju *world class safety culture*. Untuk memastikan kondisi keselamatan dan kesehatan kerja (K3) ini, Perseroan memaksimalkan keberadaan Indocement-Safety Health Environment Learning Center (I-SHELTER) di ketiga Kompleks Pabrik. Melalui I-SHELTER, Perseroan berupaya memastikan setiap karyawan memiliki pemahaman budaya keselamatan yang sama.

Sepanjang 2018, Indocement mencatat tidak adanya peristiwa kecelakaan kerja fatal. Kompleks Pabrik Tarjun juga merayakan 1.000 hari tanpa cedera. Selain itu, tidak ada catatan pelanggaran atau insiden terkait kerusakan lingkungan hidup yang berimplikasi terhadap reputasi Indocement. Pencapaian ini merupakan hasil upaya pengendalian risiko lingkungan dan sosial selama kegiatan operasional.

Bersama Melestarikan Lingkungan

Bersama seluruh karyawan, Perseroan mengendalikan risiko lingkungan melalui sejumlah kegiatan, antara lain: pengurangan emisi; efisiensi energi; pendayagunaan limbah; perlindungan keanekaragaman hayati; dan pemanfaatan air bekas pakai. Perseroan melanjutkan beberapa kegiatan yang telah dilakukan beberapa tahun terakhir, yaitu penggantian *electrostatic precipitator* (EP) dengan *bag filter*, pelaksanaan proyek pencampuran bahan semen (*blended cement project*) dan proyek bahan bakar alternatif (*alternative fuel project*). Upaya ini sejalan dengan pengurangan gas rumah kaca yang menyebabkan perubahan iklim. Dari sejumlah kegiatan tersebut, Perseroan berhasil mengurangi jejak karbon 22% baseline 1990 dan 52% debu dengan baseline 2008.

The strategic series measures throughout the supply chain from production efficiency, expansion of market distribution, product innovation, to marketing services, have enabled the Company to initiated a new momentum to increase the product price. Although the ongoing oversupply conditions, this policy has succeeded to continue until third quarter of 2018 and set a better economic opportunity in the future.

Together Towards World Class Safety Culture

A safe and adequate working environment is one of Company's priority in supporting operation towards the world class safety culture. To ensure safety and healthy conditions, the Company optimize the performance of the Indocement-Safety Health Environment Learning Center (I-SHELTER) in the three Factories. Through I-SHELTER, the Company strives to ensure that every employee has the same understanding of safety culture.

Throughout 2018, Indocement achieved no fatalities. Tarjun Factory also celebrated 1,000 days without injury. In addition, there are no records of violations or incidents related to environmental damage that have implicated the Company reputation. This achievement is the result of our efforts to manage the environmental and social risks during operational activities.

Together Preserving the Environment

Together with all employees, the Company manages environmental risk through a number of activities, including: emission reduction, energy efficiency, waste utilization, biodiversity preservation, and recycling used water. The Company continues several activities that have been set in place for the past few years, such as the replacement of electrostatic precipitators (EP) with bag filters, the implementation of blended cement project and alternative fuel project. These activities are in line with the reduction of greenhouse gases that lead to climate change. As a result of these activities, the Company succeeded in reducing the carbon footprint of 22% with 1990 baseline and dust of 52% with the 2008 baseline.

Melanjutkan upaya bersama dalam melestarikan lingkungan, pada 2018, Perseroan mulai menginisiasi program baru pengembangan bahan bakar alternatif *refuse derived fuel* (RDF). Bahan bakar alternatif RDF berasal dari Tempat Pengolahan dan Pemrosesan Akhir Sampah Regional Lulut Nambo ("TPPAS Nambo"), Jawa Barat yang rencana akan beroperasi di 2020. Penggunaan RDF ini dapat mengurangi biaya energi, terutama pada saat harga batu bara mengalami kenaikan seperti dalam tiga tahun terakhir. Melalui penerapan teknologi *Bio Drying*, TPPAS Nambo ditargetkan mampu menghasilkan 500 ton RDF per hari untuk digunakan Perseroan sebagai bahan bakar alternatif pengganti batu bara.

Kesediaan Perseroan menerima hasil pengolahan sampah masyarakat dari TPPAS Nambo berkapasitas 1.500 ton/hari memiliki dampak positif dalam membantu Pemerintah Daerah mengatasi permasalahan sampah di daerah-daerah Kabupaten Bogor, Kota Bogor, dan Kota Depok. Kerja sama antara Indocement dan Pemerintah ini menunjukkan sinergi untuk bersama meningkatkan potensi dalam mengelola limbah.

Sebagai hasil atas upaya bersama dalam mengelola limbah, memakai energi terbarukan dan mengurangi emisi, Perseroan berhasil mendapatkan penilaian kinerja lingkungan hidup (PROPER) peringkat Hijau untuk Kompleks Pabrik Citeureup dan Kompleks Pabrik Palimanan. Selain itu, ketiga Kompleks Pabrik Indocement juga mendapat Penghargaan Industri Hijau Level 5 (tingkat tertinggi) dari Kementerian Perindustrian Republik Indonesia atas upaya efisiensi dan efektifitas penggunaan sumber daya secara berkelanjutan. Capaian ini menunjukkan bahwa pengelolaan lingkungan di Indocement telah melebihi dari yang dipersyaratkan peraturan dan telah menunjukkan upaya pelaksanaan tanggung jawab sosial dengan baik.

Bersama Membangun Kesejahteraan

Selain kegiatan lingkungan, Indocement bersama dengan masyarakat melakukan kegiatan reklamasi area tambang melalui program "Quarry Open Day". Program ini dilakukan setiap tahun untuk meningkatkan kesadaran

Continuing the joint effort to conserve the environment, in 2018 the Company began to initiate a new program for developing alternative fuel of refuse derived fuel (RDF). RDF will be sourced from Lulut Nambo Regional Waste Final Treatment and Processing Site ("TPPAS Nambo") in West Java, which planned to be in operation in 2020. The use of this RDF can reduce energy costs, especially during coal prices was keep getting higher since the past three years. Through the utilization of Bio Drying technology, TPPAS Nambo is targeted to produce 500 tons of RDF per day for Company own use as an alternative fuel to replace coal.

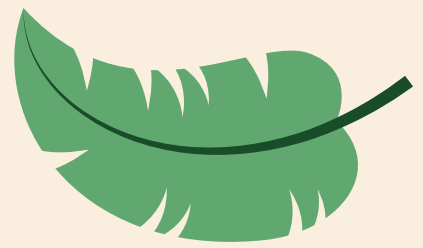
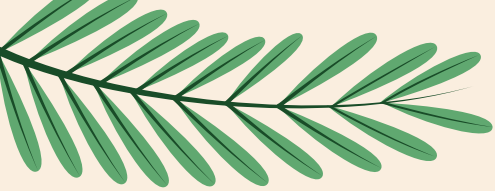
Company's initiative to accept the processed municipal waste sourced from community through TPPAS Nambo with a capacity of 1,500 tons/day may has a positive impact in helping regional government in overcoming waste problems in Bogor Regency, Bogor City, and Depok City. This collaboration between Indocement and the Government shows a synergy to jointly maximized potential in waste management.

As a result of the joint efforts in managing waste, utilizing renewable energy and reducing emissions, the Company succeeded in achieving a Green rating of environmental performance assessment (PROPER) for the Citeureup Factory and Palimanan Factory. In addition, the three Indocement Factory also received the Level 5 of Green Industry Award (the highest level) from the Ministry of Industry of the Republic of Indonesia for their efforts to efficiently and effectively use resources in a sustainable manner. This achievement shows that the environmental management in Indocement has exceeded the regulatory requirement and has demonstrated our best efforts to implement a good social responsibility.

Together Creating a Social Welfare

In addition to environmental activities, Indocement together with the community organized reclamation activities in mining area through the "Quarry Open Day" program. This program has been carried out every year





dalam memelihara keanekaragaman hayati. Masyarakat dapat melakukan eksplorasi keanekaragaman hayati di area tambang untuk menambah wawasan melalui beberapa kegiatan edukasi, seperti penanaman pohon di area reklamasi pascatambang dan penaburan benih ikan di area kolam pengendapan. Pelibatan masyarakat ini merupakan bagian dari kegiatan tanggung jawab sosial perusahaan (CSR), terutama pada program pengembangan masyarakat secara berkelanjutan (Sustainable Development Program/SDP) yang bertujuan membangun kesejahteraan masyarakat setempat.

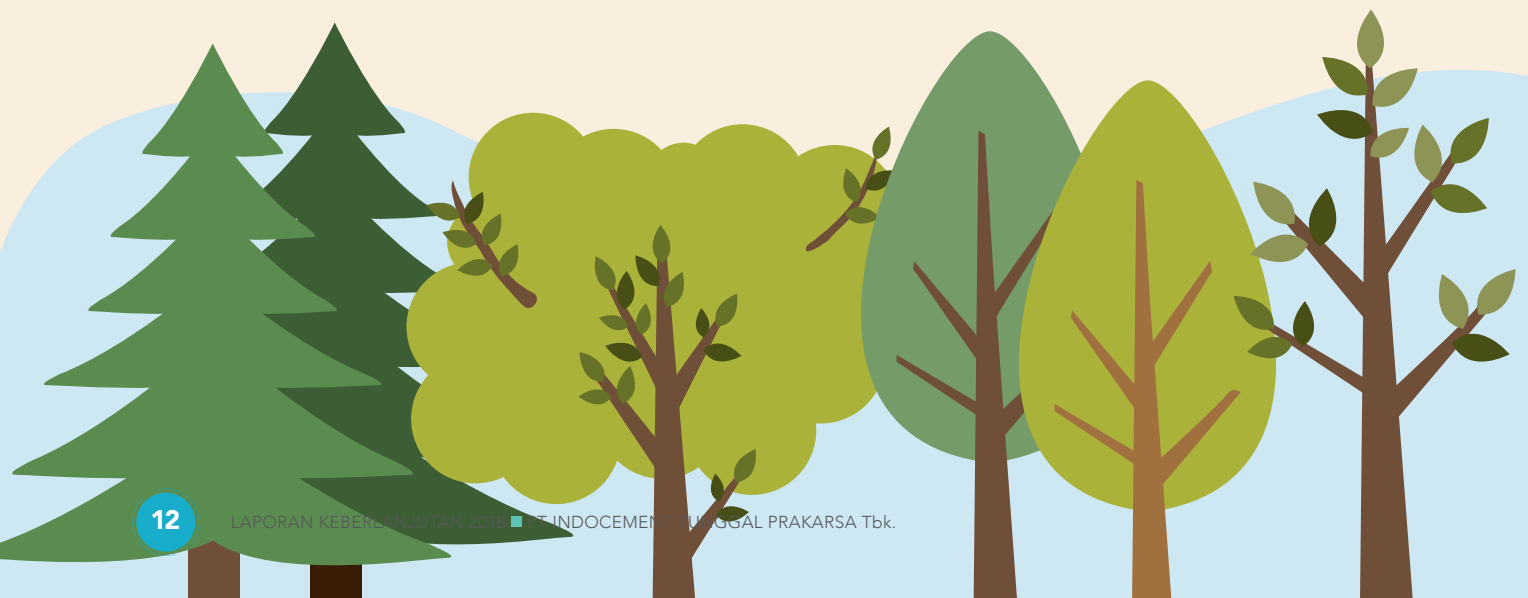
Pelaksanaan CSR merupakan salah satu bentuk kebersamaan Indocement sebagai tetangga yang baik bagi masyarakat. Melalui forum komunikasi program CSR (Bina Lingkungan Komunikasi/Bilikom), Perseroan berusaha memberikan pengertian atas setiap kondisi dan tantangan perusahaan dan sebaliknya memahami kebutuhan masyarakat. Perseroan berharap bahwa masyarakat dapat memahami dan mendukung operasi kami untuk beroperasi lebih baik di kondisi pasar yang penuh tantangan ini.

Dalam meningkatkan kualitas pendidikan masyarakat, Indocement berinisiatif menggali potensi anak muda melalui peningkatan keterampilan teknis otomotif sepeda motor dengan mendirikan Tempat Uji Kompetensi (TUK). Saat ini sebanyak 13 Sekolah Menengah Kejuruan (SMK) yang berada di sekitar Kompleks Pabrik Citeureup mengikuti pelatihan. Kami berharap TUK yang merupakan pertama dan satu-satunya di kabupaten Bogor ini dapat melahirkan generasi muda bersertifikat yang memiliki keterampilan handal di bidang otomotif.

to increase awareness in improving biodiversity. The community can perform biodiversity study and research in the mine area to improve their knowledge through several educational activities, such as planting trees in the post-mining reclamation area and stocking fish in the settling pond area. This Community involvement is part of our corporate social responsibility (CSR) in a form of Sustainable Development Program (SDP) and improve the welfare of local communities.

The implementation of CSR reflected our willingness to be a good neighbor for our community. Through a communication forum (Bilikom) for CSR programs, the Company communicate to provide understanding of Company condition and challenge, as well as understanding the concern of community. The Company expects that community can understand and support our operation to perform better in this ongoing challenging market.

In improving the quality of community education, Indocement took the initiative to improve the potential of young generation in motorcycle engineering by providing a Competency Test Center (TUK). Currently there are 13 Vocational High Schools (SMK) around the Citeureup Factory participate in the program. We hope this first and only TUK in Bogor district can generate certified young talents who have expertise in automotive engineering.





Apresiasi

Kinerja yang dicapai oleh Perseroan sepanjang 2018 tidak lepas dari kerja sama seluruh pemangku kepentingan dalam memaksimalkan potensi yang ada. Untuk itu, atas nama Direksi, saya menyampaikan terima kasih dan apresiasi kepada seluruh pemangku kepentingan, terutama kepada segenap karyawan Perseroan yang telah bekerja keras dengan penuh dedikasi.

Menyambut 2019, Perseroan meyakini ada banyak peluang untuk tumbuh dan berkembang yang semakin terbuka lebar bersama pemangku kepentingan. Peluang ini perlu kita siasati dengan terus meningkatkan potensi di semua aspek, baik ekonomi, sosial maupun lingkungan. Dengan demikian, bersama, kita terus berjalan untuk mencapai target dan sasaran sebagaimana ditetapkan dalam Komitmen Keberlanjutan 2030.

Appreciation

The performance achieved by Company throughout 2018 would not be attainable without the cooperation of all stakeholders in maximizing the existing potential. For this reason, on behalf of the Board of Directors, I express my gratitude and appreciation to all stakeholders, especially to all the employees of the Company who have worked hard with dedication.

For the year of 2019, the Company believes there will be many opportunities to grow and develop with stakeholders. We are aware of these opportunities and will continue to develop our potential in all aspects economic, social and environmental. Thus, together, we will continue to achieve the targets and objectives as set forth in our 2030 Sustainability Commitmentss.

Jakarta, 26 April 2019

Jakarta, April 26, 2019

Christian Kartawijaya

Direktur Utama
President Director

Indocement dan Komitmen Keberlanjutan [103-2, 103-3]

Indocement and Its Sustainability Commitments

PT Indocement Tunggul Prakarsa Tbk. (selanjutnya disebut “Perseroan” atau “Indocement”) adalah perusahaan semen terbesar kedua di Indonesia dengan total kapasitas produksi 24,9 juta ton semen.

PT Indocement Tunggul Prakarsa Tbk. (hereinafter referred to as the “Company” or “Indocement”) is the second largest cement company in Indonesia with a total production capacity of 24.9 million tons of cement.

Informasi Umum Perseroan [102-1, 102-2, 102-3, 102-4, 102-5]

General Information of the Company [102-1, 102-2, 102-3, 102-4, 102-5]



NAMA PERUSAHAAN
COMPANY NAME

PT Indocement Tunggul Prakarsa Tbk.



DASAR HUKUM PENDIRIAN
LEGAL BASIS OF ESTABLISHMENT

Akta pendirian No. 227 tanggal 16 Januari 1985, Notaris Ridwan Suselo, S.H. dengan perubahan terakhir atas anggaran dasar dalam Akta Notaris Deni Thanur, S.E., S.H., M.Kn. No. 30 tanggal 14 Desember 2015

Establishment Deed No. 227 dated January 16, 1985, made before Notary Ridwan Suselo, S.H., with the latest amendment of the Company's Articles of Association was stipulated in the Notarial Deed No. 30 dated December 14, 2015 of Deni Thanur, S.E., S.H., M.Kn



WILAYAH OPERASIONAL
REGIONAL OPERATIONS

Pabrik Indocement berlokasi di Citeureup, Jawa Barat; Palimanan, Jawa Barat; dan Tarjun, Kalimantan Selatan. Indocement tidak memiliki wilayah operasi di luar negeri.

Indocement factories located in Citeureup, Bogor, West Java; Palimanan, Cirebon, West Java; and Tarjun, Kotabaru, South Kalimantan. Indocement has no overseas operations.



TAHUN MULAI BEROPERASI
DATE OF COMMENCED OPERATION

4 Agustus 1975
August 4, 1975



MEREK DAGANG
BRAND

Semen Tiga Roda, Semen Rajawali, dan TR SuperSlag
Semen Tiga Roda, Semen Rajawali, and TR SuperSlag



BIDANG USAHA
BUSINESS ACTIVITY

Industri Semen
Cement Industry



KEPEMILIKAN SAHAM
SHAREHOLDERS

Birchwood Omnia Ltd.
(HeidelbergCement Group): 51,00%
Masyarakat / Public: 49,00%



KANTOR PUSAT
HEAD OFFICE

Wisma Indocement, lantai 13 Jl. Jenderal Sudirman Kav. 70-71 Jakarta 12910, Indonesia
Wisma Indocement, 13th Floor Jl. Jenderal Sudirman Kav. 70-71 Jakarta 12910, Indonesia
Telepon/Phone: +6221 875 4343 ext. 3808
Faksimili/Facsimile: +6221 879 41166
E-mail: corpsec@indocement.co.id
Website: www.indocement.co.id



KODE SAHAM
SHARE CODE

INTP



Skala Perusahaan [102-7]

Organizational Scale [102-7]

Uraian Description	Satuan Unit	Periode Pelaporan Reporting Period		
		2018	2017	2016
Jumlah Karyawan Tetap Number of Permanent Employees	Orang Person	3.937	4.212	4.517
Jumlah Pabrik dalam tiga Kompleks Pabrik Number of Plants in three Factories	Pabrik Plant	13	13	13
Total Pendapatan Bersih Net Revenue	Rp Miliar Rp Billion	15.190	14.431	15.362
Total Kapitalisasi Pasar Saham Total Stock Market Capitalization		67.919	80.803	56.691
Total Liabilitas Total Liabilities		4.567	4.307	4.012
Total Ekuitas Total Equity		23.222	24.557	26.139
Total Aset Total Asset	Juta ton Million tons	27.789	28.864	30.151
Produksi Semen Cement Production		18,1	17,1	16,4



VISI [102-16]

Menjadi produsen semen terkemuka di Indonesia, pemain di pasar beton siap-pakai (RMC) di Pulau Jawa dan Sumatera Selatan, serta pemain nomor satu di pasar agregat di Jabodetabek.

VISION

To become a prominent cement producer in Indonesia, a prominent player in the ready-mix concrete (RMC) markets in Java and South Sumatera, and number one player in the aggregate market in Jabodetabek.



MISI

Kami berkecimpung dalam bisnis penyediaan semen dan bahan bangunan berkualitas dengan harga kompetitif dan tetap memerhatikan pembangunan berkelanjutan.

MISSION

We are in the business of providing quality cement and building materials at competitive prices, in a way that promotes sustainable development.



MOTO

Turut membangun kehidupan bermutu.

MOTTO

Better shelter for better life.



NILAI INTI [102-16]

CORE VALUES



ACCOUNTABILITY

Kewajiban dan keinginan individu untuk menerima dan melaksanakan tugas serta mengemban tanggung jawab.
The desire to accept and carry out duties and responsibilities with full accountability.



INTEGRITY

Keyakinan untuk bertindak secara benar, jujur, transparan, dan penuh integritas.
The conviction to act correctly, truthfully and transparently with full integrity.



TEAMWORK

Semangat untuk bekerja sebagai sebuah tim dan mengesampingkan konflik pribadi demi mencapai tujuan Perseroan.
The passion to work as a team and to put aside personal differences in the greater interest of the Company.



STRIVE FOR EXCELLENCE

Semangat untuk bekerja melebihi apa yang diharapkan agar mencapai hasil terbaik.
The spirit to work beyond what is expected and to achieve best results.



SERVICE MINDEDNESS

Kemauan untuk melayani dan memenuhi kebutuhan pelanggan.
The will to serve and meet customer needs.

PERUBAHAN SIGNIFIKAN

SIGNIFICANT CHANGE

Di 2018, Perseroan melakukan restrukturisasi organisasi di bidang komersial, terutama di Divisi Penjualan dan Pemasaran. Sejalan dengan penerapan program *Sales is a Science* (SiaS), Perseroan mendiversifikasi Divisi Penjualan dan Pemasaran menjadi tiga divisi untuk menjalankan koordinasi fungsi yang lebih fokus dan cepat dalam memenuhi kebutuhan pelanggan. Restrukturisasi ini disertai dengan peningkatan pelatihan secara intensif, khususnya untuk tim tenaga penjualan.

In 2018, the Company restructured the organization in the commercial function especially in the sales and marketing division. In line with the implementation of the *Sales is a Science* (SiaS) program, the Company restructured its Sales and Marketing Division into three divisions to coordinate its own functions that were more focused and agile in meeting customer needs. This restructuring was accompanied by an increase in intensive training, especially for the sales force team.



Di tahun yang sama, Perseroan tetap menyelenggarakan program *Agent of Change* sebagai bagian dari program *New Leadership Style*. Perseroan menunjuk 60 karyawan terpilih sebagai *Agent of Change* dengan tugas, diantaranya mengawal dan memberikan evaluasi atas pengembangan perubahan perilaku karyawan di lingkup kerja masing-masing. *New Leadership Style* dipercaya akan memperkuat posisi Indocement dalam menghadapi persaingan yang ketat ini.

On the same time, the Company continued organizing the *Agent of Change* program as part of the *New Leadership Style* program. The Company appoints 60 selected employees as *Agent of Change* with tasks of escorting and evaluating the changes in employee behavior in their respective work. The *New Leadership Style* has been regard to be able to strengthen Indocement's position in this current intense competition.



KOMPOSISI KARYAWAN DI BIDANG SEMEN [102-8, 401-1]

EMPLOYEE COMPOSITION IN CEMENT SEGMENT

Perseroan menjunjung tinggi hak asasi manusia dan menerapkan anti-diskriminasi, yaitu perlakuan yang sama atau tidak membedakan suku, agama dan ras pada seluruh karyawan. Perseroan juga memberikan kesempatan yang adil kepada setiap karyawan berdasarkan kinerja dan kompetensi, selama proses rekrutmen, penempatan, pengembangan dan promosi.

The Company uphold human rights and approves anti-discrimination, such as providing the same treatment or not discriminating ethnicity, religion and race to all employees. The Company also provides fair opportunities to every employee in accordance with their performance and competencies during recruitment, placement, development and promotion process.

Pada 2018, Indocement mempekerjakan 3.937 karyawan pada segmen semen, dengan komposisi 3.902 karyawan tetap dan 35 karyawan kontrak. Komposisi karyawan didominasi karyawan laki-laki karena karakteristik industri semen yang membutuhkan tenaga kerja di lapangan. Dari total pekerja Perseroan, tidak ada karyawan yang dikaryakan berdasarkan musim. Perseroan juga memastikan tidak ada karyawan tetap maupun kontrak yang termasuk sebagai pekerja anak atau pekerja di bawah umur.

In 2018, Indocement employed 3,937 employees in cement segment, with a composition of 3,902 permanent employees and 35 contract employees. The composition of employees is dominated by male employees due to the characteristics of the cement industry which requires workers on the field. From the total employees in the Company, there are no employees employed on a seasonal basis. The Company also ensures that permanent or contracted employees do not include child labors or underage workers.

Rincian komposisi karyawan berdasarkan status ketenagakerjaan, wilayah dan jenis kelamin, kelompok usia, tingkat pendidikan dan eselon disajikan di lampiran komposisi pekerja. [102-8, 401-1]

Details of the employees composition based on employment status, region and gender, age group, education level and position are disclosed in appendix of employee composition. [102-8, 401-1]

KOMPAS SDGs INDOCEMENT

INDOCEMENT SDGs COMPASS

Melalui SDGs compass tools, Perseroan menyelaraskan strategi keberlanjutan Indocement untuk mendukung pencapaian SDGs 2030 dengan sasaran, target dan pencapaian yang terukur. Hasil penyelarasan disajikan dalam laporan ini dengan batasan pada topik-topik keberlanjutan yang menjadi prioritas Perseroan.

Through the SDGs compass tools, the Company aligns Indocement's sustainability strategy to support the achievement of SDGs 2030 with measurable goals, targets and achievements. The results of the alignment are presented in this report with scope limitations on sustainability topics that are considered as the Company's priorities.

KOMITMEN KEBERLANJUTAN

SUSTAINABILITY COMMITMENTS



Indocement tidak henti-hentinya berbenah diri demi mewujudkan visi dan misi Perseroan, serta menjalankan peran penting dalam pembangunan berkelanjutan. Bagi Indocement, keberlanjutan adalah komitmen menjalankan kegiatan operasional untuk memastikan profitabilitas yang berkelanjutan dengan tetap memerhatikan kesejahteraan komunitas dan kelestarian lingkungan di sekitarnya. Didukung sumber daya manusia yang unggul, kinerja keberlanjutan di seluruh lini bisnis terus ditingkatkan untuk mendukung Tujuan Pembangunan Berkelanjutan (Sustainable Development Goals/SDGs) dengan berfokus pada enam sasaran utama yang tertuang dalam Komitmen Keberlanjutan HeidelbergCement 2030.

Indocement is constantly improving itself to realize the Company's vision and mission, and to conduct an important role in sustainable development. For Indocement, sustainability is a commitment to run operational activities to ensure sustainable profitability while considering the community welfare and the preservation of the surrounding environment. Supported by excellent human resources, sustainability performance in all business lines is continuously being improved to support the Sustainable Development Goals (SDGs) by focusing on the six main objectives set forth in the HeidelbergCement 2030 Sustainability Commitments.



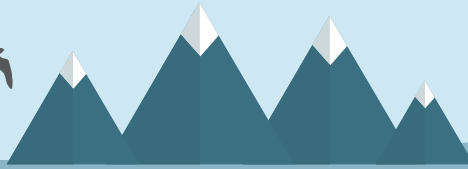
MENDORONG PENGUATAN EKONOMI DAN INOVASI

Kami akan memastikan profitabilitas yang berkelanjutan melalui manajemen yang efektif dari semua proses dan sumber daya, serta inovasi produk dan layanan yang berkelanjutan.

DRIVING ECONOMIC STRENGTH AND INNOVATION

We will ensure sustainable profitability through effective management of all processes and resources, and the continuing innovation of product and service.





MENCAPAI KEUNGGULAN DALAM KESELAMATAN DAN KESEHATAN KERJA

Kami berkomitmen untuk terus meningkatkan kondisi keselamatan dan kesehatan kerja karyawan, kontraktor, dan pihak ketiga.

ACHIEVING EXCELLENCE IN OCCUPATIONAL HEALTH AND SAFETY

We are committed to continuously enhancing the occupational health and safety conditions of our employees, contractors and third parties.



MENGURANGI JEJAK LINGKUNGAN KAMI

Kami berkomitmen untuk memenuhi bagian dari tanggung jawab global untuk menjaga kenaikan suhu di bawah 2°C, dan kami akan terus mengurangi dampak pada udara, darat, dan air.

REDUCING OUR ENVIRONMENTAL FOOTPRINT

We are committed to fulfilling part of our global responsibility to keep temperature rises below 2°C, and we will continue to reduce our impacts on air, land and water.



MENERAPKAN EKONOMI SIRKULAR (CIRCULAR ECONOMY)

Kami melakukan konservasi cadangan alam dengan terus meningkatkan penggunaan sumber daya alternatif sebagai pengganti bahan baku alami.

ENABLING THE CIRCULAR ECONOMY

We conserve our natural reserves by continuously increasing the use of alternative resources as substitutes for natural raw materials.



MENJADI TETANGGA YANG BAIK BAGI MASYARAKAT

Kami berkomitmen untuk mendukung pengembangan sosial dan ekonomi masyarakat sekitar dan memastikan komunikasi yang transparan dengan semua pemangku kepentingan.

BEING A GOOD NEIGHBOR

We are committed to support the social and economic development of our neighbouring communities and ensure transparent communication to all our stakeholders.



MEMASTIKAN KEPATUHAN SERTA TERCIPTANYA TRANSPARANSI

Kami mematuhi hak asasi manusia (HAM) internasional, anti-korupsi dan standar tenaga kerja serta bekerja sama secara proaktif, terbuka, dan transparan dengan seluruh pemangku kepentingan.

ENSURING COMPLIANCE AND CREATING TRANSPARANCY

We adhere to international human rights, anti-corruption and labor standards as well as co-operate pro-actively in an open and transparent manner with all our stakeholders.





Mendorong Kekuatan Ekonomi dan Inovasi

Driving Economic Strength and Innovation





Topik kinerja ekonomi penting karena berpengaruh terhadap kestabilan kegiatan operasi dan distribusi nilai manfaat bagi pemangku kepentingan, terutama pemegang saham. Keterlibatan Perseroan terhadap dampak yang terjadi dilakukan dengan efisiensi di berbagai bidang, meningkatkan penetrasi pasar, dan mendekatkan kehadiran Indocement kepada pelanggan.

Economic performance is important because it influences the stability of operating activities and the distribution of economic value to stakeholders, especially shareholders. The Company's management toward the impacts are conducted through efficiency in various activities, increasing market penetration, and creating a closer engagement with customers.



Sasaran utama Mendorong penguatan ekonomi dan inovasi:
Meningkatkan efisiensi melalui pengelolaan sumber daya yang efektif; inovasi produk, dan layanan yang berkelanjutan

*The main objectives of driving economic strength and innovation:
Increased efficiency through effective management of resources; product innovation, and sustainable services*

Target Tahunan Annual Target	Pencapaian 2018 2018 Achievement
• Efisiensi penggunaan sumber daya dan memperoleh insentif/premi atas modal Perseroan. <i>Efficient utilization of resources and obtaining to earn a premium on top of our cost of capital.</i> • Aktif dalam Green Product Council Indonesia (GPCI) dan asosiasi lainnya untuk mendorong inovasi produk berkelanjutan. <i>Active in Green Product Council Indonesia (GPCI) and other associations in order to drive innovation of sustainable products.</i>	• 20-25% penghematan biaya produksi per ton semen di Plant 14 dibandingkan Plant dengan teknologi yang lama. <i>20-25% cost savings in production per tons of cement in Plant 14 compare to plants with older technology.</i> • 10,27 juta Dolar AS Perolehan nilai Certified Emission Reduction (CER) sejak 2005. <i>USD10.27 million Acquired Certified Emission Reduction (CER) values since 2005.</i> • Pendiri Green Product Council Indonesia (GPCI). <i>Founder of Green Product Council Indonesia (GPCI).</i>

PEMANTAUAN DAN EVALUASI

MONITORING AND EVALUATION

Pengelolaan kinerja ekonomi mengacu pada standar akuntansi keuangan. Indocement mengevaluasi efektivitas operasi Perseroan dari setiap tahapan, dimulai dari pabrikasi dan distribusi, pengadaan barang dan jasa, persediaan material, sumber daya manusia, hingga keuangan dan akuntansi yang dilakukan oleh Internal Audit dan Sistem Pengendalian Internal atau *Internal Control System* dan dipantau oleh Komite Audit.

Management of economic performance refers to the Financial Accounting Standard. Indocement evaluates the effectiveness of the company's operations from every stage, starting from manufacturing and distribution, procurement of goods and services, inventory of materials, human resources, until finance and accounting through Internal Audit and Internal Control Systems and monitored by the Audit Committee.



Menciptakan Keunggulan Bisnis [103-1, 103-2, 103]

Creating Business Competitive Advantage

STRATEGI PERSEROAN MENINGKATKAN DAYA SAING

COMPANY STRATEGY TO IMPROVE THE COMPETITIVE ADVANTAGE

Strategi Perseroan meningkatkan daya saing atas persaingan usaha yang semakin ketat dilakukan dengan menghadirkan inovasi baru *slag* semen (TR Superslag cement) dan varian produk kedua Rajawali (Portland Pozolan Cement) sebagai *fighting brand* di tahun sebelumnya. Penetrasi Semen Rajawali mencakup wilayah pemasaran meliputi sebagian besar wilayah Pulau Jawa dan telah berkontribusi meningkatkan penjualan Perseroan sebesar 3% pada 2018. Perseroan juga menerapkan strategi pemasaran yang lebih menarik, seperti program pengguna akhir untuk mendorong loyalitas konsumen saat periode permintaan lemah.

Di samping itu, Perseroan mengoptimalkan pabrik yang efisien, seperti Plant 14 di Kompleks Pabrik Citeureup, Bogor, Jawa Barat. Plant ini merupakan salah satu pabrik yang memiliki keunggulan biaya produksi klinker dan semen antara 7–8 Dolar AS per ton atau lebih rendah 20%–25% dari produksi pabrik dengan teknologi lama. Perseroan juga meningkatkan efisiensi jalur distribusi, diantaranya mendirikan terminal di luar Pulau Jawa dan mendistribusikan produk melalui kereta api dan kapal laut.

Pada 2018, Perseroan juga telah mengoperasikan terminal baru, yaitu Terminal Palembang dengan kapasitas 500.000 ton semen per tahun yang dilengkapi fasilitas bongkar muat semen kantong dan curah. Selain menekan biaya logistik yang signifikan, keberadaan Terminal Palembang akan mendekatkan kehadiran Indocement kepada pelanggan yang berujung pada kontribusi peningkatan penjualan di wilayah Pulau Sumatera. Perluasan pangsa pasar Perseroan yang berada di Jakarta, Banten, Jawa Barat, serta sebagian Sumatera menjadikan Indocement sebagai perusahaan semen terbesar kedua di Indonesia dengan pangsa pasar 25,5%. [102-10]

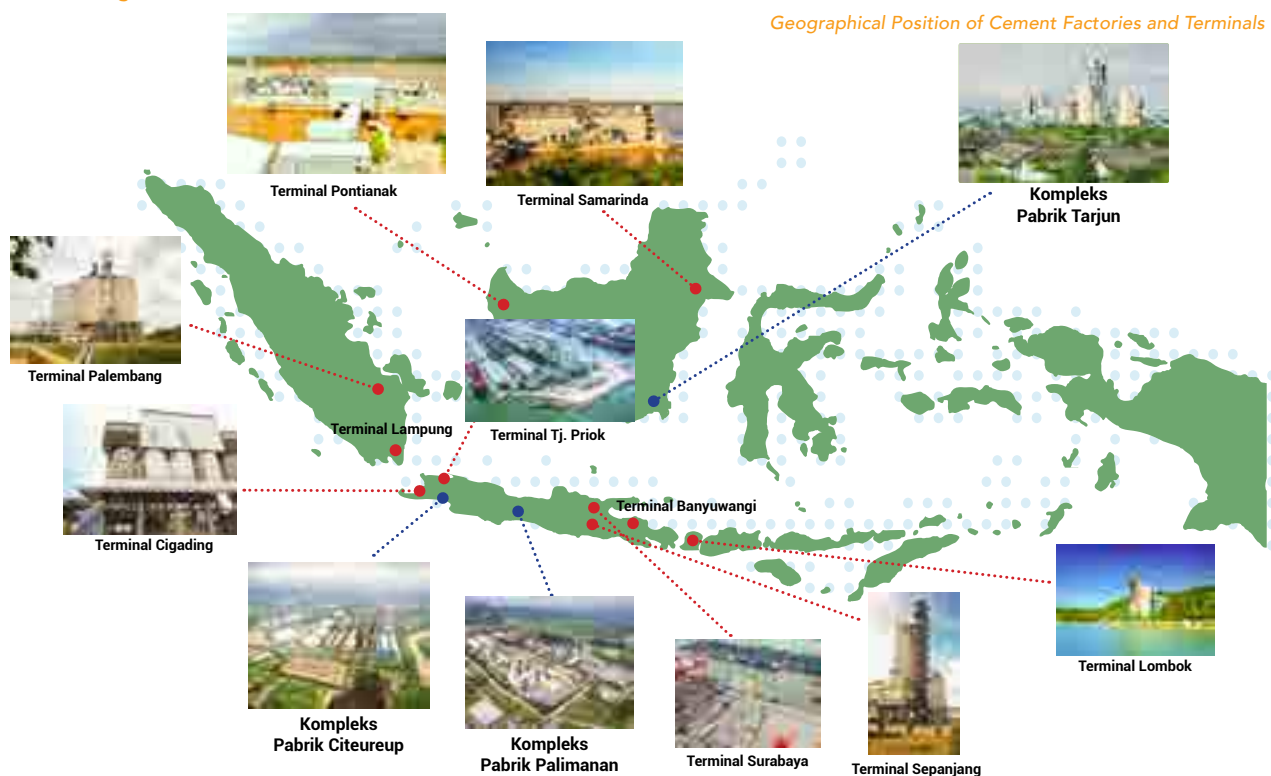
The Company's strategy to improve the competitive advantage amidst the aggressive business competition is achieved by introducing new innovations in cement slag (TR Superslag cement) and the second product variant of Rajawali (Portland Pozzolan Cement) as a fighting brand in the prior year. Penetration of Rajawali Cement with expansion of market share to almost regions of Java and has contributes to increase the Company's sales by 3% in 2018. The Company also applies more attractive marketing strategies, such as end-user programs to encourage consumer loyalty during the low demand period.

In addition, the Company optimizes the operation of efficient factories, such as Plant 14 in the Citeureup Factory, Bogor, West Java. This plant is one of the factories that has the cost advantages of clinker and cement production around US Dollar 7–8 per tons or 20%–25% lower compared to production from factory with old technology. The Company also increases the efficiency of the distribution lines, including establishing terminals outside Java and distribution by trains and ships.

In 2018, the Company has also operated a new terminal, which is Palembang Terminal with a capacity of 500,000 tons of cement per year and facilitated with bag cement and bulk cement loading and unloading facilities. In addition to reduce logistics costs, the existence of Palembang Terminal will bring Indocement's presence closer to customers, which will contribute to increased sales in the Sumatera Island region. The expansion of the Company's market share in Jakarta, Banten, West Java, and part of Sumatera has made Indocement the second largest cement company in Indonesia with a market share of 25.5%. [102-10]

Posisi Geografis Pabrik dan Terminal Semen

Geographical Position of Cement Factories and Terminals



Keterangan info grafis/gambar

Remarks on Info Graphic/Picture

Lokasi Kompleks Pabrik Factory Location	Jumlah Pabrik Number of Plant	Kapasitas Terpasang (juta ton/tahun) Installed Capacity (million tons/year)
Citeureup, Bogor Jawa Barat West Java	10	18,1
Palimanan, Cirebon Jawa Barat West Java	2	4
Tarjun, Kotabaru Kalimantan Selatan South Kalimantan	1	2,8
Total	13	24,9

Terminal yang Beroperasi	Operating Terminal
- Terminal Tanjung Priok, Jakarta - Terminal Tanjung Perak, Surabaya - Terminal Sepanjang, Sidoarjo, Jawa Timur - Terminal Cigading, Serang, Banten - Terminal Lembar, Lombok, Nusa Tenggara Barat - Terminal Palaran, Samarinda, Kalimantan Timur - Terminal Pontianak, Kalimantan Barat - Terminal Palembang, Sumatera Selatan	Tanjung Priok Terminal, Jakarta Tanjung Perak Terminal, Surabaya Sepanjang Terminal, Sidoarjo, East Java Cigading Terminal, Serang, Banten Lembar Terminal, Lombok, West Nusa Tenggara Palaran Terminal, Samarinda, East Kalimantan Pontianak Terminal, Pontianak, West Kalimantan Palembang Terminal, Palembang, South Sumatera
Terminal dalam masa Uji Coba	Terminal under Commissioning
Terminal Lampung, Lampung	Lampung Terminal, Lampung



INOVASI DI SEPANJANG RANTAI PASOKAN

INNOVATIONS THROUGHOUT THE SUPPLY CHAIN

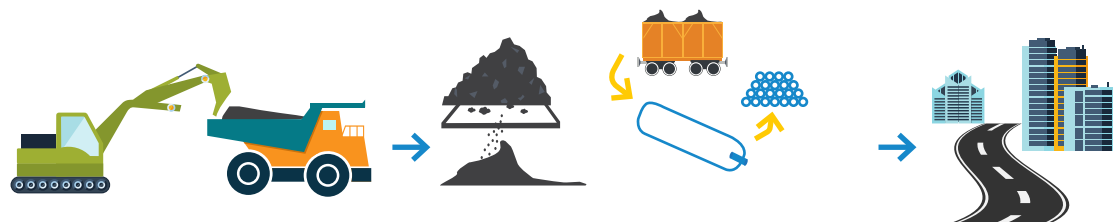
Selain menjalankan inovasi produk dan pembangunan terminal, Perseroan juga menerapkan strategi membangun daya saing yang unggul di sepanjang rantai pasokan. Indocement menjalankan kegiatan rantai pasokan yang menyeluruh melalui sinergi antar-entitas anak Perseroan dan kerjasama pemasok barang dan jasa yang telah memenuhi kriteria kode etik pemasok yang terakhir dimuktahirkan pada 2018. Di luar dari kegiatan produksi semen yang dilakukan Perseroan, Indocement melalui entitas anak juga memproduksi agregat dan beton siap-pakai.

In addition to product innovation and terminal development, the Company also implements the strategy to build competitive advantage throughout its supply chain. Indocement runs a comprehensive supply chain activity through a synergy between the subsidiaries of the Company and the cooperation of suppliers of goods and services that have met the criteria of the updated vendor code of conduct 2018. Apart from the cement production operated by the Company, Indocement through its subsidiaries also produce aggregates and ready-mix concrete.

Inovasi di Sepanjang Rantai Pasokan [102-2, 102-6, 102-9]

Innovations Throughout the Supply chain [102-2, 102-6, 102-9]

Kegiatan Bisnis Business Activity	Pengelolaan Sumber Daya, Inovasi, dan Layanan Management of Resources, Innovation, and Services
Pertambangan dan Produksi <i>Mining and Production</i> Untuk menjamin ketersediaan bahan baku klinker yang berkualitas, Indocement memiliki dan mengoperasikan sendiri tambang di area pertambangan tiga kompleks pabrik yang terdiri dari 13 pabrik dengan kapasitas terpasang 24,9 juta ton setiap tahun. <i>To ensure the availability of quality clinker raw materials, Indocement owns and operates mines in mining areas of its three factories, which consist of 13 plants with an installed capacity of 24.9 million tons every year.</i>	- Indocement mengoptimalkan pabrik-pabrik dengan biaya produksi yang efisien, khususnya pada Plant 14, yang mampu menekan biaya produksi 20%–25% lebih rendah dibandingkan pabrik lainnya. - Menghadapi persaingan usaha dengan meningkatkan kualitas menjadi nilai utama Perseroan. Indocement melakukan inovasi dan diversifikasi produk dengan memasarkan Semen Rajawali sebagai produk ekonomis dan Semen <i>TR Superslag</i> sebagai produk ramah lingkungan dengan daya tahan tinggi. - Dalam upaya menekan biaya energi yang menjadi komponen biaya terbesar dalam kegiatan operasional, Indocement mengurangi penggunaan bahan bakar fosil melalui pencampuran batu bara mencapai kalori yang ekonomis dan penggunaan bahan bakar alternatif dari biomassa maupun dari limbah B3 sesuai izin yang diperoleh. - Indocement optimizes factories with efficient production costs, especially in Plant 14, which is able to reduce production costs by 20%–25% lower than other factories. - Positioning in business competition by increasing quality is the Company's main value. Indocement innovates and diversifies its products by launching Semen Rajawali as an affordable product and <i>TR Superslag</i> Cement as an environmentally friendly with high durability product. - In an effort to reduce energy costs which are the biggest cost component in operational activities, Indocement reduces the use of fossil fuels through mixing coal to achieve economical calories and the use of alternative fuels from biomass as well as hazardous and toxic waste according to permits obtained.
Distribusi dan Logistik <i>Distribution and Logistic</i> Indocement memiliki delapan terminal dan 172 gudang semen yang dikelola sendiri maupun oleh pihak ketiga yang tersebar di berbagai daerah strategis serta memiliki sistem pengangkutan semen yang terintegrasi dengan baik. Pendistribusian semen ke pelanggan dilakukan melalui transportasi darat dengan truk dan kereta api dari tiga stasiun pemuatan dan transportasi laut dengan kapal dari Kompleks Pabrik Citeureup dan Tarjun. <i>Indocement has eight cement terminals and 172 warehouses managed by Company and third party, which located in various strategic areas and has a well-integrated cement transportation system. The distribution of cement to customer is through land transportation by truck and train from three loading stations as well as sea transportation by ship from Citeureup and Tarjun factories.</i>	- Indocement telah menyelesaikan dan mengoperasikan terminal semen di Palembang untuk menekan biaya distribusi dan meningkatkan pangsa pasar di Pulau Sumatera. Di akhir 2018, Indocement juga telah menjalankan uji coba terminal Lampung di Provinsi Lampung dan akan mulai mengoperasikannya di 2019. - Selain itu, Indocement juga memanfaatkan teknologi <i>global positioning system</i> (GPS) untuk truk semen curah dan <i>radio frequency identification</i> (RFID) untuk semua truk semen untuk mengoptimalkan proses dispatch, mengurangi waktu tunggu dan meningkatkan keamanan serta mengurangi biaya distribusi. - Indocement menjalankan <i>end user program</i> yaitu strategi pemasaran yang dipasarkan secara langsung oleh <i>Area Sales Officer</i> (ASO) berpengalaman dengan pendekatan <i>Sales is a Science</i> (SiaS). - Indocement has completed and operated a cement terminal in Palembang to reduce distribution costs and increase market share in Sumatera. Indocement was also commissioning Lampung Terminal in Lampung Province at the end of 2018 and be commenced the operation in 2019. - In addition, Indocement also utilizes global positioning system (GPS) technology for mixer trucks and radio frequency identification (RFID) for all trucks to optimize the dispatch process, reduce waiting times and improve security as well as reduce distribution costs. - Indocement operates an end user program as a marketing strategy which is marketed directly by the experienced Area Sales Officer (ASO) with the approach of Sales is a Science (SiaS).



Pertambangan dan Produksi <i>Mining and Production</i>		Distribusi dan Logistik <i>Distribution and Logistic</i>		Pelanggan <i>Customer</i>
Bahan Baku Tambang <i>Mining Raw Materials</i>	Produksi Semen <i>Cement Production</i>	Penjualan Semen <i>Cement Sales</i>		
Batu kapur, tanah liat dan trass <i>Limestone, clay, and trass</i>	Semen <i>Cement</i>	Semen kantong dan semen curah <i>Bag cement and bulk cement</i>		Pemerintah (sektor publik), perusahaan (sektor komersial) dan masyarakat umum (pelanggan pribadi) <i>Government (public sector), corporate (commercial sector), and public (personal customer)</i>

MENJAGA KEBERLANJUTAN EKONOMI [201-1]

MAINTAINING SUSTAINABLE ECONOMY

Dengan kinerja yang unggul di rantai pasokan dan pengelolaan distribusi produk yang sesuai dan tepat waktu, Perseroan menginisiasi momentum dalam upaya menaikkan harga produk di tengah kondisi *oversupply*. Kebijakan ini memberikan peluang ekonomi yang lebih baik di masa depan.

With excellent performance in the supply chain and management of on time in full product distribution, the Company initiated new momentum in effort to increase the product prices amid the oversupply condition. This strategy will provide better economic opportunities in the future.

Perseroan berhasil mencatat peningkatan produksi semen sebesar 5,8% dan menaikkan pendapatan bersih sebesar 5,2% dibandingkan tahun sebelumnya. Hal ini memberikan pengaruh signifikan pada nilai ekonomi yang didistribusi kepada pemangku kepentingan.

The Company managed to achieve an increase in cement production of 5.8% and increase the net revenue by 5.2% higher than the previous year. This gives a significant influence on economic values distributed to stakeholders.

Nilai Ekonomi Dihasilkan dan Didistribusikan [201-1]

(dalam miliar Rupiah)

Economic Value Generated and Distributed [201-1]

(in billion Rupiah)

Uraian <i>Description</i>	2018	2017	2016
Nilai ekonomi yang dihasilkan <i>Economic values generated</i>			
Pendapatan Bersih <i>Net Revenues</i>	15.190	14.431	15.362
Distribusi nilai ekonomi <i>Economic values distributed</i>			
Biaya Operasi <i>Operating Costs</i>	3.362	3.201	2.758
• Beban Usaha <i>Operating Expenses</i>			
• Beban Operasi Lain <i>Other Operating Expenses</i>			

Uraian Description	2018	2017	2016
Gaji, Upah, dan Kesejahteraan Karyawan, serta Upah Buruh Langsung <i>Salary, Wages, and Employee Benefits, and Direct Labor</i>	1.557	1.551	1.463
Pembayaran kepada Penyandang Dana <i>Funding Payments</i> • Pembayaran Dividen Kas <i>Cash Dividend Payments</i> • Pembayaran Beban Bunga dan Beban Keuangan Lainnya <i>Interest Expense and Other Financial Charges Payments</i>	2.577	3.421	1.536
Pembayaran kepada Pemerintah <i>Payments to the Government</i> • Pembayaran Pajak Penghasilan Badan <i>Income Tax Payments</i> • Pembayaran Pajak Lainnya <i>Other Tax Payments</i>	1.897	1.898	2.543
Investasi untuk Pengembangan Komunitas <i>Investment for Community Development</i>	21	25	31
Jumlah nilai ekonomi yang didistribusikan <i>Total economic values distributed</i>	9.414	10.096	8.331
Nilai ekonomi yang ditahan <i>Economic values retained</i>	5.776	4.335	7.031

Keterangan: Kinerja ekonomi disampaikan secara konsolidasi sesuai dengan laporan keuangan yang diaudit. Kinerja ini sudah meliputi Kompleks Pabrik Citeureup, Palimanan, dan Tarjun, serta anak perusahaan Indocement. Oleh karena itu, kinerja tidak disampaikan berdasarkan wilayah atau area, atau produk Perseroan. [102-45]
Notes: Economic performance is shown on a consolidated basis in accordance with the audited financial statements. This performance includes Citeureup, Palimanan, and Tarjun Factories, as well as Indocement subsidiaries. Therefore, performance is not delivered on the basis of the territory or area, or products of the Company.

Perseroan meyakini industri semen dapat bangkit dan mengalami pertumbuhan positif setelah melalui masa yang terburuk di pertengahan 2018. Untuk menangkap peluang dari pulihnya pasar semen di Indonesia, Indocement akan melakukan perluasan jangkauan pasar melalui pendirian terminal semen baru serta mempersiapkan fasilitas penunjang lainnya seperti pembukaan tambang andesit baru untuk mendukung bisnis beton siap-pakai yang akan lebih banyak dibutuhkan di kemudian hari.

The Company believes that cement industry may rise and undergo a positive turn of growth after going through the worst period in mid of 2018. To capture the opportunity of the recovering period of cement market in Indonesia, Indocement will expand its market area through the establishment of a new cement terminal and developed other supporting facilities such as opening new andesite mines to support ready-mix concrete business that will be highly demanded in the future.



Inovasi Produk dan Layanan Pelanggan [102-2]

Product Innovation and Customer Service

Inovasi berkelanjutan merupakan salah satu keunggulan kompetitif Indocement sehingga dapat menghadirkan beragam produk semen yang sesuai dengan kebutuhan spesifik pelanggan. Perseroan terus melakukan inovasi melalui penelitian dan pengembangan efisiensi energi dan rendah emisi untuk menghasilkan produk ramah lingkungan.

Continuous innovation is one of Indocement's competitive advantage so that it can provide a variety of cement products that meet the customer's specific needs. The Company continues to innovate through research and development of energy efficiency and lower emissions to produce environmentally friendly products.



MENGHASILKAN INOVASI PRODUK RAMAH LINGKUNGAN

INNOVATING ENVIRONMENTALLY FRIENDLY PRODUCTS

[103-1, 103-2, 103-3]

Pada 2016, Perseroan meluncurkan Semen Portland Pozolan (Semen Rajawali) sebagai *fighting brand* yang cocok digunakan untuk membangun segala jenis bangunan, baik struktur, plester, acian, dan lainnya. Inovasi berikutnya di 2017, Indocement meluncurkan TR *Superslag Cement* yang memanfaatkan bahan baku alternatif slag dari industri baja. TR *Superslag Cement* merupakan jenis semen *low-heat hydration* dan proses produksinya menghasilkan emisi karbon yang rendah sehingga sangat ramah lingkungan. TR *Superslag Cement* direkomendasikan untuk pembangunan proyek dermaga dan bendungan, serta pembuatan *paving* beton dan fondasi.

In 2016, the Company launched the Portland Pozzolan Cement (Semen Rajawali) as a fighting brand which recommended for building all types of buildings, including structure, plaster, skin-coating, etc. Through another innovation in 2017, Indocement launched TR *Superslag Cement* which uses alternative raw materials for slag sourced from the steel industry. TR *Superslag Cement* is a type of low-heat hydration cement and which production process resulted less carbon emissions that are very environmentally friendly. TR *Superslag Cement* is recommended for the construction of jetty and dams projects, as well as making concrete paving and foundation.



Di 2018, TR Superslag Cement menjadi produk pilihan yang dipercaya pemerintah dalam proyek pembangunan Pelabuhan Patimban di Subang, Jawa Barat. Proyek ini menyerap sekitar 250.000 ton *Slag Cement*. Hasil inovasi produk Semen Slag (TR *Superslag Cement*) dan Semen Portland Pozolan (Semen Rajawali) semakin mengukuhkan Indocement sebagai perusahaan yang menghasilkan produk semen bermutu tinggi, kokoh, dan ramah lingkungan. Setiap produk yang dihasilkan Perseroan telah melalui pengujian kualitas secara bertahap, termasuk melakukan tinjauan risiko keselamatan.

In 2018, TR Superslag Cement was selected by the government to be utilized in the Patimban Port development project in Subang, West Java. This project absorbed approximately 250,000 tons of *Slag Cement*. The innovation of *Slag Cement* (TR *Superslag Cement*) and Portland Pozzolan Cement (Semen Rajawali) have further confirmed Indocement as a leading company that produces high-quality, sturdy and environmentally friendly cement products. Each Indocement product has gone through quality assesment in stages, including conducting safety risk reviews.



Merek Produk Tiga Roda	Tiga Roda Product Brands
- Semen <i>Portland Composite</i> (PCC) - Semen Sumur Minyak - Semen Putih - Acian Putih TR-30 - Semen <i>Ordinary Portland</i> (OPC) Jenis I, Jenis II, Jenis V - TR <i>Superslag Cement</i>	<i>Portland Composite Cement</i> (PCC) <i>Oil Well Cement</i> (OWC) <i>White Cement</i> <i>TR-30 White Mortar</i> <i>Ordinary Portland Cement</i> (OPC) type I, type II, type V <i>TR Superslag Cement</i>
Merek Produk Rajawali	Rajawali Product Brand
Semen Portland Pozolan	<i>Portland Pozzolan Cement</i>

SERTIFIKASI PRODUK INDOCEMENT

INDOCEMENT PRODUCT CERTIFICATIONS

Produk Indocement telah memenuhi kriteria kesehatan dan keselamatan pelanggan yang ditandai dengan diperolehnya sertifikat Standar Nasional Indonesia (SNI) dari Balai Besar Bahan dan Barang Teknik (B4T-LSPR). Sebagai pemenuhan sertifikasi produk, Perseroan mencantumkan informasi spesifikasi di kemasan sebagai salah satu upaya mengendalikan potensi dampak yang ditimbulkan produk. Informasi ini memuat lambang/logo Indocement, nama produk, nomor SNI, berat dalam kemasan, jenis semen, petunjuk penggunaan, nomor layanan konsumen bila ada keluhan atau pengaduan.

Indocement products have met the criteria of health and safety for customers which are confirmed by acquiring a certificate of the Indonesian National Standard (SNI) from the Center for Material and Technical Products (B4T-LSPR). As a fulfillment of product certification, the Company stated the information and specification on packaging as a mitigation to manage the potential impact of the product. This information contains the Indocement symbol/logo, product name, SNI number, packaging weight, type of cement, instructions for use (IFU), customer service number for grievances or complaint.



SERTIFIKASI PRODUK

PRODUCT CERTIFICATIONS

Kompleks Pabrik Citeureup

Citeureup Factory

No	Jenis Semen Cement Type	Tahun perolehan Year of Acquisition	Pemberi sertifikat Issued by	No SNI SNI No	Masa Berlaku Validity
1	Semen Putih White Cement	29 Maret 1995 March 29, 1995	Kementrian Perindustrian Balai Besar Bahan dan Barang Teknik (B4T-LSPR) Industrial Ministry Center for Materials and Technical Goods (B4T-LSPR)	SNI 15-2049-2004	17 Mei 2016-16 Mei 2020 May 17, 2016 – May 16, 2020
2	Semen Portland Komposit Portland Composite Cement	22 Agustus 2002 August 22, 2002	B4T-LSPR B4T-LSPR	SNI 7064:2014	17 Mei 2016 – 16 Mei 2020 May 17, 2016 – May 16, 2020
3	Semen Tipe V OPC Type V	23 Desember 2004 December 23, 2004	B4T-LSPR B4T-LSPR	SNI 2049:2015	17 Mei 2016 – 16 Mei 2020 May 17, 2016 – May 16, 2020
4	Semen Tipe II OPC Type II	23 Desember 2004 December 23, 2004	B4T-LSPR B4T-LSPR	SNI 2049:2015	17 Mei 2016 – 16 Mei 2020 May 17, 2016 – May 16, 2020
5	Semen Tipe I OPC Type I	23 Desember 2004 December 23, 2004	B4T-LSPR B4T-LSPR	SNI 2049:2015	17 Mei 2016 – 16 Mei 2020 May 17, 2016 – May 16, 2020
6	Semen Sumur Minyak Oil Well Cement	8 Maret 1993 March 8, 1993	B4T-LSPR B4T-LSPR	SNI ISO 10426.1:2008	17 Mei 2016 – 16 Mei 2020 May 17, 2016 – May 16, 2020
7	Semen Portland Pozolan Portland Pozzolan Cement	22 Agustus 2016 August 22, 2016	B4T-LSPR B4T-LSPR	SNI 0302:2014	22 Agustus 2016 – 21 Agustus 2020 August 22, 2016 – August 21, 2020
8	Semen Slag Slag Cement	20 Agustus 2018 August 20, 2018	B4T-LSPR B4T-LSPR	SNI 8363:2017	20 Agustus 2018 - 19 Agustus 2022 August 20, 2018 - August 19, 2022

Kompleks Pabrik Palimanan

Palimanan Factory

No	Jenis Semen Cement Type	Tahun perolehan Year of Acquisition	Pemberi sertifikat Issued by	No SNI SNI No	Masa Berlaku Validity
1	Semen Portland Komposit Portland Composite Cement	20 Juni 2006 June 20, 2006	B4T-LSPR B4T-LSPR	SNI 7064:2014	17 Mei 2016 – 16 Mei 2020 May 17, 2016 - May 16, 2020
2	Semen Tipe I OPC Type I	16 Agustus 2006 August 16, 2006	B4T-LSPR B4T-LSPR	SNI 2049:2015	17 Mei 2016 – 16 Mei 2020 May 17, 2016 - May 16, 2020
3	Semen Portland Pozolan Portland Pozzolan Cement	22 Agustus 2016 August 22, 2016	B4T-LSPR B4T-LSPR	SNI 0302:2014	22 Agustus 2016 – 21 Agustus 2020 August 22, 2016 - August 21, 2020

Kompleks Pabrik Tarjun

Tarjun Factory

No	Jenis Semen Cement Type	Tahun perolehan Year of Acquisition	Pemberi sertifikat Issued by	No SNI SNI No	Masa Berlaku Validity
1	Semen Portland Komposit Portland Composite Cement	19 Juni 2006 June 19, 2006	B4T-LSPR B4T-LSPR	SNI 7064:2014	23 Mei 2016 – 22 Mei 2020 May 23, 2016 - May 22, 2020
2	Semen Tipe I OPC Type I	19 Juni 2006 June 19, 2006	B4T-LSPR B4T-LSPR	SNI 2049:2015	23 Mei 2016 – 22 Mei 2020 May 23, 2016 - May 22, 2020

Pengawasan mutu produk dilakukan oleh Bidang Pengawasan Mutu dan Bidang Pemastian Mutu yang bertanggung jawab secara langsung kepada Direksi. Seluruh produk Indocement telah melalui pengujian kualitas, termasuk tinjauan risiko kesehatan dan

Product quality monitoring is performed by the Quality Control and Quality Assurance who are directly responsible to the Directors. All Indocement products have passed through quality assessment, including the health and safety risk. Therefore, any potential recall of products that have



keselamatannya. Dengan demikian, peluang terjadinya penarikan kembali produk yang telah dirilis dapat dicegah sejak dini. Tindakan preventif ini menjadikan Perseroan tidak memiliki catatan pelanggaran maupun peristiwa penarikan produk selama 2018.

been released can be prevented at an early age. This preventive action has resulted in the Company having no record of violations or product recall during 2018.

MENDORONG INOVASI MELALUI ASOSIASI

ENCOURAGING INNOVATION THROUGH ASSOCIATIONS

Perseroan aktif dalam asosiasi Green Product Council Indonesia (GPCI) untuk mendorong inovasi produk berkelanjutan di Indonesia. Asosiasi GPCI didirikan Indocement bersama 18 produsen material bangunan lainnya pada 11 Desember 2015. Melalui *Green Product Rating Tools*, GPCI mengeluarkan label hijau bagi produk yang telah memenuhi kriteria yang dipersyaratkan dan diaudit oleh lembaga audit profesional.

The Company is active in the association of the Green Product Council Indonesia (GPCI) to encourage the sustainable product innovation in Indonesia. The GPCI Association was established by Indocement with 18 other building material producers on December 11, 2015. Through *Green Product Rating Tools*, GPCI issued a green label for products that have met the required criteria and audited by professional audit institutions.

Selain aktif di GPCI, Perseroan juga tercatat sebagai anggota dari sejumlah asosiasi yang relevan dengan bisnisnya. Keanggotaan asosiasi ini merupakan salah satu upaya Perseroan menjalin hubungan yang baik dengan pemangku kepentingan. Manfaat strategis yang diperoleh diantaranya mengetahui perkembangan isu industri semen terkini dan dapat memberikan masukan untuk kepentingan bersama. Selain iuran keanggotaan rutin, selama 2018 tidak ada proyek yang dikerjakan oleh Perseroan bersama dengan asosiasi.

Besides being active in GPCI, the Company is also listed as a member of several associations that are relevant to our business. This association membership is one of the Company efforts to establish good relationships with stakeholders. There are strategic benefits to be obtained, including identifying the latest issues in the cement industry and can provide input for mutual interests. Aside from regular membership dues, during 2018 there were no projects carried out by the Company together with associations.

Nama Asosiasi dan Posisi [102-13]

Association Name and Position

Nama Asosiasi Association	Posisi Position
Nasional National	
Green Product Council Indonesia (GPCI) <i>Green Product Council Indonesia (GPCI)</i>	Pendiri Founder
Asosiasi Semen Indonesia (ASI) <i>Indonesian Cement Association</i>	Anggota Member
Asosiasi Pengusaha Indonesia (Apindo) <i>Indonesian Employers Association</i>	Anggota Member
Asosiasi Emiten Indonesia (AEI) <i>Association of Indonesian Issuers</i>	Anggota Member
Indonesia Corporate Secretary Association (ICSA) <i>Indonesia Corporate Secretary Association (ICSA)</i>	Anggota Member
Kamar Dagang dan Industri Indonesia (Kadin) <i>Indonesian Chamber of Commerce and Industry</i>	Anggota Member
Internasional International	
Cement Sustainability Initiative (CSI) <i>Cement Sustainability Initiative (CSI)</i>	Anggota Member



PROGRAM SALES IS A SCIENCE (SiaS)

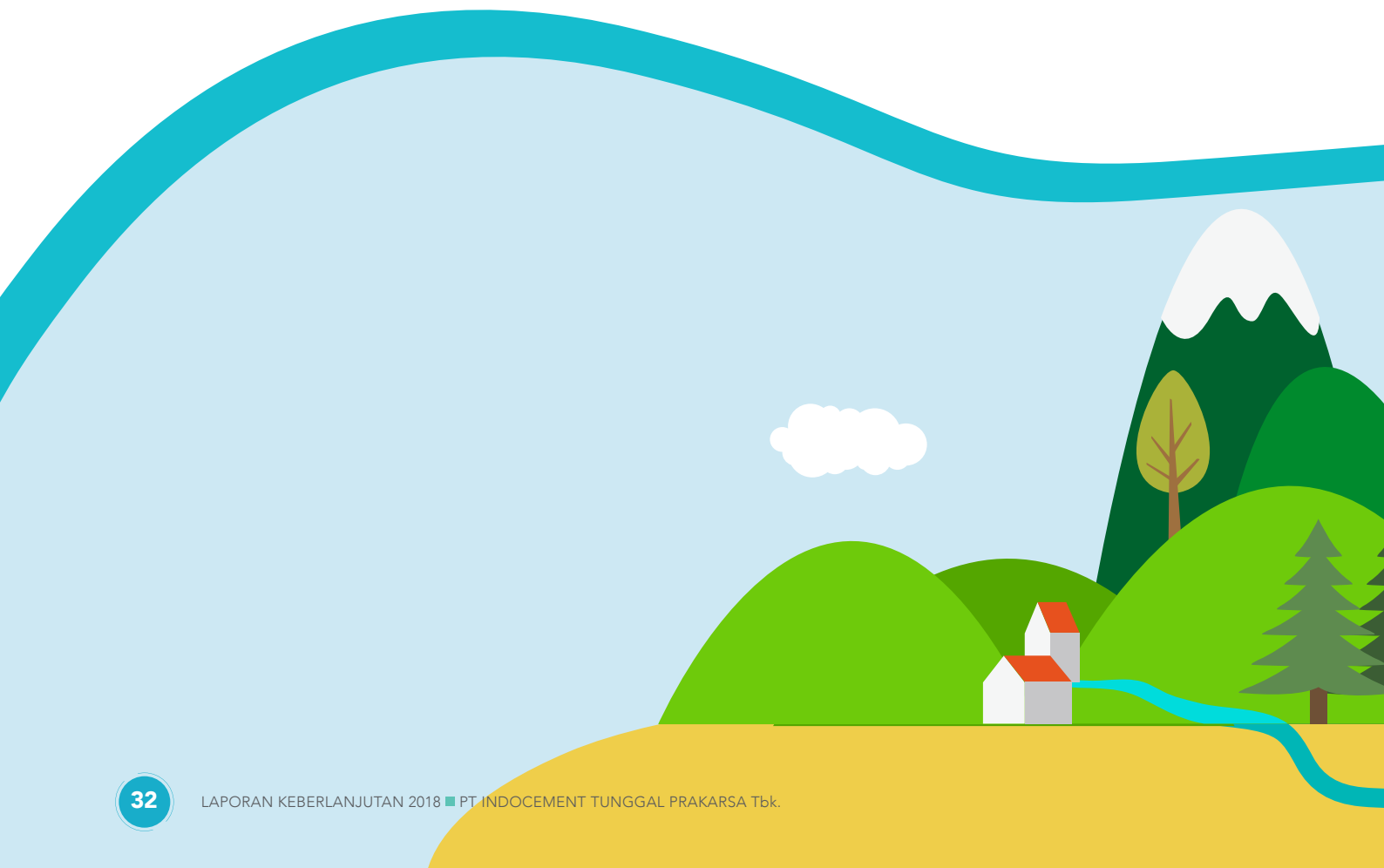
SALES IS A SCIENCE (SiaS) PROGRAM

Perseroan menerapkan program *Sales is a Science* (SiaS) untuk meningkatkan penjualan dan menciptakan nilai bagi pelanggan. SiaS merupakan *platform* penjualan yang menekankan tiga pilar utama yaitu *market knowledge*, *structure selling* dan *capability building*. Agar dapat menjadi lebih dekat dengan pelanggan, penerapan SiaS melibatkan distributor dan tenaga pemasaran (*sales force*). Distributor sebagai mata rantai pemasaran diharapkan dapat berperan aktif melakukan pendekatan kepada *retailer*. Adapun tenaga pemasaran diberikan tanggung jawab menjaga ketersediaan dan *display* produk, serta menjaga hubungan baik dengan pelanggan atau pemilik toko melalui kunjungan dan program promosi lainnya.

Pelaksanaan program SiaS mendapat dukungan penuh Perseroan dengan dilakukan restrukturisasi divisi penjualan secara bertahap untuk meningkatkan fleksibilitas dan kemudahan bergerak dalam memenuhi kebutuhan pelanggan.

The Company implements Sales is a Science (SiaS) program to increase sales and create value for customers. SiaS is a sales platform that focuses on three main pillars, namely market knowledge, structure selling and capability building. In effort to get closer to customers, the implementation of SiaS involves distributors and marketing agents (sales force). Distributors as a marketing chain are expected to play an active role in approaching retailers. The marketing staff is responsible to monitor the availability and display of products, as well as to maintain good relations with customers or shop owners through visits and other promotional programs.

The implementation of the SiaS program received full support from the Company by gradually restructuring the sales division to be more flexible and agile in meeting the customer needs.





SURVEI KEPUASAN PELANGGAN

CUSTOMER SATISFACTION SURVEY

Perseroan melaksanakan survei untuk mengukur tingkat kepuasan pelanggan terhadap layanan yang diberikan. Survei untuk pengguna akhir menggunakan metode *stratified random sampling* yang dilakukan melalui wawancara tatap muka dengan pemilihan responden. Kepuasan pelanggan diukur melalui penilaian 16 atribut, diantaranya kualitas produk, harga, dan distribusi. Indeks survei kepuasan pelanggan (*customer satisfaction index* atau CSI) sepanjang 2018 mencapai 85,55 dari skala 100.

The Company conducts surveys to assess the customer satisfaction level toward the service provided. The survey for end users uses the stratified random sampling method which is conducted through face-to-face interviews with the selection of respondents. Customer satisfaction is measured through an assessment of 16 attributes, including product quality, price, and distribution. The customer satisfaction survey of 2018 reached 85.55 of a 100 scale.

Survei Kepuasan Pelanggan (skala 100)

Customer Satisfaction Survey (scale 100)

Atribut Attribute	2018	2017	2016
Kualitas Produk Product Quality	89,23	85,11	83,81
Harga Price	84,87	82,53	80,64
Distribusi/Kemudahan Diperoleh Distribution/Accessibility	86,29	84,52	83,38
Rerata Average	85,55	82,53	81,18



Mengurangi Jejak Lingkungan Kami

Reducing Our Environmental Footprint





Pengendalian Emisi

[103-1, 103-2, 103]

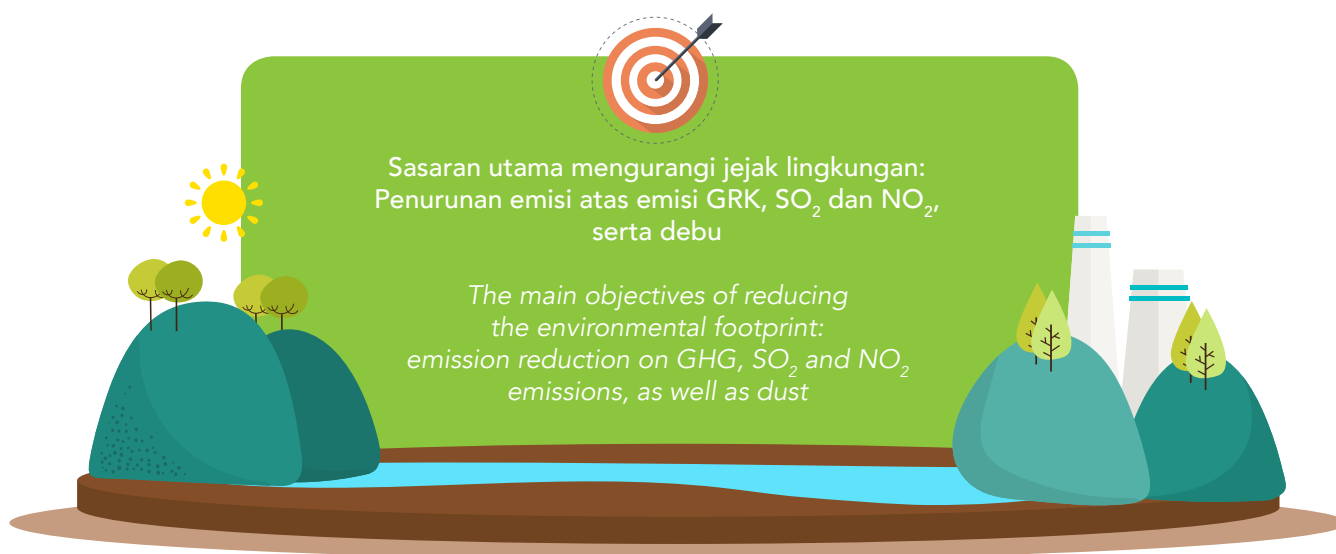
Emission Control

Topik emisi penting karena kegiatan pembakaran pada proses produksi semen menghasilkan emisi debu partikulat maupun emisi gas rumah kaca yang mengakibatkan penurunan kualitas udara. Peluang untuk menurunkan emisi dilakukan melalui beberapa inisiatif, seperti pelaksanaan program *Clean Development Mechanism* (CDM). Keterlibatan Perseroan terhadap pengelolaan dampak yang terjadi dilakukan diantaranya melalui pemasangan alat pengendali emisi dan melakukan pemantauan serta pengukuran secara periodik sesuai peraturan perundangan.

Pengelolaan emisi mengacu pada Perpres Nomor 61 Tahun 2011 tentang Rencana Aksi Nasional Menurunkan Emisi GRK dan Kondisi Operasional Pabrik, Standar ISO 14001:2015, dan Komitmen Keberlanjutan 2030. Kebijakan Perseroan terkait pengelolaan emisi ditetapkan oleh Direktur Utama pada 2 Juni 2017.

The emission topic is important because combustion activities in the cement production process emit particulate dust emissions and greenhouse gas emissions which result in polluting the air quality. Opportunities to reduce emissions are carried out through several initiatives, such as the implementation of the Clean Development Mechanism (CDM) program. The Company's management of the impacts includes installing emission control devices and conducting periodic monitoring and measurement according to the laws and regulations.

Emission management refers to Perpres Number 61 of 2011 concerning National Action Plans to Reduce GHG Emissions and Factory Operational Conditions, ISO 14001: 2015 Standard, and the 2030 Sustainability Commitments. The Company's policy regarding emissions management issued by the President Director on June 2, 2017.





Target 2030 2030 Target	Pencapaian 2018 2018 Achievement
30% pengurangan jejak karbon <i>baseline</i> 1990 30% reduction in carbon footprint with 1990 baseline 40% pengurangan beban emisi SO₂ dan NO₂ <i>baseline</i> 2008 40% reduction in SO₂ and NO₂ emission with 2008 baseline 80% pengurangan emisi debu dengan <i>baseline</i> 2008 80% reduction in dust emissions with 2008 baseline - Pengurangan semua emisi udara di bawah baku mutu industri semen Reduction of air emissions to below the emission standard threshold of cement industry	22% pengurangan jejak karbon <i>baseline</i> 1990 22% reduction in carbon footprint with 1990 baseline - Rata-rata pengukuran beban emisi SO₂ dan NO₂ mencapai 50% di bawah baku mutu Average measurement of SO₂ and NO₂ emissions reach 50% below the quality standard 52% pengurangan emisi debu dengan <i>baseline</i> 2008 52% reduction in dust emissions with 2008 baseline

STRATEGI PERSEROAN MENGENDALIKAN EMISI

THE COMPANY'S STRATEGY TO CONTROL EMISSIONS

Strategi Perseroan meminimalkan dampak negatif emisi antara lain:

- Melakukan identifikasi sumber emisi
- Memasang alat pengendali pencemaran udara *Electrostatic Precipitator* (EP) atau *bag filter* pada setiap cerobong
- Mengalihkan transportasi produk semen dari truk ke kereta api di kompleks pabrik Citeureup dan Palimanan
- Menggunakan bahan baku dan bahan bakar alternatif untuk menurunkan emisi gas rumah kaca (GRK) dalam kerangka program CDM
- Memasang peranti *Flue Gas Desulfurization* untuk menurunkan kadar SO₂ pada pembangkit listrik bersumber batu bara

Indocement memiliki sasaran utama dalam pengelolaan emisi, yaitu memenuhi baku mutu Indocement yang disusun berdasarkan Komitmen Keberlanjutan 2030 dan peraturan di industri, serta telah menetapkan target yang terdiri dari beberapa parameter. Para *general manager operation* dan *plant manager* bertanggung jawab dalam pengoperasian pabrik sehingga emisi udara dalam kondisi terkendali. Pada 2018, realisasi biaya pengelolaan dan pemantauan lingkungan mencapai Rp17,1 miliar.

The Company's strategy to minimize negative impacts of emissions includes:

- Identifying emission sources
- Installing the air pollution control device *Electrostatic Precipitator* (EP) or filter bag on each chimney
- Switching cement transportation from trucks to trains in Citeureup and Palimanan factories
- Utilizing alternative materials and alternative fuels to reduce greenhouse gas (GHG) emissions within the framework of the CDM program
- Installing *Flue Gas Desulfurization* devices to reduce SO₂ levels in coal-fired power plants

Indocement has a main objective in managing emissions, which is to meet Indocement's quality standards compiled based on 2030 Sustainability Commitmentss and regulation in cement industry, and has set targets that consist of several parameters. The general managers operation and plant managers are responsible for operating the plants so that the air emissions are under controlled. In 2018, the realization of environmental management and monitoring costs reached Rp17.1 billion.

Pemantauan Emisi 2018

Emission Monitoring of 2018

Parameter Parameter	Baku Mutu Indocement Indocement Quality Standard	Pengukuran 2018 Monitoring of 2018
Kiln Dust Emission	60 mg/Nm ³	21,12 mg/Nm ³
Duration out of range	5%	1,25%
SO ₂	630 mg/Nm ³	235,94 mg/Nm ³
NO ₂	750 mg/Nm ³	258,97 mg/Nm ³



Metode Pemantauan Emisi Internal

Internal Emission Monitoring Method

Jenis emisi Type of emission	Metode Pemantauan Monitoring Method
Debu Dust	- Alat pemantauan <i>Continuous Particulate Monitoring (CPM)</i> <i>Continuous Particulate Monitoring (CPM) device</i> - Pengamatan secara visual melalui kamera CCTV <i>Visual observation through CCTV cameras</i> - Pemantauan <i>grab sampling</i> menggunakan metode <i>gravimetric & isokinetic</i> <i>Grab sampling monitoring with gravimetric & isokinetic methods</i>
SO ₂ dan NO ₂ SO ₂ and NO ₂	Alat pemantauan <i>Continuous Gas Monitoring (CGM)</i> <i>Continuous Gas Monitoring (CGM) device</i>
CO ₂	Perhitungan GRK meliputi gas CO ₂ , CH ₄ , N ₂ O, HFCs, SF ₆ , NF ₃ . Berdasarkan standar Cement CO ₂ dan Energy Protocol version 3.1 dari World Business Council Sustainable Development (WBCSD). GHG calculations include CO ₂ , CH ₄ , N ₂ O, HFCs, SF ₆ , NF ₃ . Based on the Standard of Cement CO ₂ and Energy Protocol version 3.1 of the World Business Council Sustainable Development (WBCSD).
Kebisingan Noise	Pengukuran dengan <i>sound level meter (SLM)</i> <i>Measurement with sound level meter (SLM)</i>

Sementara pemantauan oleh pihak eksternal juga dilakukan oleh Kementerian Lingkungan Hidup dan Kehutanan (KLHK) melalui *Continuous Emission Monitoring (CEM)* secara *online* di Plant 14, Kompleks Pabrik Citeureup dan UNFCCC melalui verifikasi pengurangan emisi pada periode tertentu.

Meanwhile monitoring by external parties was also conducted by the Ministry of Environment and Forestry through Continuous Emission Monitoring (CEM) online at Plant 14, Citeureup Factory and by UNFCCC through verification of emission reductions at certain periods.

PENGURANGAN EMISI DEBU

REDUCTION OF DUST EMISSIONS

Perseroan berupaya mengurangi rata-rata emisi debu yang timbul dari proses pabrikasi dan *belt conveyor* dengan selalu memastikan kegiatan operasi melakukan perawatan secara rutin dan berjalan normal standar prosedur operasi (SOP). Perseroan juga melakukan pemasangan *bag filter* di seluruh pabrik secara bertahap sejak 2015 untuk mengurangi emisi debu dari proses pabrikasi. Hingga 2018, terdapat lima pabrik yang telah dilengkapi *bag filter* yaitu di Plant 4, Plant 8, Plant 14 di Kompleks Pabrik Citeureup serta Plant 9 dan Plant 10 di Kompleks Pabrik Palimanan. Pemasangan *bag filter* di Plant 12 Kompleks Pabrik Tarjun direncanakan akan dilaksanakan pada 2019.

The Company strives to reduce the average dust emissions arising from manufacturing processes and conveyor belts by keep ensuring our activities maintained through routine maintenance and operated in accordance with the Standard Operating Procedure (SOP). The Company has also been gradually installing bag filters throughout the plant since 2015 to reduce dust emissions from the manufacturing process. Until 2018, there are five plants have been equipped with filter bags which can be found in Plant 4, Plant 8, Plant 14 in Citeureup Factory as well as Plant 9 and Plant 10 in Palimanan Factory. Installation of filter bags in Plant 12 of the Tarjun Factory is also planned to be installed in 2019.

Pemasangan *bag filter* berkontribusi terhadap pengurangan emisi debu sebesar 52,25% dengan *baseline* 2015 dan melampaui yang ditargetkan dalam Komitmen Keberlanjutan 80% pada 2030. Pemasangan bag filter juga lebih efektif menangkap emisi debu dibandingkan *electrostatic precipitator (EP)* dengan menurunkan besaran emisi debu di 9,3 mg/Nm³ yang lebih rendah 83% dari

Bag filter installation contributes to the reduction of dust emissions by 52.25% with the 2015 baseline and exceed from the target of 80% set by 2030 Sustainability Commitments. Bag filter itself is also more effective at capturing dust emissions than electrostatic precipitators (EP) by reducing the amount of dust emissions into 9.3 mg/Nm³, which is 83% lower than EP device of

penggunaan EP sebesar 53,7 mg/Nm³ dan berada jauh dibawah baku mutu emisi industri semen 70 mg/Nm³.

Selain pemasangan *bag filter*, Perseroan menerapkan proses *negative pressure* untuk mencegah debu keluar dari proses. Pengendalian debu juga dilakukan melalui penanaman pohon di sekitar lingkungan pabrik. Keberadaan pohon-pohon ini berfungsi sebagai *windbreaker* atau *shelterbelt* yang membantu penyerapan CO₂, suplai oksigen, dan menurunkan temperatur udara.

53.7 mg/Nm³ and far below the cement industry emission quality standard of 70 mg/Nm³.

In addition to bag filter installation, the Company applies a negative pressure process to prevent dust from leaving the process. Dust control is also achieved through tree planting around the factory environment. The planting of these trees serves as a windbreaker or shelterbelt. They are helping to absorb CO₂, supply oxygen, and lower air temperature.

PENGENDALIAN EMISI NO₂ DAN SO₂ MANAGEMENT OF NO₂ AND SO₂ EMISSIONS

Perseroan berupaya mengendalikan emisi NO₂ dan SO₂ yang berpotensi menimbulkan pencemaran lingkungan melalui pemasangan *gas cooling tower*. Alat ini berfungsi menurunkan temperatur gas dan sebagai "*scrubber*" pengikat gas sebelum gas tersebut masuk ke alat penangkap debu.

Pada 2018, Perseroan melanjutkan inisiatif pemasangan *Flue Gas Desulfurization* (FGD) pada pembangkit listrik 55 MW bersumber batu bara di Kompleks Pabrik Tarjun. Pemasangan FGD dan upaya pengelolaan emisi yang berjalan berhasil mendukung penurunan NO₂ dan SO₂.

The Company strives to control NO₂ and SO₂ emissions that have the potential to cause environmental pollution through the installation of gas cooling tower. Gas cooling tower serves to lower the gas temperature and as a gas-binding "*scrubber*" before the gas enters the dust collector.

In 2018, the Company continued the initiative to install Flue Gas Desulfurization (FGD) at coal-fired power plant of 55 MW in the Tarjun Factory. The installation of FGD and ongoing emission management efforts have supported the reduction of NO₂ and SO₂.

Pemantauan Emisi NO₂, SO₂, dan Partikulat [305-7]

Monitoring of NO₂, SO₂, and Particulate Emissions [305-7]

Kompleks Pabrik Factory	Parameter Parameter	Satuan Unit	Baku Mutu Quality Standard			Nilai Tertinggi Highest Level		
			A	B	C	2018	2017	2016
Citeureup	NO ₂	mg/m ³	800	800	800	531,3	390,4	556,4
	SO ₂		650	650	650	565,6	348,3	365,8
	Partikulat Particulate		75	70	60	39,6	60,3	56,4
Palimanan	NO ₂	mg/m ³	800	800	800	434,3	468,1	556,4
	SO ₂		650	650	650	454,0	421,0	365,8
	Partikulat Particulate		75	70	60	21,7	61,8	56,4
Tarjun	NO ₂	mg/m ³	800	800	800	315,57	267,55	96,12
	SO ₂		650	650	650	318,9	242,29	219,86
	Partikulat Particulate		75	70	60	50,04	46,3	35,4

Keterangan Baku Mutu Emisi / Notes of Emissions Quality Standard:

A. Bagi Industri semen beroperasi sebelum tahun 1990 / For Cement industry operated before 1990

B. Bagi Industri semen beroperasi tahun 1990 sampai dengan 2013 / For Cement industry operated in 1990–2013

C. Bagi Industri semen mulai beroperasi tahun 2014 / For Cement industry start operating in 2014



PENGURANGAN EMISI GRK

GHG EMISSION REDUCTION

Sejak 2005, Indocement menjalankan program *Clean Development Mechanism* (CDM) yang diverifikasi UNFCCC dan terdiri dari dua program utama yaitu proyek bahan bakar alternatif dan pencampuran bahan semen. Kedua proyek ini mendapat pengakuan dari UNFCCC berupa *certified of emission reduction* (CER) yang memiliki nilai keuangan. Penerbitan nilai CER terakhir telah diperoleh di 2017 dengan proses penjualan yang masih berlangsung hingga 2018.

Since 2005, Indocement has carried out the Clean Development Mechanism (CDM) program which was verified by the UNFCCC and consists of two projects, alternative fuel projects and mixed cement project. Both of these projects received acknowledgment from the UNFCCC in the form of a certificate of emission reduction (CER) that has financial value. The issuance of the last CER has been obtained in 2017 and remain on sale process up to 2018.



Indocement tercatat sebagai perusahaan pertama di Indonesia yang menerima pembayaran CER dari Bank Dunia atas pelaksanaan proyek bahan bakar alternatif di 2008.

Indocement listed as the first company in Indonesia to receive CER payments from the World Bank in 2008 for implementing alternative fuel projects.

Pengurangan emisi melalui proyek bahan bakar alternatif dihitung dari pemanfaatan biomassa yang merupakan CO₂-neutral untuk proses pembakaran di *kiln*. Biomassa yang digunakan antara lain sekam padi, cangkang kelapa sawit, dan serbuk gergaji.

Emission reduction through alternative fuel projects is calculated from the utilization of biomass which is CO₂-neutral for the combustion process in *kiln*. Biomass used includes rice husks, palm shells, and sawdust.

Verifikasi UNFCCC terhadap proyek bahan bakar alternatif dilakukan sejak 2005 hingga 2011 dengan hasil reduksi emisi yang diverifikasi sebesar 383.608 ton CO₂eq. Penetapan *baseline* 2005 didasari ketentuan Protokol Kyoto dengan perhitungan emisi karbon yang mengacu pada metode yang disetujui oleh UNFCCC, yaitu ACM 0003-Version 04, 28 Juli 2006.

The UNFCCC verification of alternative fuels project was conducted from 2005 to 2011 with verified emission reduction amounting to 383,608 tons of CO₂eq. The baseline of 2005 was determined based on the provisions of the Kyoto Protocol with carbon emissions calculations refers to the method approved by the UNFCCC, ACM 0003-Version 04, July 28 of 2006.

Verifikasi Reduksi Emisi Penggunaan Bahan Bakar Alternatif [305-5]

Verification of Alternative Fuels Emission Reduction [305-5]

Verifikasi Verification		Penerbitan CER Oleh UNFCCC CER Issued by UNFCCC	Periode Pembayaran dari Bank Dunia Payment Period from World Bank	Nilai CER (Dolar AS) CER Value (US Dollar)
Periode Period	Reduksi Emisi Emission Reduction (ton CO ₂ eq)			
1 Januari 2005–31 Oktober 2006 January 1, 2005–October 31, 2006	17.635	24 Desember 2007 December 24, 2007	Juni 2008 June 2008	40.303
1 November 2006–31 Juli 2007 November 1, 2006–July 31, 2007	63.332	25 Desember 2007 December 25, 2007		
1 Agustus 2007–31 Desember 2010 August 1, 2007–December 31, 2010	289.405	10 Desember 2012 December 10, 2012	Maret 2013 March 2013	1.287.852
1 Januari 2011–31 Desember 2011 January 1, 2011–December 31, 2011	13.236	29 September 2016 September 29, 2016	Dalam proses penjualan On Sale Process	
Total	383.608			1.328.155

Pada proyek semen campur, penurunan emisi CO₂ dilakukan dengan mencampur bahan baku alternatif dan mensubstitusi kandungan klinker dalam produk semen tanpa mengurangi kualitas yang dihasilkan. Hal ini dilakukan dengan memanfaatkan bahan baku alternatif yang dicampurkan melalui *raw mill* dan *cement mill* seperti *copper slag*, *bottom ash*, *fly-ash*, dan *granulated blast furnace slag*. Inisiatif ini tidak hanya mereduksi emisi, tetapi juga mengurangi volume limbah, termasuk limbah berbahaya dan beracun (B3).

In blended cement project, the CO₂ reduction emissions is carried out by mixing alternative raw materials and substituting the clinker content in cement product without reducing the quality produced. This process is achieved by feeding alternative raw materials through raw mills & cement mills such as copper slag, bottom ash, fly-ash and granulated blast furnace slag. This initiative not only contribute to emission reduction, but also waste reduction, including hazardous and toxic waste.

Verifikasi UNFCCC terhadap proyek semen campur dilakukan sejak 2005 hingga 2014 dengan nilai reduksi emisi yang diverifikasi sebesar 8,16 juta ton CO₂eq. Metode pengurangan emisi mengacu pada standar UNFCCC yaitu ACM 0005-Version 03, 19 Mei 2006. Rujukan penerapan sumber faktor emisi dan nilai potensi pemanasan global (*Global Warming Potential/GWP*) menggunakan panduan dokumen UNFCCC. Semua perhitungan untuk emisi dipantau dalam kegiatan operasional yang terpadu.

The UNFCCC verification of blended cement projects was carried out from 2005 to 2014 with verified emission reduction amounting to 8.16 million tons of CO₂eq. Emission reduction methods refer to UNFCCC standard, ACM 0005-Version 03, May 19, 2006. Reference to the application of sources of emission factors and global warming potential (GWP) method refers to the UNFCCC document guidelines. All calculations for emissions are monitored in integrated operational activities

Verifikasi Reduksi Emisi Kegiatan Semen Campur [305-5]

Verification of Blended Cement Emission Reduction [305-5]

Verifikasi Verification		Penerbitan CER oleh UNFCCC CER Issued by UNFCCC	Periode Pembayaran dari Bank Dunia Payment Period from World Bank	Nilai CER (Dolar AS) CER Value (US Dollar)
Periode Period	Reduksi Emisi Emission Reduction (ton CO ₂ eq)			
1 Januari 2005–31 Oktober 2006 January 1, 2005–October 31, 2006	93.973	18 April 2011 April 18, 2011	September 2011 September 2011	363.180
1 November 2006–31 Juli 2007 November 1, 2006–July 31, 2007	239.103	22 Desember 2011 December 22, 2011	April 2012 April 2012	1.064.008
1 Agustus 2007–31 Desember 2008 August 1, 2007–December 31, 2008	836.721	25 Juli 2014 July 25, 2014	September 2014 September 2014	3.723.408
1 Januari 2009–31 Desember 2009 January 1, 2009–December 31, 2009	764.474	5 September 2014 September 5, 2014	Januari 2015 January 2015	3.401.909
1 Januari 2010–31 Desember 2010 January 1, 2010–December 31, 2010	120.035	26 Mei 2015 May 26, 2015	Juli 2015 July 2015	393.905



Verifikasi Verification		Penerbitan CER oleh UNFCCC CER Issued by UNFCCC	Periode Pembayaran dari Bank Dunia Payment Period from World Bank	Nilai CER (Dolar AS) CER Value (US Dollar)
Periode Period	Reduksi Emisi Emission Reduction (ton CO ₂ eq)			
1 Januari 2011–31 Desember 2012 January 1, 2011–December 31, 2012	2.649.682	1 Juni 2016 June 1, 2016	Dalam proses penjualan On Sale Process	
1 Januari 2013–31 Desember 2014 January 1, 2013–December 31, 2014	3.457.841	15 Juni 2017 June 15, 2017	Dalam proses penjualan On Sale Process	
Total	8.161.829			8.946.410

PENGURANGAN EMISI DARI PENDISTRIBUSIAN SEMEN

EMISSION REDUCTION FROM CEMENT DISTRIBUTION

Pengurangan emisi pada proses pendistribusian semen dilakukan dengan mengalihkan sebagian moda transportasi dari truk ke kereta api. Pendistribusian semen dari Kompleks Pabrik Citeureup dan Palimanan melalui tiga stasiun bongkar muat: Stasiun Nambo, Bogor; Stasiun Tanjung Priok, Jakarta; dan Stasiun Arjawinangun, Cirebon. Intensitas emisi CO₂ penggunaan kereta api 4,2 kg CO₂ eq/ton semen, lebih rendah 89% dibandingkan penggunaan truk 41 kg CO₂ eq/ton semen.

Emission reduction in the cement distribution is carried out by switching a part of transportation mode from truck to train. Distribution of cement from the Citeureup and Palimanan Factories are delivered via three loading stations of Nambo Station in Bogor, Tanjung Priok Station in Jakarta, and Arjawinangun Station in Cirebon. The CO₂ emission intensity by train was 4.2 kg CO₂ eq/tons of cement, 89% lower than by truck of 41 kg CO₂ eq/tons of cement.



PEMANTAUAN EMISI GRK [305-4]

GHG EMISSION MONITORING

Sumber emisi yang dapat dikendalikan langsung (cakupan 1) oleh Perseroan berasal dari proses pembakaran dalam *kiln* untuk mempertahankan suhu, dekarbonasi batu kapur dalam *kiln*, dan pembangkit listrik. Sumber emisi tidak langsung berasal dari konsumsi energi yang dibeli dari PLN (cakupan 2). Perseroan belum menghitung emisi tidak langsung lainnya (cakupan 3) yang bersumber dari konsumsi energi *downstream*.

Perhitungan emisi gas rumah kaca (GRK) dilakukan di seluruh wilayah operasi setiap bulan. Gas-gas yang termasuk dalam perhitungan emisi antara lain CO₂, CH₄, N₂O, HFCs, SF₆, NF₃. Perhitungan emisi CO₂ mengacu standar *Cement CO₂ & Energy Protocol version 3.1* dari *World Business Council Sustainable Development* (WBCSD).

The source of emissions that can be controlled directly (scope 1) by the Company comes from the combustion process in the kiln to maintain temperature, decarbonation of limestone in kilns, and power plants. The source of indirect emissions comes from energy consumption purchased from PLN (scope 2). The Company has not calculated other indirect emissions (scope 3) which are sourced from downstream energy consumption.

Calculation of greenhouse gas (GHG) emissions is carried out in all operational areas every month. The gases included in the calculation of emissions include CO₂, CH₄, N₂O, HFCs, SF₆, NF₃. Calculation of CO₂ emissions refers to the standard of *Cement CO₂ & Energy Protocol version 3.1* from World Business Council Sustainable Development (WBCSD).

Intensitas Emisi GRK (ton CO₂eq/ton klinker) [305-4]

GHG Emission Intensity (ton CO₂eq/ton clinker) [305-4]

Kompleks Pabrik Factory	Tahun Year		
	2018	2017	2016
Intensitas Emisi Bruto GRK (cakupan 1) <i>Direct GHG Gross Emission Intensity (scope 1)</i>			
Citeureup	0,6	0,7	0,7
Palimanan	0,6	0,6	0,6
Tarjun	0,6	0,6	0,6
Intensitas Emisi GRK Langsung <i>Direct GHG Emission Intensity</i>	0,6	0,65	0,7
Intensitas Emisi Bruto GRK Tidak Langsung (cakupan 2) <i>Indirect GHG Gross Emission Intensity (scope 2)</i>			
Citeureup	0,06	0,06	0,06
Palimanan	0,09	0,11	0,09
Tarjun	0	0	0
Intensitas Emisi GRK Tidak Langsung <i>Indirect GHG Emissions Intensity</i>	0,06	0,06	0,06
Total Intensitas Emisi GRK <i>Total GHG Emissions Intensity</i>	0,69	0,71	0,76
Produksi klinker (ton) <i>Clinker Production (tons)</i>	14.352.625	13.701.315	13.101.369
Emisi GRK yang dihasilkan (ton CO₂eq) <i>GHG emissions generated (tons CO₂eq)</i>	13.354.924	12.783.265	12.035.119

Keterangan/Notes:

- Perseroan belum menghitung emisi tidak langsung lainnya (cakupan 3) yang bersumber dari konsumsi energi *downstream*.
The Company has not calculated other indirect emissions (scope 3) sourced from downstream energy consumption.
- Perhitungan tidak termasuk perdagangan GRK, seperti pembelian, penjualan, pengalihan *offset* dan pertukaran.
The calculation does not include GHG trading, such as purchase, sale, offset and exchange.



PROGRAM KONSERVASI PENDENGARAN

HEARING CONSERVATION PROGRAM

Program konservasi pendengaran di area operasi Indocement meliputi, pengukuran tingkat kebisingan dengan *sound level meter*, analisis kebisingan, pengendalian teknis, administratif, pemeriksaan audiometri, pelatihan terkait kebisingan, dan alat pelindung diri, seperti *ear plug* dan *ear muff*.

Di luar wilayah pabrik, pengendalian tingkat kebisingan suara *conveyor* yang melintas dari *quarry D* menuju Kompleks Pabrik Citeureup dilakukan melalui pemasangan *low-noise rollers belt conveyor*. *Low noise rollers belt conveyor* menggunakan jenis *rollers* berbahan *Ultra High Molecular Weight-Polyethylene (UHMS-Pe)* yang menghasilkan tingkat kebisingan rata-rata 6% lebih rendah dari penggunaan *rollers* konvensional. Di 2018 seluruh *belt conveyor* telah dilengkapi oleh *low-noise rollers* dengan jumlah terpasang 25.779 roda atau *rollers*.

The hearing conservation program in the Indocement operation area includes noise level measurement with sound level meters, noise analysis, technical controls, administrative, audiometric inspection, noise training, and personal protective equipment, such as ear plugs and ear muffs.

Outside the plant area, management of noise level sourced from the conveyor sound passing from quarry D to the Citeureup Factory is controlled through low-noise conveyor belt rollers. Low noise belt conveyor rollers use rollers made from Ultra High Molecular Weight-Polyethylene (UHMS-Pe) which produce an average noise level of 6% installed lower than conventional rollers. In 2018 all conveyor belts are equipped with low-noise rollers were 25,779 rollers.

Rata-rata Tingkat Kebisingan di Kompleks Pabrik

Average Level of Noise in Factory

Ambang Batas (dBA)* Threshold (dBA)*	Kompleks Pabrik Factory								
	Citeureup			Palimanan			Tarjun		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
85	82,7	81,6	83,6	81,0	84	82	78,0	75,0	65,72

*Perhitungan berdasarkan Keputusan Menteri Tenaga Kerja dan Transmigrasi Republik Indonesia Nomor 13/MEN/X/2011
Calculation based on Republic Indonesia Minister of Manpower and Transmigration Decree Number 13/MEN/X/2011.





Perlindungan Keanekaragaman Hayati

[103-1, 103-2, 103-3]

Preservation of Biodiversity

Keanekaragaman hayati memiliki fungsi yang signifikan dalam penyediaan air dan udara bersih bagi lingkungan, karyawan, dan masyarakat sekitar. Oleh karena itu, topik keanekaragaman hayati penting disampaikan dalam laporan ini untuk menggambarkan keterlibatan Perseroan dalam melestarikan keanekaragaman hayati. Keterlibatan ini merupakan salah satu bentuk tanggung jawab Perseroan untuk mengurangi dampak negatif yang terjadi dari kegiatan operasi tambang batu kapur. Selain itu, Perseroan juga berusaha untuk meningkatkan nilai indeks keanekaragaman hayati.

Biodiversity has a significant responsibility in providing clean water and air for the environment, our employees, and the surrounding community. Therefore, biodiversity topics are considered important to be disclosed in this report to illustrate the Company's involvement in preserving biodiversity. This involvement is one forms of the Company's responsibility to reduce the negative impacts that occur from limestone mining operations. In addition, the Company also aims to increase the biodiversity index value.



Sasaran utama mengurangi jejak lingkungan:
Perlindungan keanekaragaman hayati melalui
tata guna lahan sesuai peraturan

*The main objectives of reducing the environmental footprint:
Biodiversity preservation through land use management in
accordance to the regulation*

Target 2030 2030 Target	Pencapaian 2018 2018 Achievement
- Reklamasi lahan pascatambang sesuai dengan rencana penutupan tambang yang disetujui Pemerintah. <i>Post-mining land reclamation in accordance with mine closure plan approved by the Government.</i> - Meningkatkan Keanekaragaman Hayati <i>Improved Biodiversity</i>	Akumulasi luasan lahan reklamasi: <i>Reclamation area accumulation:</i> - Citeureup: 70 ha - Palimanan: 5,1 ha - Tarjun: 5,5 ha Akumulasi penanaman pohon: <i>Trees planting accumulation:</i> - Citeureup: 20.154 pohon/trees - Palimanan: 1.300 pohon/trees - Tarjun: 3.440 pohon/trees



Pengelolaan keanekaragaman hayati mengacu pada Permen ESDM Nomor 26 Tahun 2018 dan Permen ESDM Nomor 7 Tahun 2014. Selain itu, pengelolaan berpedoman pada Komitmen Keberlanjutan 2030 dan sejumlah dokumen lingkungan, seperti AMDAL, RKL/RPL, RKAB, dan Dokumen Rencana Reklamasi. Ketentuan terkait tata guna lahan dan keanekaragaman hayati tertuang dalam Kebijakan Perseroan tertanggal 5 Juli 2017. Pengelolaan keanekaragaman hayati juga mencakup sosialisasi kesadaran perlindungan keanekaragaman hayati bagi masyarakat lokal.

Strategi Perseroan meminimalkan dampak negatif kegiatan operasi terhadap keanekaragaman hayati tertuang dalam Rencana Strategis periode 2017–2021 melalui program yang terbagi dalam dua jenis kegiatan, yaitu penanaman dan non-penanaman. Perseroan menjalankan kegiatan penanaman, antara lain penanaman pohon di kawasan *buffer zone* dan pohon multi-spesies di lahan pascatambang kuari batu kapur, budidaya spesies pohon lokal. Adapun kegiatan non-penanaman, antara lain pelatihan keanekaragaman hayati untuk praktisi non-biologi, seperti *Quarry Open Day*.

Biodiversity management refers to Government Regulation of MEMR Number 26 of 2018 and MEMR Number 7 of 2014. In addition, the biodiversity management is implemented based on the 2030 Sustainability Commitments and a number of environmental documents, such as EIA & EMP, WP&B, and Reclamation Plan Documents. Provision regarding land use and biodiversity is set forth in Company Policy dated July 5, 2017. Biodiversity management also includes building awareness of biodiversity protection for local communities.

The Company's strategy to minimize the negative impacts of operations on biodiversity is set forth in the Strategic Plan for the period 2017–2021 through programs that are divided into two types of activities, namely planting and non-planting. The Company carries out planting activities, including tree planting in the buffer zone and multi-species trees on post-quarry limestone land, as well as local tree species. Non-planting activities include biodiversity training for non-biological practitioners, such as *Quarry Open Day*.

Target dan Baseline Lahan Reklamasi

Land Reclamation Target and Baseline

Kinerja reklamasi Reclamation activity	Target 2021	Baseline 2017
Kegiatan reklamasi lahan pascatambang dan <i>buffer zone</i> Reclamation activities of post-mining land and buffer zone	95%	77,7%
Peruntukan lahan konservasi untuk perlindungan keanekaragaman hayati Allocation of land conservation for biodiversity protection	75%	58%
Nilai indeks keanekaragaman hayati (indeks Shannon-Wiener) Biodiversity value index (Shannon-Wiener index)	2,50	2,23

Pemantauan dan evaluasi pengelolaan keanekaragaman hayati dilakukan oleh pihak internal dan pihak eksternal. Pemantauan internal dilakukan *Mining Division* yang bertanggung jawab melaporkan hasil kinerja kepada Direksi. Pemantauan eksternal dilakukan oleh Dinas Lingkungan Hidup melalui laporan kinerja keanekaragaman hayati setiap tahun dan oleh KLHK melalui Laporan RKL/RPL dan partisipasi dalam Program Penilaian Kinerja PROPER tahunan. Di 2018 Kompleks Pabrik Citeureup dan Palimanan berhasil meraih peringkat Hijau. Secara umum hasil evaluasi 2018 merekomendasikan Indocement untuk melakukan penyesuaian pemantauan agar sasaran dan target kuantitatif yang telah ditetapkan dapat tercapai.

Monitoring and evaluation of biodiversity management is carried out by internal parties and external parties. Internal Monitoring is carried out by the Mining Division who are responsible for reporting its performance to Directors. Meanwhile external monitoring is performed by environmental agency based on biodiversity management report and by Ministry of Environment and Forestry (MEMR) based on EIA & EMP report and participation of annual PROPER environmental assessment program. In 2018, Citeureup and Palimanan Factories achieved Green Rating for PROPER. In general, the 2018 evaluation results recommend Indocement to make monitoring adjustments so that the quantitative targets and objective that have been set can be achieved.



QUARRY OPEN DAY

Perseroan membuka kuari batu kapur di Kompleks Pabrik Citeureup sebagai wujud komitmen membangun kesadaran pengelolaan perlindungan keanekaragaman hayati kepada masyarakat. Pengunjung dapat melihat secara langsung pengelolaan keanekaragaman hayati yang telah dilakukan Perseroan di area reklamasi lahan pascatambang, area kolam pengendapan, dan kebun budidaya. Melalui kegiatan ini, masyarakat dapat berperan aktif dalam pengelolaan keanekaragaman hayati.

The Company opened the limestone quarry in the Citeureup Factory as a form of commitment to build awareness of biodiversity protection for the community. Visitors can witness at first hand the biodiversity management that has been carried out by the Company in the post-mining reclamation area, settling pond area, and cultivation gardens. Through this activity, the community can play an active role in managing biodiversity.

KONSERVASI DAN PERLINDUNGAN SATWA LANGKA

CONSERVATION AND PROTECTION OF ENDANGERED SPECIES

Perseroan secara aktif melakukan pengelolaan keanekaragaman hayati di seluruh area operasi dengan memerhatikan status yang telah ditetapkan sebagai kawasan konservasi. Luas area tambang di Kompleks Pabrik Citeureup mencapai 53,9 km² yang didalamnya terdapat 2,5 km² kawasan konservasi dengan keunikan goa sarang burung walet dan mata air Cikukulu.

Sementara di 3,5 km² wilayah tambang Kompleks Pabrik Palimanan, Perseroan menetapkan 0,5 km² sebagai kawasan konservasi keanekaragaman hayati dan hutan penelitian Gunung Blindis. Selain itu, Perseroan juga menetapkan 0,2 km² di wilayah tambang tersebut sebagai kawasan konservasi air permukaan dan menjadi wilayah studi percontohan proyek QLA.

Berbeda halnya dengan Kompleks Pabrik Tarjun dengan luas wilayah tambang mencapai 31,5 hektar diidentifikasi tidak adanya area dilindungi dan tidak ada keanekaragaman hayati yang dinilai tinggi. Namun demikian, Perseroan menyediakan tujuh hektar area penangkaran eks-situ dengan mengkonversi hutan produksi berdasarkan

The Company actively manages biodiversity in all operational areas by taking into account areas designated for conservation. The mining area at the Citeureup Factory covers 53.9 km², which includes 2.5 km² of conservation areas, with the unique swiftlet nesting caves and Cikukulu water springs.

While from the 3.5 km² Palimanan Factory mining area, the Company has set aside 0.5 km² as a biodiversity conservation area, and the Gunung Blindis research forest. In addition, the Company has also established 0.2 km² of the mining area as a surface water conservation area, as a pilot study area for the QLA project.

On the other hand, the Tarjun Factory with a mining area of 31.5 hectares has no protected areas with high biodiversity. Nevertheless, the Company has set aside seven hectares of ex-captive areas by converting them to production forests under the Forestry Ministerial Decree Number 478/Kpts-II/1999, and has established



Surat Keputusan Menteri Kehutanan (SK Menhut) Nomor 478/Kpts-II/1999 dan mendirikan Indocement Wildlife Education Center (IWEC). Pengelolaan area konservasi melibatkan Badan Konservasi dan Sumber Daya Alam (BKSDA) Kabupaten Kotabaru dengan realisasi biaya pelestarian ketiga jenis satwa langka mencapai Rp287,8 juta per tahun.

Indocement's Wildlife Education Center (IWEC). The management of the conservation involved the Conservation and Natural Resources Agency (BKSDA) of Kotabaru Regency with the realization of the preservation cost of the three species endangered species reached Rp287.8 million per year.

Nama dan Status Perlindungan Fauna berdasarkan Union for Conservation of Nature (IUCN) [304-4]

Name and Status of Fauna Protection under the Union for Conservation of Nature (IUCN) [304-4]

Kompleks Pabrik Citeureup Bogor, Jawa Barat <i>Citeureup Factory, Bogor, West Java</i>		Kompleks Pabrik Palimanan Cirebon, Jawa Barat <i>Palimanan Factory, Cirebon, West Java</i>		Kompleks Pabrik Tarjun Kotabaru, Kalimantan Selatan <i>Tarjun Factory, Kotabaru, East Kalimantan</i>	
Nama Spesies <i>Species Name</i>	Status IUCN <i>IUCN Status</i>	Nama Spesies <i>Species Name</i>	Status IUCN <i>IUCN Status</i>	Nama Spesies <i>Species Name</i>	Status IUCN <i>IUCN Status</i>
Cekakak Jawa (<i>Halcyon cyanoventris</i>)	Risiko Rendah <i>Least Concern</i>	Elang Ular Bido (<i>Spilornis cheela</i>)	Risiko Rendah <i>Least Concern</i>	Uwa-Uwa (<i>Hylobates muelleri</i>)	Terancam <i>Endangered</i>
Raja-udang Biru (<i>Alcedo coerulescens</i>)	Risiko Rendah <i>Least Concern</i>	Burung-madu kelapa (<i>Anthreptes malacensis</i>)	Risiko Rendah <i>Least Concern</i>	Bekantan (<i>Nasalis larvatus</i>)	Terancam <i>Endangered</i>
Burung-madu Sriganti (<i>Nectarinia jugularis</i>)	Risiko Rendah <i>Least Concern</i>	Burung-madu sriganti (<i>Cinnyris jugularis</i>)	Risiko Rendah <i>Least Concern</i>	Rusa Sambar (<i>Cervus unicolor</i>)	Rentan <i>Vulnerable</i>
Cekakak Sungai (<i>Todiramphus chloris</i>)	Risiko Rendah <i>Least Concern</i>	Gelatik jawa (<i>Padda oryzivora</i>)	Rentan <i>Vulnerable</i>		
Raja-udang Meninting (<i>Alcedo meninting</i>)	Risiko Rendah <i>Least Concern</i>	Pelatuk ayam (<i>Dryocopus javensis</i>)	Risiko Rendah <i>Least Concern</i>		
Alapalap Sapi (<i>Falco moluccensis</i>)	Risiko Rendah <i>Least Concern</i>				

Selain menyediakan area IWEC, Perseroan juga melaksanakan program *Bike to Nature* sejak 2014 di area *Quarry Nature* dengan melibatkan komunitas sepeda gunung se-Kalimantan Selatan. Ke depan, Perseroan juga mengadakan Rencana Persemaian Permanen bekerja sama dengan Dinas Kehutanan Kalimantan Selatan.

In addition to providing the IWEC area, the Company also carried out the *Bike to Nature* program since 2014 in the *Quarry Nature* area by involving the mountain bike community in South Kalimantan. In the future, the Company also organize a Permanent Nursery Plan in collaboration with the Forestry Agency of South Kalimantan.

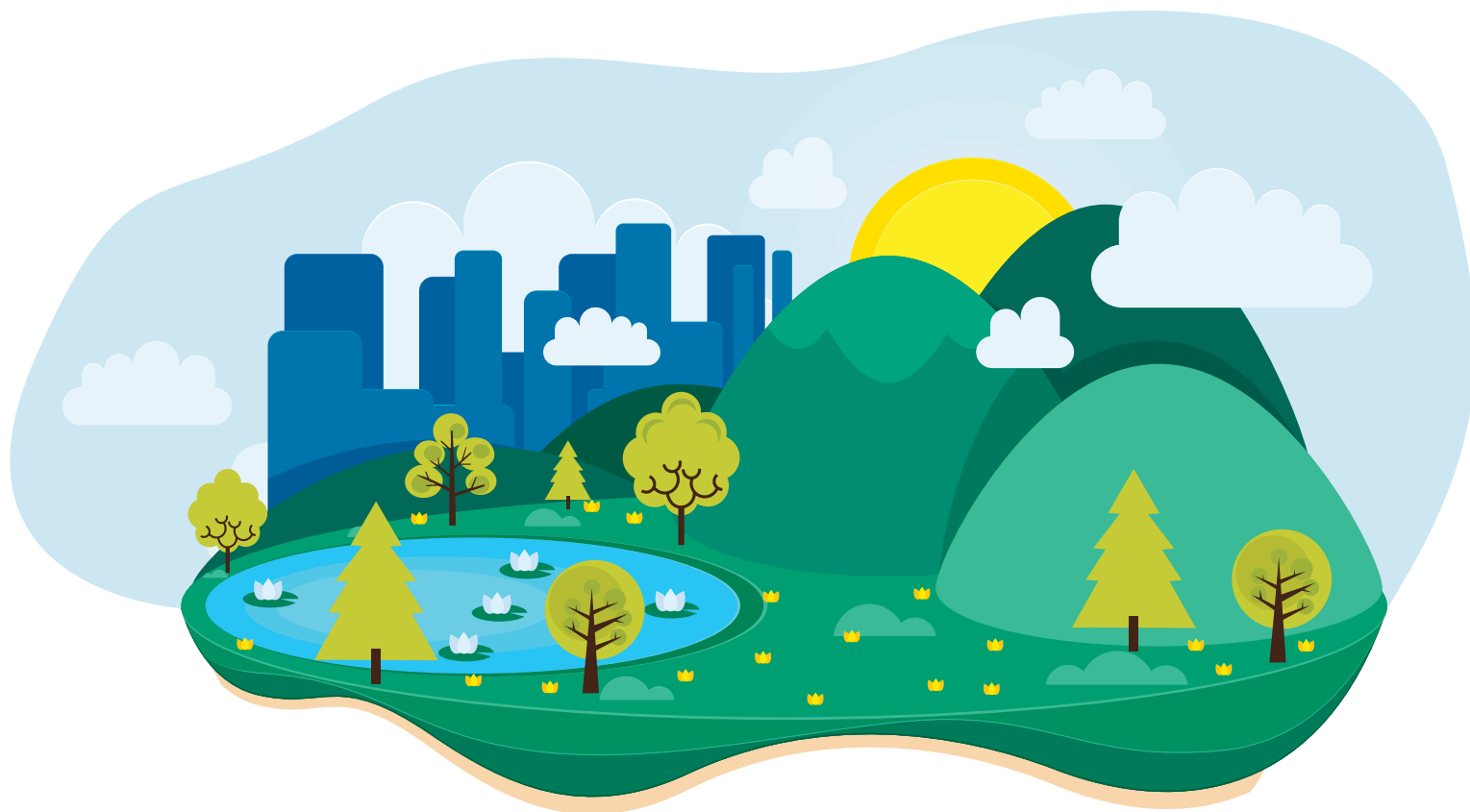


PEMULIHAN HABITAT LAHAN PASCATAMBANG

POST-MINING LAND RECLAMATION

Penanaman beragam spesies tanaman endemik dan tanaman bernilai ekonomis di lahan pascatambang merupakan salah satu upaya pemulihan habitat yang sebelumnya terganggu akibat kegiatan operasi. Pada 2018, terdapat berbagai spesies tumbuhan yang ditanam di kawasan lahan pascatambang Kompleks Pabrik Citeureup, Palimanan, dan Tarjun yang mencapai 24.894 pohon di area 80,6 hektar. Spesies tanaman yang ditanam di lahan pascatambang, antara lain Mahoni, Trembesi, Ketapang, Jabon, Jambu Biji, Lamtoro, Cemara, dan Angsana. Saat ini di area reklamasi telah menjadi habitat beragam spesies burung.

Planting endemic plant species and crops for economic purpose on post-mining land are our efforts to restore habitat that was previously disrupted due to operations. In 2018, there are various plant species planted in the post-mining area of the Citeureup, Palimanan, and Tarjun Factories which were 24,894 trees planted in 80.6 hectares area. Species planted on post-mining land include Mahoni, Trembesi, Ketapang, Jabon, Guava, Lamtoro, Cemara, and Angsana. Currently the reclamation areas has become a habitat for bird species.



Pemanfaatan Air

Utilization of Water

Komitmen Keberlanjutan 2030 Perseroan mencakup inisiatif mengurangi jejak lingkungan melalui efisiensi penggunaan air di seluruh lokasi operasi, baik untuk keperluan industri maupun memenuhi kebutuhan sehari-hari. Keseluruhan kompleks pabrik telah memiliki Surat Izin Pengambilan dan Pemanfaatan Air (SIPPA) untuk memenuhi kebutuhan air yang berasal dari sumber air permukaan, air tanah, dan air hujan.

The Company's 2030 Sustainability Commitments includes initiatives to reduce its environmental footprint through efficient use of water across all operating sites, both for industrial use and for meeting daily needs. All plants already have Permit for Water Collection and Usage (SIPPA) Licenses that meet the water needs from surface water, groundwater and rainwater sources.



Sasaran utama mengurangi jejak lingkungan:
Pemanfaatan air secara zero discharge dan menjaga ketersediaan air

*The main objectives of reducing
the environmental footprint:
Water usage with zero discharge and maintaining
water availability*

Target Tahunan Annual Target	Pencapaian 2018 2018 Achievement
- Mengurangi konsumsi air secara <i>feasible</i>. <i>Reducing water consumption in feasible manner.</i> - Menjaga ketersediaan sumber air yang berada di wilayah kekeringan. <i>Maintain the availability of water sources in the drought area.</i>	- Jumlah intensitas air: 0,13 m³/ton. <i>Volume of water intensity: 0.13 m³/tons.</i> - Seluruh kompleks pabrik memiliki sumber air yang terjaga untuk menghadapi kekeringan, termasuk bagi kebutuhan masyarakat jika diperlukan. <i>All factories have well-maintained water sources to cope with drought conditions, including for community needs when necessary.</i>

Salah satu inisiatif Indocement menjaga ketersediaan sumber air untuk memenuhi kebutuhan operasional melalui pembangunan kolam pengendapan (embung) di sekitar lokasi pabrik. Air kolam pengendapan ini ditampung dan diolah melalui *water treatment* hingga layak dikonsumsi,

One of Indocement's initiatives is to maintain the availability of water resources to meet operational needs through the construction of sediment ponds around the factory site. This settling pond water is collected and treated with water treatment until it is suitable for consumption, and used

maupun digunakan untuk kebutuhan lain. Selain untuk memenuhi operasional Perseroan, kolam pengendapan juga memberikan manfaat kepada lebih dari 2.500 orang masyarakat setempat untuk kebutuhan rumah tangga sehari-hari.

for other needs. In addition there are more than 2,500 people of local community benefited from this sediment ponds for daily household activities.

Ketersediaan Air di Kompleks Pabrik Melalui Kolam Endapan

Water Availability in Factory Through Sediment Ponds

Citeureup		Palimanan	Tarjun
Hambalang	Quarry D		
230.100 m ³	236.100 m ³	270.000 m ³	404.640 m ³

Air bekas pakai dari proses produksi diolah melalui mekanisme daur ulang dengan sistem sirkulasi tertutup untuk kegiatan pendinginan mesin produksi. Dengan demikian seluruh air bekas industri dimanfaatkan kembali dengan sistem *zero discharge*. Di sisi lain, pengolahan air bekas pakai dari kegiatan bukan produksi (kegiatan domestik) dilakukan di fasilitas pengolahan air limbah. Air bekas yang telah diolah sebagian dimanfaatkan kembali untuk penyiraman jalan dan tanaman.

Used water from the production is treated through a recycling mechanism using a closed circulation system for cooling the production machines. Thus the entire industrial wastewater is recycled with the zero discharge system. On the other hand, the used water treatment from non-production activities (domestic activities) is carried out through wastewater treatment facilities. Used water that has been processed is re-used for watering roads and plants.

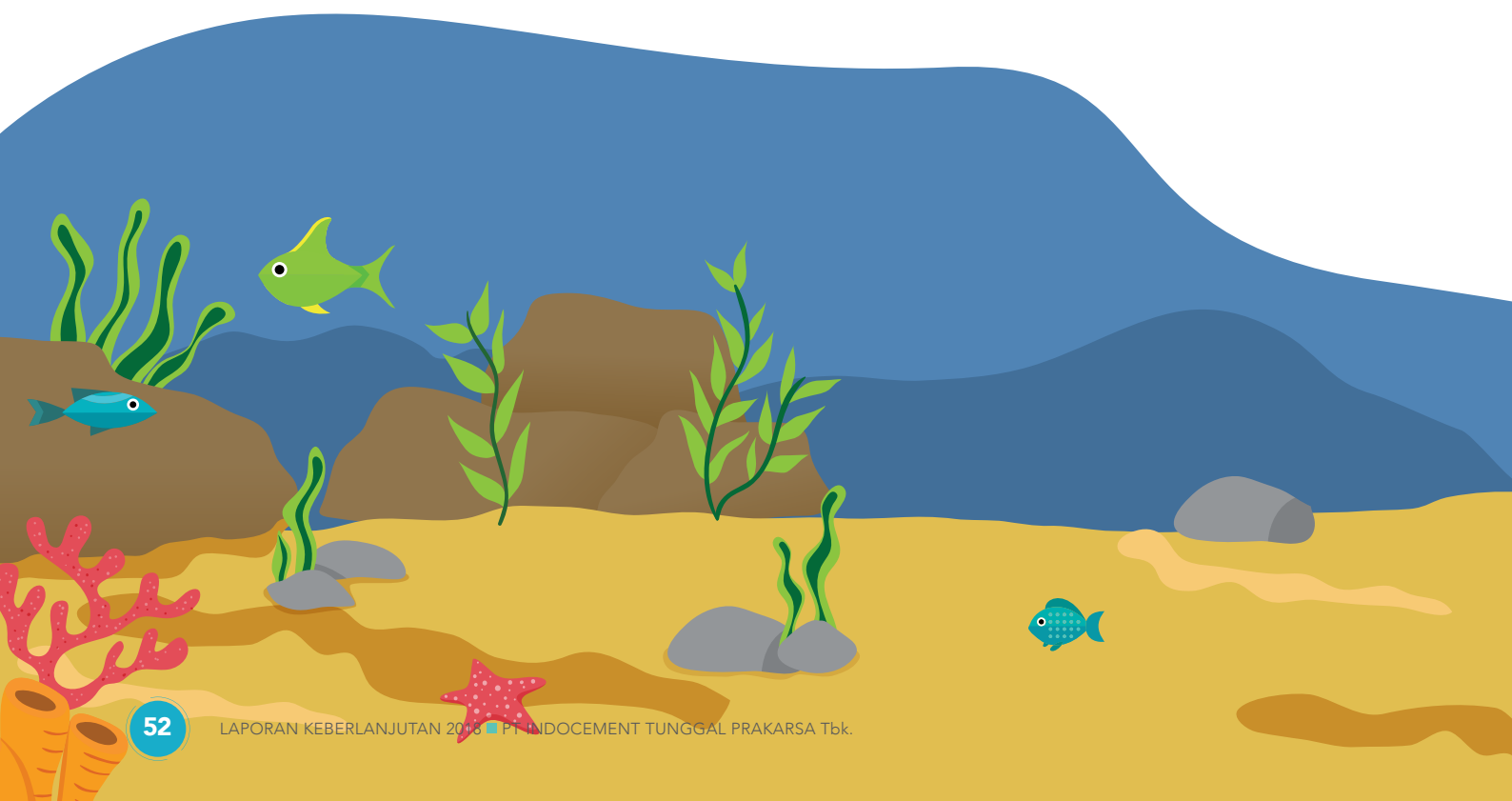
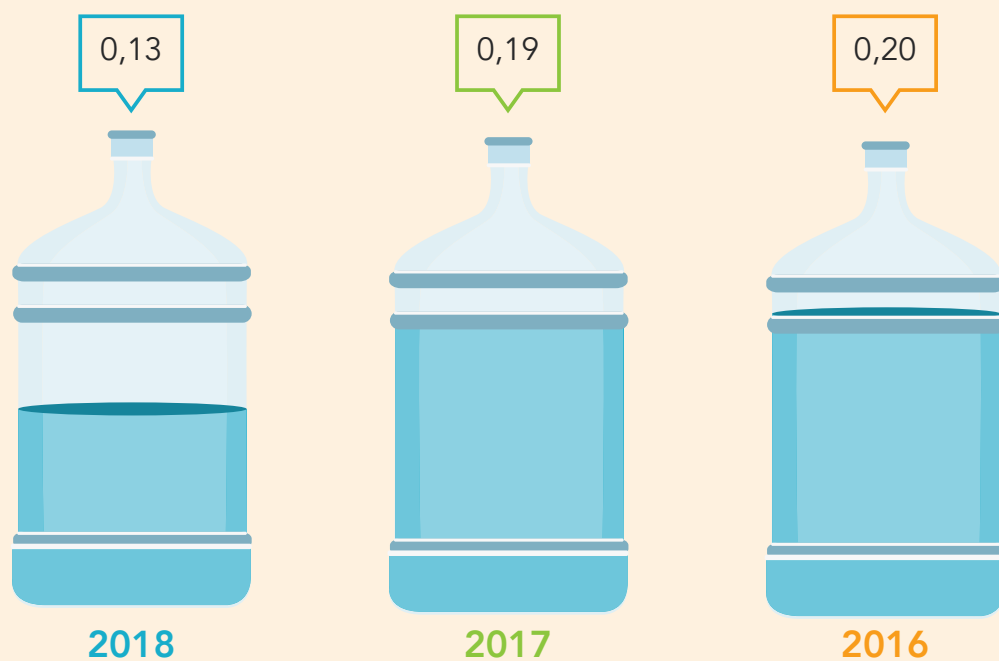
Jumlah Pemakaian Air (m³)

Total Water Usage (m³)

Kompleks Pabrik Factory	Sumber Air Water Source	2018	2017	2016
Citeureup	Air Permukaan Surface water	1.773.409	2.193.214	2.114.776
	Air Tanah Groundwater	11.732	13.018	12.700
Palimanan	Air Permukaan Surface water	629.904	581.715	544.420
	Air Hujan Rainwater	52.041	55.172	110.966
Tarjun	Air Permukaan Surface water	487.954	443.152	490.211
Total		2.955.040	3.286.271	3.273.073



Intensitas Air (m³/ton)
Water Intensity (m³/tons)



Indocement memastikan kualitas air limbah domestik telah memenuhi baku mutu yang ditetapkan Pemerintah dalam Peraturan Menteri LH Nomor 112/Men LH/VII/2003 dan SK MenLH Nomor 137 tahun 2012.

Indocement ensures the quality of domestic wastewater meets the quality standards set by the Government in Minister of Environment Regulation Number 12/Men LH/VII/2003 and Decree of the Minister of Environment Number 137 of 2012.

Pengukuran Kualitas Air Limbah Domestik

Domestic Wastewater Quality Measurement

Kompleks Pabrik <i>Factory</i>	Parameter <i>Parameter</i>	Satuan <i>Unit</i>	Baku Mutu <i>Quality Standard</i>	Hasil Pengukuran Tertinggi <i>Highest Measurement Result</i>		
				2018	2017	2016
Citeureup	Derajat Keasaman <i>Acidity Degree</i>	Mh	6-9	8,3	7,42	8,37
	Temperatur <i>Temperature</i>	°C	38	29,5	30	30
	TSS	mg/l	200	48	42	74
	BOD	mg/l	50	16,3	11,37	11,66
	Fe	mg/l	5	3,31	0,27	<0,09
	Mn	mg/l	2	0,69	0,04	0,57
Palimanan	Derajat Keasaman <i>Acidity Degree</i>	Mh	6-9	7,96	7,42	8,37
	Temperatur <i>Temperature</i>	°C	38	30,5	30	30
	TSS	mg/l	200	42	42	74
	BOD	mg/l	50	15,86	11,37	11,66
	Fe	mg/l	5	0,002	0,27	<0,09
	Mn	mg/l	2	0,21	0,04	0,57
Tarjun	Derajat Keasaman <i>Acidity Degree</i>	Mh	6-9	8.26	8,6	8,08
	Temperatur <i>Temperature</i>	°C	38	32	33	34
	TSS	mg/l	200	105	72	30
	BOD	mg/l	0	16.9	25,3	26,46
	Fe	mg/l	5	3.23	2,8	1,6
	Mn	mg/l	2	1.103	1,49	0,39



Menerapkan Ekonomi Sirkular

Enabling Circular Economy





Pendayagunaan Limbah [103-1, 103-2, 103-1]

Waste Utilization

Topik limbah penting disampaikan dalam laporan ini karena limbah yang tidak diolah dengan baik akan berdampak negatif pada lingkungan. Di sisi lain, limbah juga dapat didayagunakan menjadi bahan baku alternatif dan bahan bakar alternatif. Keterlibatan Perseroan terhadap pengelolaan limbah juga dilakukan dengan menyediakan tempat penyimpanan sementara (TPS) limbah B3 berizin, dan instalasi pengolahan limbah cair.

Pengelolaan limbah dilakukan dengan mengacu pada Peraturan Pemerintah (PP) Republik Indonesia Nomor 101 tahun 2014; Standar ISO 14001:2015; dan Komitmen Keberlanjutan 2030. Ketentuan terkait pengelolaan limbah ditetapkan oleh Direktur Utama tertanggal 2 Juni 2017. Adapun Perseroan melakukan pengelolaan dan pengolahan limbah B3 sesuai izin Kementerian Lingkungan Hidup Nomor SK 518/MenLH-Setjen/2015.

Waste topic is considered important to be disclosed in this report because it is possible for the untreatable waste to have a negative impact on the environment. On the other hand, waste can also be utilized as an alternative raw material and alternative fuel. Moreover, the Company's involved in waste management, by providing a licensed temporary storage (TPS) of hazardous and toxic waste, and making water treatment plants.

Waste management is carried out by referring to the Republic of Indonesia Government Regulation (PP) Number 101 of 2014; ISO 14001:2015 standard; and the 2030 Sustainability Commitments. Provision regarding waste management was set by the President Director dated June 2, 2017. In addition, the Company carried out the management and utilization of hazardous and toxic waste according to the permit of the Ministry of Environment Number SK 518/MenLH-Setjen/2015.



Sasaran utama penerapan sirkular ekonomi:
Mengelola limbah untuk pemanfaatan bahan baku alternatif dan bahan bakar alternatif

*Main objective of enabling circular economy:
Waste management for utilization of alternative raw materials and alternative fuels*

Target Tahunan <i>Annual Target</i>	Pencapaian 2018 <i>2018 Achievement</i>
Meningkatkan penggunaan bahan daur ulang <i>Improve the utilization of recycled materials</i>	1,2% Pemanfaatan bahan baku alternatif <i>1.2% Utilization of raw materials alternative</i> 26,5% tingkat substitusi klinker dengan bahan baku alternatif dalam cementitious <i>26.5% clinker substitution level with alternative raw material in cementitious</i>



Strategi Perseroan meminimalkan dampak negatif limbah, antara lain:

- Melakukan identifikasi sumber limbah
- Menetapkan program pengelolaan limbah, baik menyimpan, memanfaatkan, dan mengolah sesuai ketentuan perizinan
- Melakukan pengawasan pengelolaan limbah
- Membuat neraca limbah
- Mendokumentasikan limbah sesuai ketentuan
- Melakukan pengujian kualitas air limbah

The Company strategy to minimize the negative impacts of waste, including:

- Identify waste sources
- Establish a waste management program for storing, utilizing, and processing according to the provisions of the license
- Supervise waste management
- Making waste balance sheets
- Record waste in accordance with the provisions
- Examine the quality of wastewater



PENDEKATAN EKONOMI SIKKULAR CIRCULAR ECONOMY APPROACH

Perseroan mengelola dan mengolah limbah menggunakan pendekatan ekonomi sirkular, yaitu menggunakan potensi setiap material semaksimal mungkin untuk merestorasi dan meregenerasi kembali produk dan material pada akhir masa penggunaannya. Ekonomi sirkular memerhatikan pola ekonomi hijau yang dimulai dengan pengelolaan efisiensi yang ramah lingkungan saat perolehan sumber daya alam, proses produksi, hingga penggunaan produk dan pengelolaan limbah.

The Company manages and processes waste with circular economy approach, which is to utilize the maximum value from resource in use as much as possible to recover and regenerate products and materials at the end of each life cycle. Circular economy empowers a green economy starting from its efficiency and environmentally friendly management from resource gathering, production process, until end product, as well as waste management.

Adapun pengelolaan limbah dilakukan melalui 4R:

Waste management is implemented based on 4R Concept:



REDUCE

Mengurangi jumlah limbah B3 dan non-B3 dengan target setiap tahun sebesar 2% dari tahun sebelumnya.

Reducing the amount of hazardous and non-hazardous waste with annual target at 2% from the previous year.



RECYCLE

Mendaur ulang komponen-komponen yang bermanfaat dari limbah B3 dan non-B3 melalui proses tambahan secara kimia, fisika, biologi, dan/atau termal menjadi benda lain.

Recycle useful components from hazardous and non-hazardous waste through additional processes of chemical, physical, biological, and/or thermal into other objects.



REUSE

Menggunakan kembali limbah B3 dan non-B3 untuk fungsi yang sama atau lainnya, tanpa melalui proses tambahan secara kimia, fisika, biologi, dan/atau termal.

Reuse hazardous and non-hazardous waste for the same or other functions, without going through additional processes of chemical, physical, biological, and/or thermal.



RECOVERY

Memperoleh kembali komponen-komponen yang bermanfaat dari limbah B3 dan non-B3.

Regaining useful components from hazardous and non-hazardous waste.

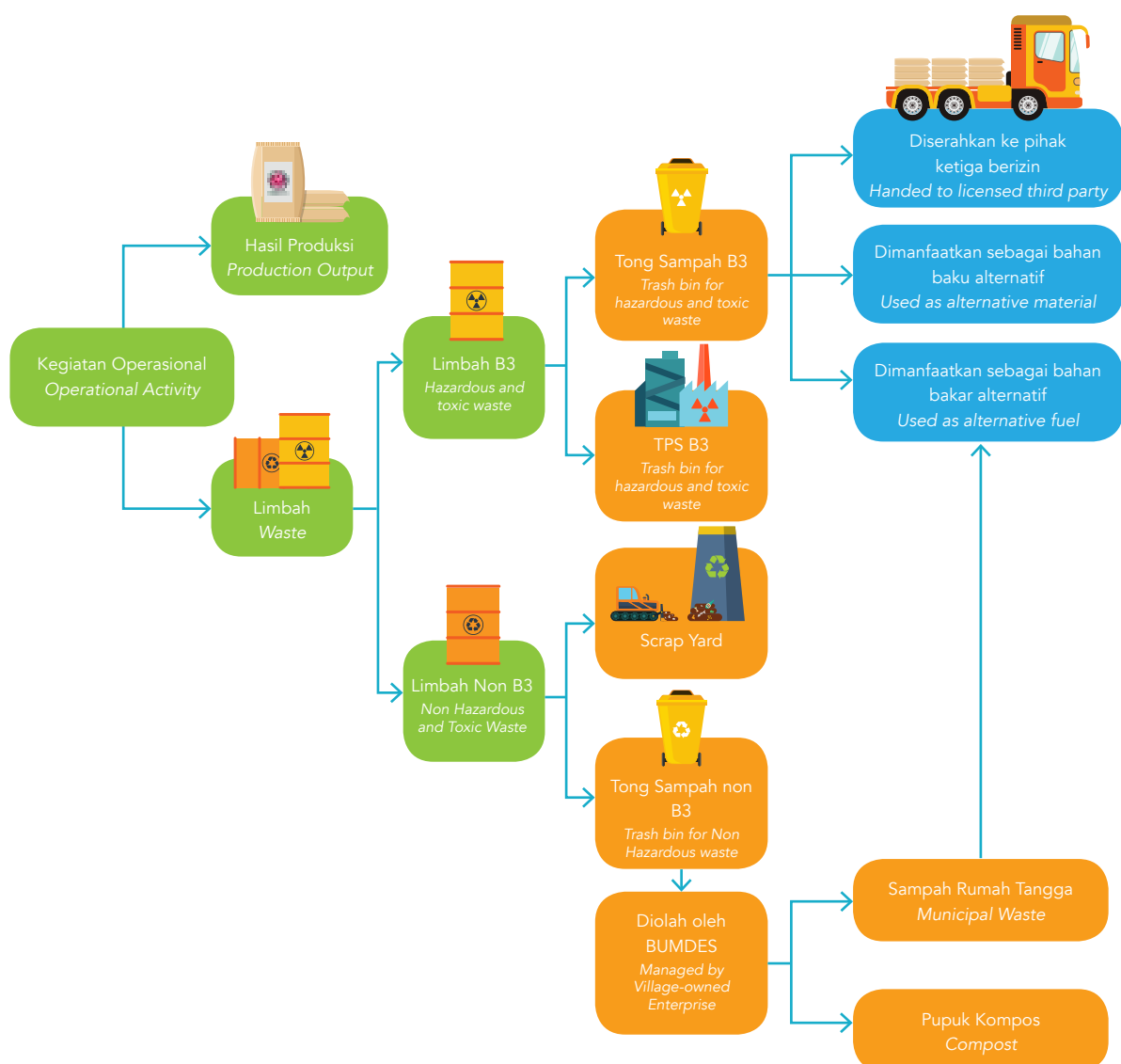


Alur pengelolaan dan pengolahan limbah disesuaikan dengan sumber dan jenis limbah. Perseroan tidak hanya mengelola limbah yang berasal dari dalam Indocement, namun juga limbah dari industri lain dan masyarakat. Pengelolaan limbah memerhatikan sifat fisiknya, yaitu berupa padat dan cair, serta materi di dalamnya, bahan berbahaya dan beracun (B3) maupun non-B3. Pengelolaan limbah, baik yang dihasilkan sendiri maupun yang diperoleh dari luar Perseroan dilakukan oleh fungsi *Alternative Fuel and Raw Material* (AFR) dan *General Services*, yang bertanggung jawab kepada Direktur.

The flow of waste management and treatment is adjusted according to the sources and type of waste. The Company does not only manage internal waste, but also waste from other industries and communities. Waste management takes into account its physical properties in the form of solid and liquid, and the type of material within, such as hazardous and toxic waste and non-hazardous waste. Waste management sourced from self-generated and imported from outside the Company, are all managed by the functions of *Alternative Fuel and Raw Materials* (AFR) and *General Services*, who are responsible to the Director.

Alur Pengelolaan Limbah

Flow of Waste Management

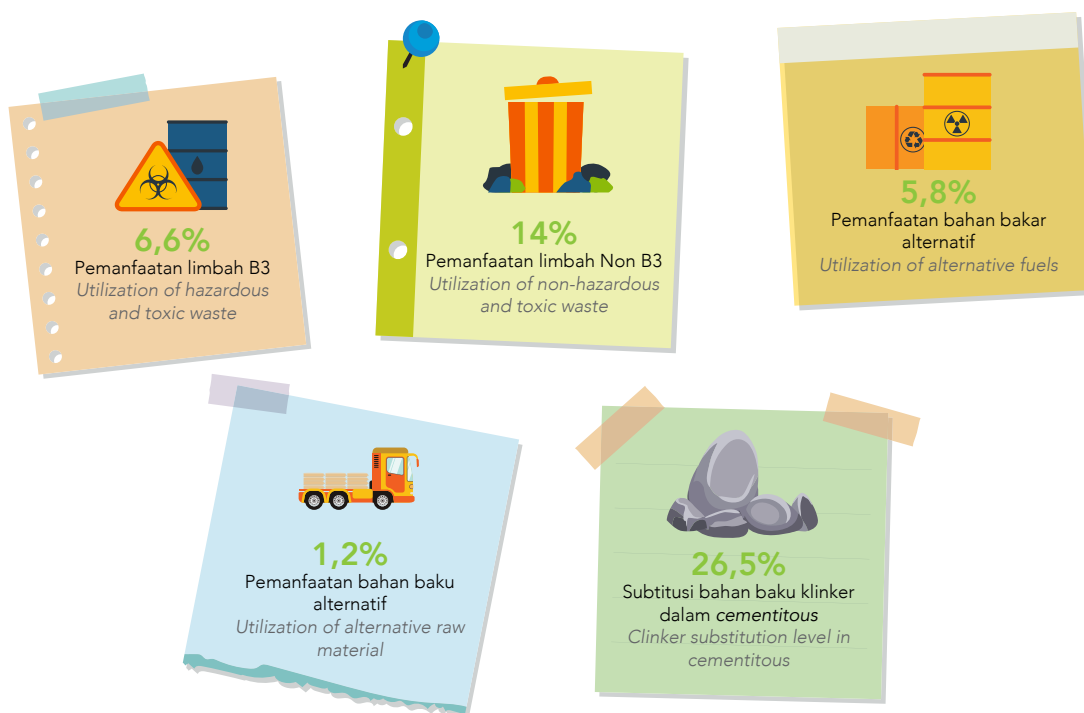


KINERJA PENGELOLAAN LIMBAH [306-2]

WASTE MANAGEMENT PERFORMANCE

Di 2018, Perseroan mencatat pemanfaatan limbah B3 sebagai bahan baku alternatif dan bahan bakar alternatif sebesar 17.945 ton dan pemanfaatan limbah non-B3 sebagai pupuk kompos dan bahan bakar alternatif sebesar 563.163 ton. Secara keseluruhan, pengelolaan limbah telah berhasil menyubstitusi 1,2% kebutuhan bahan baku dan 5,8% kebutuhan bahan bakar.

In 2018, the Company utilized hazardous and toxic waste as an alternative raw material and alternative fuel amounting to 17,945 tons and utilized of non-hazardous waste as compost and alternative fuels amounting to 563,163 tons. Overall, waste management has succeeded in substituting 1.2% of raw material usage and 5.8% of fuel consumption.



Limbah B3 (ton) [306-2]

Hazardous and toxic waste (tons) [306-2]

Kompleks Pabrik Factory	Jumlah Limbah Dihasilkan Waste Generated			Pengelolaan Management								
				Disimpan Stored			Dimanfaatkan* Utilized			Diserahkan ke Pihak Ketiga Transported to third party		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Citeureup	1.971	1.940	5.488	0	0	0	1.780	1.745	5.343	190	124	145
Palimanan	607	682	492	2,58	2,43	2,51	451	520	330	153	159	159
Tarjun	15.746	14.677	8.079	3.196	25,10	1,94	15.714	14.611	8.001	29.329	41	76.164
Total	18.324	17.299	14.059	3.199	27,53	4,45	17.945	16.876	13.674	29.673	324	76.468

*Dimanfaatkan sebagai bahan baku alternatif dan bahan bakar alternatif

*Utilized as alternative raw materials and alternative fuels



Limbah Non-B3 (ton) [306-2]

Non-hazardous and Toxic waste (tons) [306-2]

Kompleks Pabrik Factory	Jumlah Limbah Dihasilkan Waste Generated			Pengelolaan Management								
				Disimpan Stored			Dimanfaatkan* Utilized			Diserahkan ke Pihak Ketiga Delivered to Third Party		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Citeureup	487	335	452	0	0	0	487	335	452	0	0	0
Palimanan	373	182	163	0	0	0	373	182	163	0	0	0
Tarjun	243	140	318	0	0	0	75	140	318	168	0	0
Total	1.103	657	933	0	0	0	935	657	933	168	0	0

*Dimanfaatkan sebagai pupuk kompos dan bahan bakar alternatif

*Utilized as compost and alternative fuels

Pemanfaatan Limbah B3 sebagai Bahan Bakar Alternatif (ton)

Utilization of Hazardous and Toxic Waste as Alternative Fuel (tons)

Kompleks Pabrik Factory	Periode Pelaporan Reporting Period		
	2018	2017	2016
Citeureup	4.798	6.505	1.780
Palimanan	37	38	71
Tarjun	94	48	43
Total	4.929	6.591	1.894

Keterangan/Notes:

limbah B3 meliputi Sludge Oil, Sloop Oil, Waste Fuel, Paint, High Carbon

hazardous and toxic waste consist of Sludge Oil, Sloop Oil, Waste Fuel, Paint, High Carbon



**Pemanfaatan Limbah Non-B3 sebagai Bahan Bakar Alternatif (ton)****Utilization of Non-hazardous & Toxic Waste as Alternative Fuels (tons)**

Sumber Limbah Sources of Waste	Periode Pelaporan Reporting Period		
	2018	2017	2016
Bahan Bakar Alternatif dari Limbah Biomassa <i>Alternative Fuel from Biomass</i>			
Cangkang Kopi <i>Coffee Shell</i>	1.120	0	0
Sekam Padi <i>Rice Husk</i>	79.014	59.816	62.537
Serbuk Gergaji <i>Saw Dust</i>	20.287	310	17.389
Kertas, Karton <i>Paper, Cardboard</i>	48	0	0
Biji Jarak <i>Jatropha</i>	2	0	13
Biomassa <i>Biomass</i>	8.452	415	323
Bahan Bakar Alternatif Sumber Limbah lainnya <i>Alternative Fuel from other Waste Sources</i>			
Ban Bekas <i>Scrap Tire</i>	10.825	0	0
Plastik <i>Plastic</i>	13.395	0	0
Tekstil <i>Textile</i>	157	0	0
Sampah Rumah Tangga <i>Municipal waste</i>	5.578	525	361
Lainnya <i>Others</i>	18.942	0	295
Total	157.820	61.066	80.918





Efisiensi Energi [103-1, 103-2, 103-3]

Energy Efficiency

Topik energi penting untuk dilaporkan karena penggunaan energi merupakan komponen biaya terbesar dalam produksi, terutama di saat harga batu bara dan bahan bakar solar mengalami kenaikan. Keterlibatan Perseroan terhadap dampak yang terjadi diantaranya membentuk tim manajemen energi dan menyusun rencana strategis terkait efisiensi energi dan bahan bakar alternatif.

The topic of energy is important to be disclosed because energy consumption is the biggest cost component in production, especially when the price of coal and diesel fuel increase. The Company's involvement in managing the impacts includes establishing an energy management team and developing strategic plans for the energy efficiency and alternative fuels.



Sasaran utama penerapan sirkular ekonomi:
Efisiensi biaya energi melalui pemanfaatan bahan bakar alternatif

*Main objective of enabling circular economy:
Energy cost efficiency through utilization of alternative fuels*

Target Tahunan Annual Target	Pencapaian 2018 2018 Achievement
Meningkatkan penggunaan bahan daur ulang <i>Improve the utilization of recycled materials</i>	5,8% pemanfaatan bahan bakar bersumber limbah B3 dan non-B3 <i>5.8% utilization of alternative fuels sourced from hazardous and non-hazardous waste</i>

Mengacu pada PP Nomor 70 tahun 2009 tentang Konservasi Energi dan Komitmen Keberlanjutan 2030, Perseroan melakukan pengelolaan energi, antara lain:

1. Meningkatkan pemakaian bahan bakar non-fosil 7% pada 2016 hingga 11% pada 2020
2. Mengupayakan peningkatan nilai panas pembentukan klinker setiap tahun
3. Mengoptimalkan peralatan dan penggunaan sumber energi alternatif yang tersedia
4. Mempertahankan efisiensi pemakaian energi panas dan energi listrik dengan intensitas energi 2,27 GJ/ton pada 2016 hingga 2,34 GJ/ton pada 2020
5. Melaksanakan audit energi secara berkala
6. Meningkatkan kompetensi Energy Auditor dan Energy Manager demi tercapainya tujuan dan sasaran Perseroan di bidang konservasi energi

Referring to Government Regulation Number 70 of 2009 concerning Energy Conservation and our 2030 Sustainability Commitments, the Company carries out energy management, such as:

1. Increasing the use of non-fossil fuels from 7% in 2016 up to 11% in 2020
2. Striving to increase the heat value of clinker formation every year
3. Optimizing equipment and the use of energy alternative sources at hand
4. Maintaining the energy efficiency of thermal and electricity from energy intensity of 2.27 GJ/ton in 2016 up to 2.34 GJ/ton in 2020
5. Conducting regular energy audits
6. Improving the competence of the Energy Auditor and Energy Manager to achieve the Company's goals and objectives in energy conservation



Pemantauan dan evaluasi penggunaan energi dilakukan melalui audit energi oleh pihak internal tim HTC setiap satu tahun sekali dan pihak eksternal setiap tiga tahun sekali. Pada 2018, Perseroan belum dapat mencapai target *electrical cost* akibat kenaikan harga bahan bakar batu bara dan minyak. Secara umum hasil evaluasi 2018 dari audit eksternal merekomendasikan Indocement melakukan penyesuaian melalui beberapa program konservasi energi sebagai berikut:

Monitoring and evaluation of energy usage is performed through an energy audit by internal HTC Team once a year and external parties every three years. In 2018, the Company has not been able to reach the electrical cost target due to the increase in coal and oil fuel prices. In general, the results of the 2018 evaluation from the external audit recommended Indocement to adjust several energy conservation programs as follows:

Periode Pelaporan Program Konservasi Energi

Reporting Period Energy Conservation Program

No.	Program efisiensi Efficiency program	Kegiatan Activities	Peluang penghematan Potential saving
1	Optimasi energi <i>grinding</i> Grinding energy optimization	Penggunaan <i>vertical roller mill</i> Use of vertical roller mill	7 kwh/ton
		Penggunaan <i>horizontal/ring roller mill</i> Use of horizontal/roller mill rings	20% lebih besar dibanding <i>ball mill</i> 20% greater than the conventional ball mill
		Penggunaan classifier efisiensi tinggi Use of high efficiency classifier	8% lebih besar dibandingkan classifier standar 8% greater than the standard classifier
2	Pemilihan teknologi kiln Selection of kiln technology	Tanur Putar Semi Basah Semi wet rotary kiln	0,3 GJ/ton
		Dry kiln dengan <i>preheater</i> Dry kiln with preheater	Pengurangan dimensi kiln Reducing the dimensions of the kiln
		Dry kiln dengan <i>preheater</i> dan <i>precalciner</i> Dry kiln with preheater and precalciner	Penghematan 8%–11% 8%–11% savings Peningkatan kapasitas sampai 2.000 ton/hari Increased capacity up to 2,000 tons/day
3	Penggunaan energi alternatif pada kiln Use of energy alternative on kiln	Penambahan <i>sludge oil</i> sebagai bahan bakar kiln Addition of sludge oil as fuel on kiln	Penurunan energi batu bara dari 3,52 GJ menjadi 0,29 GJ Reduction on coal energy from 3.52 GJ to 0.29 GJ
		Penambahan biomassa sebagai bahan bakar kiln Addition of biomass for kiln	Penurunan emisi clinker dari 195 kg CO ₂ /ton menjadi 191 kg CO ₂ /ton Decreasing clinker emissions from 195 kg CO ₂ /tons to 191 kg CO ₂ /tons
4	Pemulihan Panas Buang Waste heat recovery	Penggunaan panas buang untuk <i>preheating</i> bahan baku Use of waste heat for preheating raw materials	Penurunan kandungan air dan peningkatan suhu bahan baku Decreasing water content and increasing the temperature of raw materials
		Heat recovery dari permukaan kiln Heat recovery from the kiln surface	-
		Penggunaan Waste Heat Recovery Steam Generator (WHRSG) Use of Waste Heat Recovery Steam Generator (WHRSG)	Steam generator untuk listrik Steam generator for electricity
5	Penggunaan energi alternatif untuk listrik Use of alternative energy for electricity	Pemasangan solar PV pada lahan kosong Installing solar PV on vacant land	Potensi penghematan energi listrik PLN Potential for electricity saving from PLN

Sejak Juli 2018, Perseroan melakukan optimasi proses penggilingan semen dengan *Mill Expert System* di Plant 9 sebagai upaya untuk menurunkan konsumsi energi listrik. Pelaksanaan program diawali dengan instalasi perangkat lunak dan perangkat keras, lalu dilakukan *commissioning* dan *tuning system*. Program ini berhasil memberikan dampak efisiensi energi sebesar 2 kwh/ton semen.

Since July 2018, the Company has been optimizing the cement milling process with *Mill Expert System* in Plant 9 as an effort to reduce electricity consumption. The program starts with the installation of software and hardware, then commissioning and tuning systems. This program succeeded in providing an energy efficiency of 2 kwh/ton of cement.



PEMANFAATAN BAHAN BAKAR ALTERNATIF RDF DARI SAMPAH

UTILIZATION OF RDF ALTERNATIVE FUELS FROM MUNICIPAL WASTE

Pada 2011, Indocement berperan aktif melakukan studi riset keekonomian atas sampah yang tersedia sebagai bahan bakar alternatif, baik dari sisi model bisnis dan sisi penggunaan teknologi termutakhir *Bio Drying*. Dengan temuan studi yang *feasible*, Perseroan mengajukan usulan penggunaan teknologi tersebut kepada Pemerintah Kabupaten Bogor. Usulan ini direspon positif dengan tindak lanjut melakukan pembahasan lebih komprehensif dengan mengundang pihak lain untuk ikut berpartisipasi.

In 2011, Indocement played an active role in conducting economic research studies on the available waste as alternative fuels, either from the aspect of business model and the utilization of the latest Bio Drying technology. From the feasible study findings, the Company proposed the use of the technology to the Bogor Regency Government. This proposal was responded positively with follow-up to conduct a more comprehensive discussion by inviting other parties to participate.

Pada 2017, Perseroan telah menyelesaikan *pilot project* penggunaan teknologi *Bio Drying* yang terbukti mampu mengeringkan dan mengolah sampah sebagai bahan bakar alternatif *Refuse Derived Fuel* (RDF) dengan tingkat konversi 30%. Hasil *pilot project* ini dinilai memiliki potensi ekonomi yang tinggi dan manfaat lingkungan yang besar dengan kemampuan menyerap sampah mencapai 1.500 ton/hari. Keberhasilan *pilot project* ini selanjutnya menjadi dasar pengembangan proyek pembangunan Tempat Pengolahan dan Pemrosesan Akhir Sampah (TPPAS Nambo) di perbatasan Desa Lulut dan Desa Nambo di Kecamatan Klapanunggal, Kabupaten Bogor, Jawa Barat.

In 2017, the Company has completed the pilot project using Bio Drying technology which is proven to be able to dry and process waste as an alternative fuel in form of Refuse Derived Fuel (RDF) with a conversion rate of 30%. The results of this pilot project are considered to have high economic potential and large environmental benefits with the ability to absorb municipal waste up to 1,500 tons/day. This pilot project leads to a development of Waste Final Treatment and Processing Site (TPPAS Nambo) project in the Lulut Village and Nambo Village border areas in Klapanunggal Subdistrict, Bogor Regency, West Java.

Pelaksanaan proyek ini melibatkan pihak ketiga yaitu PT Jabar Bersih Lestari sebagai operator yang ditunjuk Pemerintah Kabupaten Bogor untuk mengelola pengembangan TPPAS Nambo. Selaku inisiator dari proyek TPPAS Nambo, Indocement berperan untuk membangun jalan akses dan melakukan koordinasi kerja sama melalui Perjanjian Jual Beli (PJB) untuk memposisikan Perseroan sebagai pelanggan utama. Melalui perolehan RDF, Perseroan akan mampu mengurangi penggunaan batu bara di Kompleks Pabrik Citeureup dan menjadi perusahaan pertama di Indonesia yang memanfaatkan energi alternatif RDF.

The implementation of this project involved a third party, PT Jabar Bersih Lestari as the operator appointed by the Bogor Regency Government to manage the development of TPPAS Nambo. As the initiator of the TPPAS project, Indocement has the role of building access roads and coordinating the cooperation through the Sale and Purchase Agreements to position the Company as the main customer. Through the acquisition of RDF, the Company will be able to reduce coal consumption in the Citeureup Factory and became the first company in Indonesia to utilize RDF's alternative energy.

Sebagai tindak lanjut dari nota kesepahaman yang disepakati, PT Jabar Bersih Lestari mempersiapkan infrastruktur sipil dan membangun fasilitas pengolahan yang dilengkapi teknologi pengeringan *Bio Drying*. Dengan kapasitas pengolahan 1.500 ton sampah/hari, TPPAS Nambo ini ditargetkan akan beroperasi pada 2020 dan menghasilkan 500 ton RDF/hari.

As a follow up to the memorandum of understanding, PT Jabar Bersih Lestari will prepare the civil infrastructure and build processing facilities equipped with Bio Drying technology. With a processing capacity of municipal waste up to 1,500 tons/day, TPPAS Nambo is targeted to operate in 2020 and produce 500 tons of RDF/day.





PENGUNAAN ENERGI

ENERGY USAGE

Sumber energi untuk memenuhi kebutuhan operasi berasal dari sumber daya tidak terbarukan berupa batu bara, bahan bakar minyak (BBM), dan bahan bakar gas, serta listrik. Batu bara digunakan untuk memanaskan tanur dan sebagai sumber energi pembangkit listrik di Kompleks Pabrik Tarjun dengan kapasitas 55 MW. Sementara gas digunakan untuk pembangkit listrik Kompleks Pabrik Palimanan berkapasitas 12 MW dan Kompleks Pabrik Citeureup 300,5 MW. Adapun BBM berupa solar digunakan untuk kegiatan transportasi di pertambangan dan distribusi.

Perseroan melakukan perhitungan konsumsi energi dengan metode data *counter* dalam *system database Enterprise Resource Planning (ERP)*. Cakupan lingkup perhitungan energi di dalam perusahaan adalah pemakaian energi oleh kegiatan operasi yang dikendalikan Perseroan (*operation of control*). [302-1, 302-2]

Energy sources to meet operating needs come from non-renewable resources of coal, diesel fuel, and gas fuel, as well as electricity. Coal is used to heat up kiln and as an energy source for power plants of 55 MW in Tarjun Factory. While gas fuel is used at the power plant of 12 MW in Palimanan Factory and power plant of 300.5 MW in Citeureup Factory. In addition diesel fuel is used for transportation activities in mining and distribution.

The Company calculates energy consumption using the data counter method in the Enterprise Resource Planning (ERP) database system. The scope of the energy calculation within the Company is calculated by the operation of control. [302-1, 302-2]

Pemakaian Energi (GJ) [302-1, 302-2]

Energy Consumption (GJ) [302-1, 302-2]

Kompleks Pabrik Factory	2018	2017	2016
Citeureup	36.153.019	33.312.829	29.492.765
Palimanan	9.992.300	8.846.843	9.900.143
Tarjun	6.645.586	8.271.286	7.292.394
Total	52.790.905	50.430.958	46.685.302

Intensitas Energi [302-3]

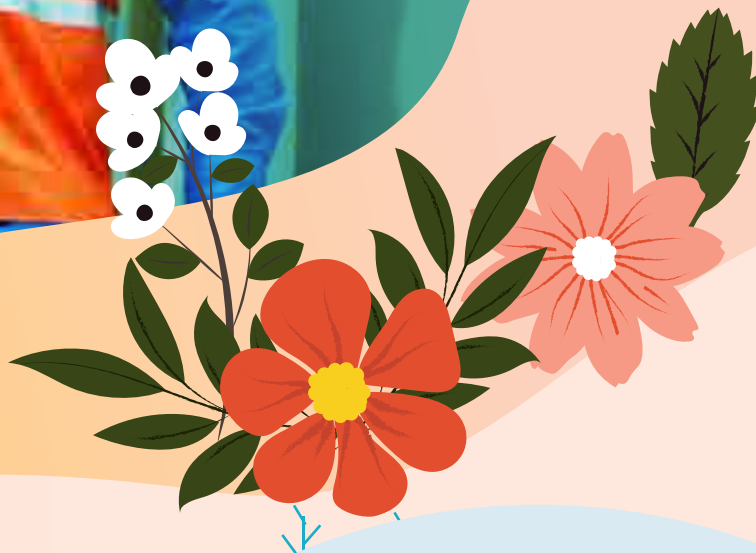
Energy Intensity [302-3]

Uraian Description	Satuan Unit	2018	2017	2016
Total konsumsi energi Total energy consumption	GJ	52.790.905	50.430.958	46.685.302
Total produksi Total production	Juta ton Million tons	18,1	17,1	16,4
Intensitas energi Energy intensity	GJ/ton	2,92	2,94	2,85



Mencapai Keunggulan dalam Keselamatan dan Kesehatan Kerja

Achieving Excellence in Occupational Health and Safety





Topik Keselamatan dan Kesehatan Kerja (K3) penting disajikan dalam laporan ini mengingat kegiatan di tambang, pabrik, dan terminal memiliki potensi risiko K3 dan dapat memengaruhi keberlanjutan operasi. Perseroan menjalankan pengelolaan K3 dalam rangka pencapaian *Zero Harm* menuju *World Class Safety Culture*.

Occupational Health and Safety (OHS) topics is important to be disclosed in this report, considering that activities in mines, factories and terminals potentially exposed to OHS risk and may undermine the sustainability of operation. The Company carried out OHS management in order to achieve *Zero Harm* towards *World Class Safety Culture*.



Sasaran utama mencapai keunggulan dalam keselamatan dan kesehatan kerja:
Menerapkan sistem manajemen K3, budaya K3, dan CSMS untuk mencapai zero fatality

*Main objective of achieving excellence in occupational health and safety:
Implementing OHS management system, OHS culture, and CSMS to achieve zero fatality*

Target Tahunan Annual Target	Pencapaian 2018 2018 Achievement
- Zero fatality - Jam kerja hilang akibat kecelakaan: Nihil <i>Working hours lost due to accidents: Zero</i>	- Zero fatality - Jam kerja hilang akibat kecelakaan: 5 jam kerja. <i>Working hours lost due to accidents: 5 working hours</i>

Pengelolaan K3 mengacu pada PP Nomor 50 Tahun 2012 tentang Pedoman Penerapan SMK3, OHSAS 18001:2007, pedoman *World Business Council Sustainable Development-Cement Sustainable Initiative* (WBCSD-CSI), dan Komitmen Keberlanjutan 2030. Ketentuan terkait K3 tertuang dalam Kebijakan Perseroan antara lain sebagai berikut:

- Menciptakan lingkungan kerja yang aman, selamat, sehat dan ramah lingkungan
- Mematuhi peraturan perundang-undangan dan standar yang relevan

Management of OHS based on Government Regulation Number 50 of 2012 concerning Guidelines for Implementing OHSMS, OHSAS 18001:2007, guidelines for the World Business Council Sustainable Development-Cement Sustainable Initiative (WBCSD-CSI), and the 2030 Sustainability Commitments. Provision regarding OHS is set forth in the Company policy which determine as follows:

- Creating a secure, safe, healthy and environmentally friendly work environment
- Complying obligations to relevant laws and standards

- Mengelola risiko, peluang dan isu-isu yang relevan untuk keberlangsungan usaha
- Meningkatkan program masyarakat untuk menciptakan nilai bersama dan solusi lebih baik
- Membudayakan kegiatan perbaikan berkelanjutan untuk peningkatan kinerja dan sistem manajemen

Strategi Perseroan untuk mengurangi risiko K3 dilakukan, antara lain dengan:

- Memperkuat budaya K3 karyawan maupun kontraktor melalui pembentukan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3)
- Pelaksanaan Bulan K3
- Pelatihan di Indocement Safety Health Environment Learning Center (I-SHELTER)
- Penerapan *Contractor Safety Management System* (CSMS)
- Penegakkan Peraturan Keselamatan Jiwa (*Life Saving Rules*)
- Penerapan *Permit to Work*
- Pencegahan risiko penyakit kerja yang berbahaya melalui pelaksanaan program preventif, promotif, kuratif, dan rehabilitatif

Pengelolaan K3 menjadi tanggung jawab Direksi dan Departemen/Divisi Safety, Health and Environment (SHE). Pengelolaan K3 juga diverifikasi oleh pihak eksternal melalui sertifikasi SMK3 dan OHSAS 18001 oleh Sucofindo. Kinerja K3 pada 2018 menunjukkan tren penurunan angka kecelakaan, baik karyawan maupun kontraktor.

- Managing risks, opportunities and issues that are relevant for business continuity
- Improving community programs to create shared values and better solutions
- Developing continuous improvement activities to improve performance and management system

The Company's strategy to reduce OHS risk is carried out by:

- Strengthening the OHS culture of employees and contractors through the establishment of an Occupational Health and Safety Advisory Committee (P2K3)
- Commemoration of OHS Month
- Training at Indocement Safety Health Environment Learning Center (I-SHELTER)
- Implementing of a Contractor Safety Management System (CSMS)
- Enforcing of Life Saving Rules
- Implementing of Permit to Work
- Preventing of occupational diseases or serious disease through the implementation of preventive, promotive, curative and rehabilitative programs

OHS management is the responsibility of the Board of Directors, Departments/Divisions of Safety, Health and Environment (SHE). OHS management was also verified by external party, Sucofindo through OHSMS and OHSAS 18001 certification. The OHS performance in 2018 shows a trend of decreasing of the number of accidents, both employees and contractors.



Keselamatan di Tempat Kerja [103-1, 103-2, 103-3]

Safety at Work Place

KOMITE KESELAMATAN [403-1] SAFETY COMMITTEE

Perseroaan memiliki Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di setiap kompleks pabrik dan Sub P2K3 di setiap divisi. Tugas utama Komite Keselamatan adalah mencegah risiko K3 melalui pengawasan kinerja dan perbaikan K3 secara menyeluruh. Komite Keselamatan beranggotakan seluruh jajaran Direksi dan General Manager yang berwenang menetapkan kebijakan dan strategi untuk mencegah risiko kecelakaan dan kerugian perusahaan. Keanggotaan P2K3/Sub-P2K3 terdiri dari 50% tingkat perwakilan manajemen Perseroan dan 50% tingkat karyawan yang diwakili pengurus Serikat Pekerja di masing-masing pabrik/divisi. Pertemuan komite diselenggarakan setiap triwulan dan pertemuan *ad-hoc* jika dibutuhkan.

PENGENDALIAN RISIKO K3 MANAGEMENT OF OHS RISK

Melalui penerapan SMK3 dan Life Saving Rules, Perseroaan telah memetakan dan mengaudit jenis pekerjaan dalam kategori berisiko tinggi. Dengan demikian upaya pengendalian bahaya pekerjaan berisiko tinggi baik akibat *unsafe act* (perilaku kerja yang tidak aman) dan *unsafe condition* (kondisi kerja yang tidak aman) dapat diminimalkan.

The Company has an Occupational Safety and Health Advisory Committee (P2K3) in each factory and Sub P2K3 in each division. The main task of the Safety Committee is to mitigate OHS risks through overseeing overall performances and improvements of OHS. The Safety Committee consists of the Board of Directors and General Managers who are authorized to determine policies and strategies for preventing safety risk and asset loss. 50% of Safety Committee membership represented by management level and another 50% by employee level from labor union in each factory/division. Committee meeting is held quarterly and ad-hoc meeting will be held if required.

Through the implementation of OHSMS and Life Saving Rules, the Company has mapped and audited types of work in the high risk category. Thus, the effort to control the danger of high-risk work both for unsafe act and unsafe conditions can be minimized.



Pengelolaan Beberapa Pekerjaan dengan Risiko Kecelakaan Kerja
sesuai *Life Saving Rules* [403-3]

Occupational Safety Risk Management according to Life Saving Rules

Risiko Risk	Pengelolaan Management
Bekerja di Ketinggian <i>Working at Heights</i>	- Memiliki Surat Izin "Bekerja di Ketinggian" <i>Having a "Working at Heights" permit</i> - Menggunakan perlengkapan pengaman jatuh (<i>fall protection equipment</i>) yang memenuhi standar internasional <i>Using fall protection equipment that complies with international standards</i> - Melakukan inspeksi dan pemeliharaan berkala terhadap perlengkapan pengaman jatuh <i>Performing periodic inspections and maintenance of fall safety equipment</i> - Menggunakan material dan perlengkapan perancah yang memenuhi standar internasional <i>Using materials and scaffolding equipment that meets international standards</i> - Menggunakan tangga vertikal bongkar-pasang dalam kondisi aman atau stabil dari pergeseran pada bagian atas maupun bawah dan harus diperiksa sebelum digunakan, serta penerapan rasio 4:1. <i>Using vertical ladders for unloading that are in a safe or stable condition, preventing movement at the top and bottom, checking before use, as well as applying a 4:1 ratio</i>
Memasuki Ruang Terbatas <i>Confined Space Entry</i>	- Memiliki Surat Izin "Ruang Terbatas" <i>Having a "Confined Space" permit</i> - Dilakukan oleh petugas ruang terbatas yang berkompeten untuk melaksanakan pekerjaan sesuai peran dan tanggung jawabnya <i>Conducted by a confined space officer who is competent in carrying out the work in accordance with its roles and responsibilities</i> - Melakukan isolasi energi terhadap semua potensi sumber energi <i>Conducting energy isolation of all potential energy sources</i> - Melakukan pengukuran kondisi atau kandungan udara sebelum bekerja dan secara berkala <i>Conducting measurement of the air condition or content before work and periodically</i> - Berkoordinasi dengan petugas rescue sebelum pekerjaan berlangsung, dan menjaga komunikasi antar petugas ruang terbatas <i>Coordinating with the rescue officers before the work takes place, and maintaining communication in the confined spaces</i> - Mendahulukan evakuasi keluar dari ruang terbatas saat terjadi keadaan darurat <i>Prioritizing evacuation out of the confined space during an emergency</i>
Bekerja di area panas dan pekerjaan panas <i>Work at Hot Area and Hot Work</i>	- Memiliki Surat Izin "Pekerjaan Panas" <i>Having a "Hot work" permit</i> - Melakukan identifikasi potensi bahaya dan penilaian risiko terhadap potensi material atau gas panas dan menentukan pengendalian risikonya <i>Identifying potential hazards and risk assessment of the potential of hot materials or gases and determining risk control</i> - Memasang rambu, membatasi akses, menyalakan tanda bahaya, menentukan jalur evakuasi <i>Installing signs, restricting access, turning on the alarm, determining the evacuation path</i> - Melakukan isolasi terhadap semua sumber energi <i>Conducting isolation of all energy sources</i> - Memastikan tidak ada pekerjaan paralel atau bersamaan saat akan dilakukannya pembersihan sumbatan material <i>Ensuring no parallel or concurrent work is done when cleaning material blockages</i> - Menggunakan Alat Pelindung Diri (APD) khusus area panas <i>Using Personal Protective Equipment (PPE)</i> - Dilakukan oleh petugas yang berkompeten dan dilakukan pengawasan oleh penanggung jawab lokasi <i>Conducted by a competent officer and supervised by the person in charge of the location</i>
Mengoperasikan Kendaraan <i>Operating Vehicles</i>	- Memiliki Surat Izin Mengemudi (SIM) sesuai kendaraan yang dikemudikan <i>Having a Driver's License (SIM) according to the vehicle being driven</i> - Memastikan dalam kondisi sehat <i>Ensuring healthy condition</i> - Menggunakan sabuk pengaman atau keselamatan <i>Using safety or security seat belts</i> - Memastikan jumlah penumpang tidak melebihi spesifikasi rancangan pabrik <i>Ensuring passenger numbers do not exceed manufacturer's design specifications</i> - Mematuhi rambu-rambu lalu lintas <i>Obedying the traffic signs</i>

PENGEMBANGAN BUDAYA K3

OHS CULTURE DEVELOPMENT

Perseroan memiliki Indocement-Safety Health Environment Learning Center (I-SHELTER), yaitu pusat pelatihan yang fokus pada keselamatan kerja dan lingkungan. Melalui I-SHELTER, Perseroan berupaya memastikan setiap karyawan memiliki pemahaman budaya keselamatan Indocement yang sama, termasuk di dalamnya mencakup prinsip, panduan, prosedur. Saat ini Indocement telah memiliki I-SHELTER di setiap kompleks pabrik.

Upaya peningkatan pemahaman K3 setiap karyawan juga dilakukan dengan pelatihan, terutama melalui pelatihan *Safety Leadership* dan *Clean Site/Safe Site Initiative*.

- Kegiatan pelatihan *Safety Leadership* dimulai pada tanggal 30 April 2018 dan disosialisasikan langsung oleh Direksi kepada Plant/Divisi Manager yang secara *cascading* akan melanjutkan pelatihan tersebut kepada karyawan lainnya. Semua *top management* dan *middle management* sudah mengikuti pelatihan *Safety Leadership*, serta telah menandatangani komitmen pribadi mengenai K3 (*Safety Foot Print*) sebagai upaya memberikan keteladanan di semua unit operasi Perseroan.
- Kegiatan *Clean Site/Safe Site Initiative* dilaksanakan bersamaan dengan *Workshop Safety Leadership* sebagai penerapan program *housekeeping* (5S) dalam upaya menciptakan tempat kerja yang aman dan sehat.

The Company has Indocement's Safety Health Environment Learning Center (I-SHELTER), a training center that focuses on safety and the environment. Through I-SHELTER, the Company strives to ensure that every employee has the same understanding of Indocement's safety culture, including principles, guidelines, and procedures. At present, Indocement has an I-SHELTER in every factory.

Attempts to improve the understanding of OHS for each employee are also exercised through training, especially *Safety Leadership* and *Clean Site training/Safe Site Initiative*.

- *Safety Leadership* training activity began on April 30, 2018 and was directly led by the Board of Directors to Plant and Division Managers who would continue to train other employees by cascading mechanism. All Top Management and Middle Management have participated in *Safety Leadership* training, and have signed a personal commitment regarding OHS (*Safety Foot Print*) in an effort to provide exemplary in all the Company's operating units.
- *Clean Site/Safe Site Initiative* is conducted at the same time with the *Safety Leadership Workshop* as the implementation of *housekeeping* (5S) programs in an effort to create a safe and healthy workplace.

KINERJA K3

OHS PERFORMANCE

Kinerja K3 mengalami peningkatan di 2018 yang ditandai dengan tercapainya target *zero fatality* untuk seluruh karyawan dan kontraktor rekanan. [403-2]

OHS performance has improved in 2018 with the achievement of *zero fatality* for all employees and partner contractors. [403-2]

Jumlah Kecelakaan Kerja di Operasi Perseroan dan Kontraktor

Rekanan [403-2]

Number of Work Accident at Own Operation and Partner

Contractors [403-2]

Tingkat Kecelakaan Kerja Injury Rate	2018	2017	2016
Ringan Minor	33	41	36
Sedang dan Serius Medium and Serious	3	2	2
Fatal	0	2	2
Jumlah Total	36	45	40

Keterangan/Notes:

Insiden kecelakaan kerja hanya dialami oleh karyawan laki-laki.

The occupational accidents were only experienced by male employees.



Jumlah Jam Kerja Hilang Karena Kecelakaan Kerja [403-2]

Number of Lost Working Hour Due to Work Accidents [403-2]

Kompleks Pabrik Factory	2018	2017	2016
Citeureup	0	21	2
Palimanan	5	0	5
Tarjun	0	0	0
Jumlah jam kerja hilang Total lost working hour	5	21	7

Tingkat Kecelakaan Kerja Berdasarkan Kompleks Pabrik [403-2]

Work Accident Rate Based on Factory [403-2]

Uraian Description	Citeureup			Palimanan			Tarjun		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Operasi Perseroan Company Operation									
Frequency Rate	0	0,4	0,18	1,67	0	0,73	0	0	0
Severity Rate	0	4,17	0,36	4,2	0	3,6	0	0	0
Lost Time Injury (LTI)	0	2	1	2	0	1	0	0	0
Lost Working Days (LWD)	0	21	2	5	0	5	0	0	0
Medical Treatment Injury (MTI)	19	26	28	6	7	5	8	9	3
Kontraktor Rekanan Partner Contractors									
Lost Time Injury (LTI)	4	3	3	1	1	4	0	0	0

Keterangan/Notes:

Nilai Tingkat Keparahannya, NLT, LTI, LDR dicatat berdasarkan 1 juta jam kerja mengacu pada *Health and Safety Report Guidance Version 14* tahun 2017 di HeidelbergCement Group sesuai rujukan WBCSD-CSI.

Severity Level, NLT, LTI, LDR recorded per one million working hours refers to *Health and Safety Report Guidance Version 14* of 2017 issued by HeidelbergCement Group based on WBCSD-CSI reference.



Menjadi Tetangga yang Baik

Being a Good Neighbor





Membangun Masyarakat Mandiri

[103-1, 103-2, 103-3]

Developing Independent Communities

Komunitas lokal wilayah operasi adalah mitra Indocement dalam menjalankan peran penting untuk mendukung pembangunan berkelanjutan. Keterlibatan Perseroan bersama masyarakat sekitar dijalankan melalui perekrutan karyawan setempat, pemasokan bahan bakar alternatif, pelaksanaan konservasi di lahan reklamasi, dan program CSR.

Local community surrounding operation areas are Indocement partners in conducting an important role to support sustainable development. The community involvement is engaged through the recruitment of local employees, supply of alternative fuels, conservation on reclamation land, and CSR programs.



Sasaran utama menjadi tetangga yang baik:
Melaksanakan lima pilar CSR dan Sustainable Development Program (SDP) untuk membangun kemandirian masyarakat

*Main objective in being a good neighbor:
Implementing five CSR pillars and Sustainable Development Program (SDP) to build independent community*

Target Tahunan Annual Target	Pencapaian 2018 2018 Achievement
- Menjaga komunikasi terbuka dan transparan <i>Maintaining open and transparent communication</i> - Meningkatkan pendidikan dan kesejahteraan masyarakat <i>Improving education and community welfare</i> - Pencapaian rata-rata program CSR: >90% <i>Average Achievement for CSR Program: >90%</i>	- Forum Bina Lingkungan Komunikasi <i>Community Development Communication Forum</i> - Penerbitan laporan tahunan, laporan keberlanjutan dan media sosial #harmoni3roda <i>Issuing annual report, sustainability report, and social media hashtag #harmoni3roda</i> - Pencapaian rata-rata program CSR di Wilayah Operasi: <i>Average achievement for CSR Program in Operational Areas:</i> - Citeureup: 102% - Palimanan: 94% - Tarjun: 103% - Non Plant: 96%

Dari sisi landasan hukum, sebagai Perseroan yang menjalankan kegiatan usahanya yang berkaitan dengan sumber daya alam, Indocement wajib melaksanakan tanggung jawab sosial dan lingkungan (TJSL) sebagaimana diatur dalam UU Nomor 40 tahun 2007 tentang Perseroan Terbatas dan PP Nomor 47 Tahun 2012 tentang Tanggung Jawab Sosial dan Lingkungan. Selain itu, Perseroan juga melakukan kegiatan CSR yang mendukung ISO 26000 dan Komitmen Keberlanjutan 2030.

In terms of legal basis, as a Company conducting its business activities related to natural resources, Indocement is obliged to carry out social and environmental responsibility (SER) as set forth in Law Number 40 of 2007 concerning Limited Liability Companies, and Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility. In addition, the Company also conducts CSR activities that support ISO 26000 and the 2030 Sustainability Commitments.



Perseroan melaksanakan kegiatan tanggung jawab sosial atau Corporate Social Responsibility (CSR) yang bertumpu pada lima pilar, yaitu pendidikan, kesehatan, perekonomian, keamanan, dan sosial, budaya, agama, olahraga (sosbudagor). Program CSR Perseroan juga mencakup program pengembangan masyarakat secara berkelanjutan (Sustainable Development Program/SDP) yang bertujuan untuk membangun kehidupan bermutu dan masyarakat mandiri di desa mitra. Pada 2018, Perseroan menginvestasikan dana program kemasyarakatan sebesar Rp21,1 miliar, turun dibandingkan tahun sebelumnya Rp24,9 miliar.

The Company carries out Corporate Social Responsibility (CSR) activities based on five pillars, consist of education, health, economy, security, as well as social, cultural, religion, sport (sosbudagor). The Company's CSR program also has a sustainable community development program (SDP) that aims to build a quality life and independent communities in the partner villages. In 2018, the Company invested Rp21.1 billion in community program funds, decreased from Rp24.9 billion the previous year.



VISI CSR

Menjadi perusahaan yang dikenal menjalankan kegiatan untuk meningkatkan kemandirian masyarakat dan kelestarian lingkungan di sekitarnya secara konsisten sehingga tercipta hubungan yang harmonis dan berkelanjutan.

CSR VISION

Become a company known to run activities to increase community self-reliance, and consistently preserve the surrounding environment, so as to create harmonious and relationship sustainability.



MISI CSR

Menjalankan kegiatan usaha dengan menjaga keseimbangan dimensi yang menerapkan konsep ramah lingkungan, kesejahteraan komunitas, dan keberlanjutan usaha.

CSR MISSION

Operate the business activities by maintaining balance of dimension with the implementation of environmentally friendly concept, community, welfare, and business sustainability.



FILOSOFI CSR

Perseroan memandang kegiatan CSR sebagai bagian yang tidak terpisahkan dalam mencapai keberlanjutan usahanya dan sebagai upaya mitigasi risiko komunitas; dengan menjunjung tinggi akuntabilitas usaha (business accountability) terhadap masyarakat sekitar, serta para pemangku kepentingan lainnya. Prinsip CSR dilakukan sesuai dengan nilai-nilai perusahaan (corporate values), serta mengacu kepada ketentuan Pemerintah, Sustainable Development Goals (SDGs), tiga pilar pembangunan berkelanjutan "Triple Bottom Line", dan menggunakan ISO 26000 sebagai referensi.



CSR PHILOSOPHY

The Company views CSR activities as an integral part in achieving business sustainability, and as a community risk mitigation effort; by upholding business accountability to the surrounding communities as well as other stakeholders. The Company's CSR Principles are implemented in accordance with corporate values, and refer to the Government's provisions, Sustainable Development Goals (SDGs), the three pillars of sustainable development "Triple Bottom Line", and uses ISO 26000 as a reference.

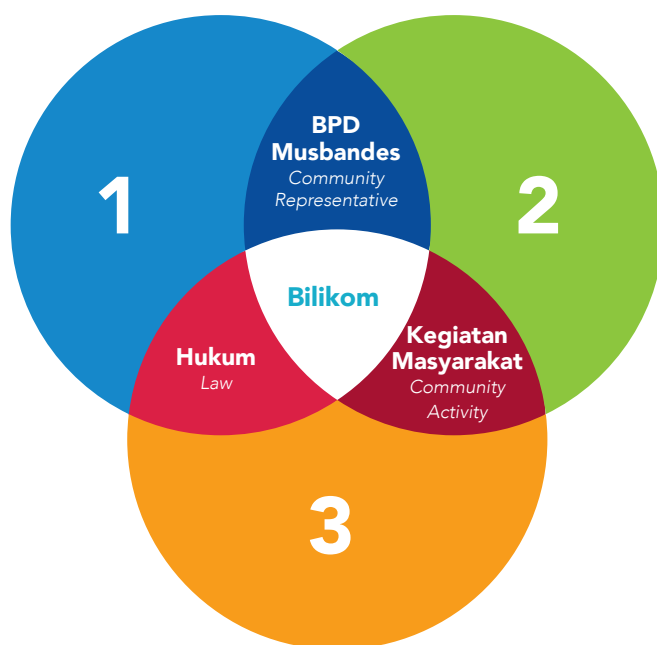


Fungsi CSR bertanggung jawab atas pelaksanaan program CSR di seluruh area operasional dan melaporkan kinerja CSR kepada Direksi setiap bulan. Selain melalui fungsi CSR, Perseroan juga melibatkan pihak eksternal untuk melakukan pemantauan dan evaluasi program melalui Forum Komunikasi Program CSR (Bina Lingkungan Komunikasi/Bilikom) setiap empat bulan dan pemetaan sosial (*social mapping*) setiap empat tahun. Bilikom menerapkan mekanisme partisipatif dalam menanggapi beragam isu atau pengaduan, ekspektasi, dan masukan dari pemangku kepentingan.

CSR function is responsible for the implementation of the CSR program in all operational areas and reports on the performance to Directors every month. Other than CSR function, Company is also involved external parties to conduct monitoring and evaluation of CSR programs through Community Communication Forums (*Bilikom*) every four months and social mapping every four years. *Bilikom* implemented a participatory mechanism in responding to various issues or grievances, expectation, and input from stakeholders.

Forum Komunikasi Program CSR Bilikom terdiri dari:

CSR Communication Forums of Bilikom consist of:



- 1 Pemerintahan: Kepala Desa, Kepala Dusun, Badan Permusyawaratan Desa, dan Lembaga Pemberdayaan Masyarakat
- 2 Masyarakat: Penduduk, Tokoh Masyarakat, Tokoh Agama, Tokoh Pemuda, dan Pendatang
- 3 Indocement: CSR, Security, Produksi, dan Karyawan

- 1 Government: Village Hamlets Chief, Community Consultative Agency, and Community Empowerment Agency
- 2 Community: Residents, Community Leader, Religion Leader, Youth Leader, and Immigrant
- 3 Indocement: CSR, Security, Production, and Employees

PEMBERDAYAAN MASYARAKAT DALAM PEMBANGUNAN BERKELANJUTAN [413-1]

COMMUNITY EMPOWERMENT IN SUSTAINABILITY DEVELOPMENT

Pada akhir 2018, penilaian dampak sosial dan lingkungan dilakukan di Kompleks Pabrik Citeureup melalui studi pemangku kepentingan, terutama masyarakat. Studi ini bertujuan untuk mengidentifikasi dampak positif maupun negatif atas keberadaan Perseroan melalui *focus group discussion* (FGD). FGD difasilitasi oleh pihak ketiga dan dihadiri 15 peserta perwakilan masyarakat dari Desa atau Kelurahan Puspanegara, Tajur, Bantarjati, Tarikolot, dan Citeureup.

At the end of 2018, social and environment impact assesment was conducted in Citeureup Factory through study on stakeholders, particularly the community. The objective of this study is to identify positive and negative impacts on the Company existence through focus group discussion. The FGD was facilitated by third parties and attended by 15 representatives of Puspanegara, Tajur, Bantarjati, Tarikolot, and Citeureup villages.

Pencapaian Program CSR

CSR Program Achievements

Kompleks Pabrik Factory	Pencapaian Program CSR CSR Program Achievement (%)
Citeureup	102
Palimanan	94
Tarjun	103
Non Plant	96

Pencapaian Program CSR Berdasarkan 5 Pilar

CSR Program Achievements based on 5 Pillars

Program Programs	Kompleks Pabrik Factory									Kantor Pusat Head Office		
	Citeureup			Palimanan			Tarjun			2018	2017	2016
	2018	2017	2016	2018	2017	2016	2018	2017	2016			
Pendidikan Education	101%	101%	100%	61%	97%	101%	94%	91%	102%	96%	100%	100%
Kesehatan Health	100%	96%	97%	114%	81%	81%	99%	82%	98%	93%	100%	100%
Ekonomi Economy	100%	50%	100%	89%	100%	133%	88%	77%	75%	-	67%	67%
Sosbudagor Social, Culture, Religion, and Sport	113%	110%	98%	104%	97%	144%	99%	96%	98%	85%	100%	100%
Keamanan Security	100%	33%	100%	102%	81%	111%	111%	100%	100%	-	100%	100%
Sustainable Development Program (SDP)	101%	118%	100%	131%	95%	130%	91%	91%	104%	109%	94%	94%
Rerata Average	102%	84,67%	99%	100,17%	92%	166,67%	97%	89,5%	94,67%	96%	93,5%	93,5%

Kontribusi Pilar CSR terhadap SDGs

CSR Pillars Contribution towards SDGs

Pilar CSR CSR pillars	Program CSR CSR Programs	Jumlah Program Total Program			Nawa Cita	SDGs 2030
		2018	2017	2016		
Pendidikan Education	Anak asuh, beasiswa, pelatihan aneka aroduksi, pelatihan UMKM, bantuan fasilitas belajar, perpustakaan sekolah, sekolah magang Indocement, pelatihan operator truk, pelatihan keterampilan, dan kerjasama dengan institusi lain <i>Fostered children, scholarships, multiform training, UMKM training, learning facility support, school libraries, Indocement internship, truck operator training, skills training, and cooperation with other institutions.</i>	148	157	148	Cita 5	
Kesehatan Health	Pusat kesehatan masyarakat keliling, penyuluhan kesehatan, pemberian makanan tambahan, sarana air bersih, operasi katarak <i>Community health centers, health counseling, supplementary food, clean water supply, cataract surgery</i>	42	61	75	Cita 5	
Ekonomi Economy	Modal bergulir UMKM, peningkatan usaha berjalan, Local Purchase	43	14	17	Cita 7	 



Pilar CSR CSR pillars	Program CSR CSR Programs	Jumlah Program Total Program			Nawa Cita	SDGs 2030
		2018	2017	2016		
Sosial, Budaya, Agama, dan Olahraga (sosbudagor) Social, Cultural, Religion, and Sport (sosbudagor)	Bantuan kegiatan sosial, budaya, agama, olahraga & pembangunan/perbaikan infrastruktur, dan RUTILAHU Assistance with social, cultural, religious, sports & infrastructure development, and RUTILAHU activities	238	239	151	Cita 9	 
Keamanan Security	Pengamanan lingkungan, pelatihan linmas, bantuan seragam Linmas, dan rakor pamling atau Linmas Environmental safeguards, community training, Linmas uniform assistance, and pamling or linmas shelters	21	5	9	Cita 8	
Program Pembangunan Berkelanjutan Sustainable Development Program	Pusat Pelatihan dan Pemberdayaan Masyarakat (P3M), Bioenergy, BMT, IWEC, UPK Community Training and Empowerment Center (P3M), Bioenergy, BMT, IWEC, UPK	228	84	80	Cita 7 Cita 5 Cita 3	
Jumlah Total		720	560	480		

Program pengembangan masyarakat telah melahirkan *local hero* yang memiliki peran penting mendorong perubahan perilaku dan kepemimpinan dalam membangun kemandirian. Pada 2018, terdapat 78 *local hero* yang siap menjadi penggerak dan motivator dalam pemberdayaan masyarakat untuk mendukung pencapaian tujuan pembangunan berkelanjutan.

Community development program has created local heroes who have important role in promoting changes of behavior and leadership in building independency. In 2018, there are 78 local heroes who are ready to become driving force and motivators in empowering communities to achieve SDGs goals.

Jumlah Local Hero

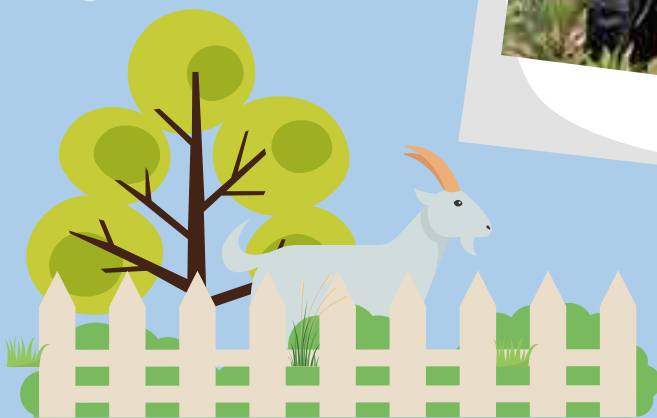
Number of Local Hero

Program Programs	Periode Pelaporan Reporting Period		
	2018	2017	2016
Pendidikan Education	14	19	15
Kesehatan Health	1	9	4
Ekonomi Economy	11	34	27
Sosial, Budaya, Agama, dan Olahraga (sosbudagor) Social, Cultural, Religion, and Sport (sosbudagor)	4	17	21
Program Pembangunan Berkelanjutan Sustainable Development Program	48	70	89
Total	78	149	156



Perseroan secara berkesinambungan melanjutkan program-program CSR Indocement yang telah memberikan dampak yang signifikan terhadap pencapaian SDGs, antara lain:

The Company continues the implementation of CSR Programs that have provided significant impact towards SDGs, such as:



JURAGAN KAMBING DESA (JUKAD) GOAT ENTERPRENEURSHIP (JUKAD)

Sejak 2014, Indocement mengembangkan kluster ternak kambing melalui program Juragan Kambing Desa (JUKAD) di empat desa mitra sekitar Kompleks Pabrik Tarjun, yaitu Desa Tarjun, Langadai, Serongga dan Tegalrejo. Program ini diawali dengan pemberian pelatihan di Pusat Pelatihan dan Pemberdayaan Masyarakat (P3M) bagi 31 warga desa penerima bantuan ternak kambing. Hingga akhir 2018, sebanyak 26 peternak telah berhasil mengembangkan jumlah ternak dari 15 ekor menjadi 220 ekor. Dengan modal awal pemberdayaan sebesar Rp92 juta, juragan kambing kini telah mandiri dengan meningkatkan modal usaha menjadi Rp440 juta. Program ini juga telah mendapat apresiasi dari Dinas Peternakan Kabupaten Kotabaru.

Since 2014, Indocement has developed goat livestock cluster through JUKAD program in four partner villages around Tarjun Factory consist of several villages of Tarjun, Langadai, Serongga and Tegalrejo. This program began with the provision of training in Community Empowerment and Training Center (P3M) for 31 villagers who received goat livestock. At the end of 2018, there are 26 beneficiaries who have succeeded in breeding goat livestock from 15 goats to 220 goats. With the initial capital fund for community development of Rp92 million, the independent beneficiaries managed to accumulate the capital to Rp440 million. This program was appreciated by Kotabaru District Livestock Agency.

Kemandirian Kampung Kaleng dan Koperasi Rancage Independence of Kampung Kaleng and Rancage Cooperative

"Kampung Kaleng" di Kampung Dukuh, Desa Pasirmukti, Kecamatan Citeureup, Kabupaten Bogor merupakan salah satu desa mitra Indocement, di Kompleks Pabrik Citeureup. Mayoritas warga Kampung Kaleng adalah pengrajin pelat kaleng yang memiliki keahlian dan keterampilan membentuk pelat kaleng menjadi aneka perabot rumah tangga. Melalui program CSR, Perseroan berupaya meningkatkan kesejahteraan dan kemandirian usaha pengrajin.

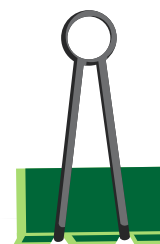
Kemandirian Kampung Kaleng tidak terlepas dari peran penting Koperasi Rancage (Rancage), yang merupakan koperasi produksi. Nama Rancage sendiri berasal dari Bahasa Sunda yang berarti cakap, gesit dan tangkas. Kehadiran Rancage membantu akses pemasaran dan pengelolaan dana pinjaman modal untuk pelaku usaha pengrajin pelat kaleng. Melalui bantuan Indocement berupa modal bergulir, pelatihan keterampilan dan kewirausahaan, pemasaran *online*, dan pengembangan pasar, Rancage kini telah beranggotakan 112 orang.

Rancage merupakan salah satu wujud nyata yang dilakukan oleh kelompok masyarakat dalam mendorong tercapainya ekonomi kreatif yang juga sesuai dengan Nawa Cita butir ke-7, yaitu mewujudkan kemandirian ekonomi dengan menggerakkan sektor-sektor strategis ekonomi domestik. Rancage terus berkembang menjadi koperasi mandiri yang berwawasan lingkungan. Di 2018, melalui ketua koperasi, Dedi Ahmadi, Rancage berhasil meraih penghargaan dari Kementerian Koperasi dan UMKM Indonesia, yaitu Satya Lencana Pembangunan dan Bhakti Koperasi.

"Kampung Kaleng" in Dukuh County, Pasirmukti Village, Citeureup Subdistrict, Bogor Regency is one of Indocement's partner villages near the Citeureup Factory. The majority of Kampung Kaleng residents are tin plate artisans that have the expertise and skills to transform tin plates into various home furnishings. Through the CSR program, the Company seeks to improve the welfare and independence of the artisans' business.

The independence of Kampung Kaleng is inseverable from the important role of Rancage Cooperative (Rancage), which is a production cooperative. The name of Rancage itself comes from Sundanese which means skillful, nimble and agile. The presence of the Rancage helped the access of marketing and management of capital loan for tin plate artisans. Through Indocement assistance in the form of revolving capital fund, skill and entrepreneurship training, online marketing and market development, the Rancage now has 112 members.

Rancage is one of the manifestations made by community to encourage the achievement of a creative economy which is also in accordance with Nawa Cita point 7, namely, to realize economic independence by driving strategic sectors of domestic economy. The Rancage continued to develop into an independent cooperative with environmentally friendly business. In 2018, through the chairman, Dedi Ahmadi, Rancage has been awarded by the Indonesian Ministry of Cooperatives and MSMEs with the award of Satya Lencana Pembangunan and Bhakti Koperasi.





KOPERASI ANUGERAH BATIK ANUGERAH BATIK COOPERATIVE

Koperasi Anugerah Batik merupakan sentra pusat belajar dan pengembangan batik Ciwaringin di Kabupaten Cirebon, Jawa Barat. Koperasi ini memiliki peran besar untuk mengangkat kembali komunitas pembatik Kebon Gedang Cirebon yang sebelumnya kurang diminati. Perseroan memberikan bantuan modal usaha, pelatihan, serta sarana dan prasarana, termasuk didalamnya pemanfaatan bahan pewarna alami dan membangun instalasi pengolahan air limbah (IPAL) agar dapat membangun industri batik tulis Ciwaringin yang mandiri dan ramah lingkungan.

Pada akhir 2018, Koperasi Anugerah Batik telah beranggotakan 76 pengrajin batik dan menghasilkan omset hingga Rp200 juta setiap tahun. Selain itu, 90% dari pengrajin sudah mengandalkan pewarna batik alami dan hanya 10% yang masih menggunakan pewarna sintetis. Dari penjualan yang tercatat, terdapat 20% batik tulis di jual kepada pembeli asal Jerman, Jepang, dan Singapura. Saat ini para perajin aktif mengikuti berbagai pameran di daerah dan mendapatkan kunjungan wisatawan lokal maupun luar negeri di *showroom* koperasi.

Anugerah Batik Cooperative is the center for learning and development of Ciwaringin batik in Cirebon Regency, West Java. The cooperative has a big role to revitalize the batik community of Kebon Gedang Cirebon which previously was less attractive. The Company provides business capital assistance, training, as well as facilities and infrastructure, including the use of natural dye materials and wastewater treatment plants (IPAL) in order to build an independent and environmentally friendly industry of Ciwaringin batik.

At the end of 2018, the Batik Anugerah Cooperative has 76 batik artisans and produces a turnover approaching Rp200 million every year. In addition, 90% of artisans have relied on natural batik dyes and only 10% still used synthetic dyes. From the sales record, there were 20% of batik sold to buyers from Germany, Japan and Singapore. At present the artisans also actively participated in various exhibitions in the area and received visits in cooperative showrooms from local and foreign tourists.





Memaksimalkan Potensi Generasi Muda Maximizing Young Generation Potential

Pendirian Tempat Uji Kompetensi (TUK) Indocement merupakan insiatif Perseroan memaksimalkan potensi anak muda, khususnya para pelajar Sekolah Menengah Kejuruan (SMK) di sekitar Kompleks Pabrik Citeureup, Bogor, Jawa Barat. Saat ini TUK memberi fasilitas kepada 13 SMK untuk meningkatkan keterampilan teknis otomotif sepeda motor. Para pelajar yang telah mengikuti pelatihan di TUK dapat memperoleh sertifikasi yang akan menjadi modal para siswa untuk mendapatkan peluang pekerjaan yang lebih baik. Saat ini TUK hanya berada di Kabupaten Bogor dan akan dikembangkan di sekitar wilayah operasi Perseroan lainnya.

Establishment of the Competency Test Center (TUK) is the Company's initiative to maximize the potential of young people, especially vocational high school (SMK) students around the Citeureup Factory, Bogor, West Java. At present TUK provides facilities to 13 Vocational Schools to give opportunities for students in improving motorcycle engineering. Students who have received training in TUK can obtain certification that will become the future capital for a better job opportunities. Currently TUK is only in Bogor Regency and will be developed around the Company's other operating areas.

Sesuai dengan bisnis inti, Perseroan juga mendirikan Sekolah Tukang Semen Tiga Roda (SETARA) dengan tujuan meningkatkan kemampuan dan pengetahuan tenaga konstruksi agar menjadi tenaga terampil bersertifikasi dengan kemampuan yang unggul. Sejak 2013 hingga saat ini, terdapat 5.129 lulusan SETARA.

In line with our core business, the Company also established the school of Sekolah Tukang Semen Tiga Roda (SETARA) with the aim of increasing the ability and knowledge of construction workers to become certified workers with excellent skills. Since 2013 to date, there were 5,129 SETARA alumni.

Sementara, bagi calon peserta yang belum memiliki pengalaman kerja sebagai tukang bangunan juga dapat ikut belajar kursus keterampilan tukang melalui pelatihan SETARA - Sekolah Magang Indocement (SETARA-SMI). Pelatihan SETARA-SMI sudah diselenggarakan sebanyak sembilan angkatan, dari 198 lulusan SETARA-SMI, 108 tenaga tukang terlatih sudah tersalurkan dan lulusan lainnya masih dalam proses fasilitasi penyaluran, baik melalui wadah "Mutu" yang dibentuk oleh Perseroan maupun melalui kerja sama dengan pihak ketiga.

Meanwhile, for prospective participants who have not had work experience as builders may also take part in the masonry skills training through SETARA-Indocement Internship School (SETARA-SMI). The SETARA-SMI training has been held in nine batches. From the 198 SETARA-SMI graduates, 108 trained personnel have been assigned and other graduates are still in the process of assignment, either through the "Mutu" established by the Company or through partnership with third parties.



Menyiapkan Pekerja Lokal yang Terampil **Preparing Skilled Local Employees**

Sebagai bentuk dukungan Indocement terhadap Program Vokasi Industri yang diprakarsai Kementerian Perindustrian, Perseroan bekerjasama dengan sejumlah Sekolah Menengah Kejuruan (SMK) di sekitar Kompleks Pabrik Citeureup untuk melaksanakan Program Teaching Factory. Program ini mendapatkan pengawasan langsung dari tenaga ahli Indocement terutama divisi pendukung teknik. Program Teaching Factory merupakan kegiatan pendidikan yang berorientasi pada produksi dan bisnis, dimana para siswa dan guru dapat berkunjung ke pabrik untuk praktik kerja lapangan (PKL) dan melihat langsung proses produksi suku cadang yang nantinya akan digunakan oleh Perseroan.

Dalam pelaksanaan kegiatan PKL, para guru dan siswa diharapkan dapat mengimplementasikan keahlian di bidang Teknik Mesin, Teknik Automasi Industri, Kimia Industri, Elektronik Industri, Instrumentasi Logam, dan Otomotif. Dalam tujuh tahun terakhir, tercatat lebih dari 600 siswa dari 64 SMK atau setara dan 700 mahasiswa dari 78 universitas menjalani PKL di Indocement. Khususnya di 2018, SMK Negeri 1 Cibinong ikut berpartisipasi dalam program ini dan melaksanakan praktik kerja lapangan (PKL) di Kompleks Pabrik Citeureup.

As a form of support from Indocement towards Vocational Industry Program initiated by Industrial Ministry, the Company cooperate with several Vocational High Schools (SMK) around Citeureup Factory to provide Teaching Factory Program. This program receives direct monitoring from Indocement's experts, mainly from technical support division. Teaching Factory Program is an educational activities that is oriented towards production and business, where students and teachers can visit the factory for professional placement and witness at first hand the production process of spare parts that will be used by the Company.

Through professional placement, teachers and students were expected to be able to implement expertise in the fields of Mechanical Engineering, Industrial Automation Engineering, Industrial Chemistry, Industrial Electronics, Metal Instrumentation, and Automotive. For the last seven years, there were more than 600 students from 64 vocational or equivalent and 700 students from 78 universities underwent street vendors in Indocement. Particularly in 2018, SMK Negeri 1 Cibinong has participated in this program and engaged in professional placement in the Citeureup Factory.



Pengembangan Sekolah Berwawasan Lingkungan Development of Environmentally Friendly School

Indocement mendukung pengembangan program Sekolah Adiwiyata yang digagas Kementerian Lingkungan Hidup dan Kehutanan. Program ini bertujuan meningkatkan kepedulian anak-anak di usia sekolah terhadap pelestarian lingkungan hidup. Sampai dengan saat ini Indocement telah berpartisipasi dalam memberikan bantuan teknis dalam pengembangan 25 sekolah. Pada 2018, salah satu sekolah, yaitu sekolah SMU Negeri Cilegon I, meraih Sekolah Adiwiyata Tingkat Nasional. Hingga saat ini telah dikembangkan 4 Sekolah Adiwiyata Tingkat Nasional, 9 Sekolah Adiwiyata Tingkat Propinsi, dan 13 Sekolah Adiwiyata Tingkat Kabupaten.

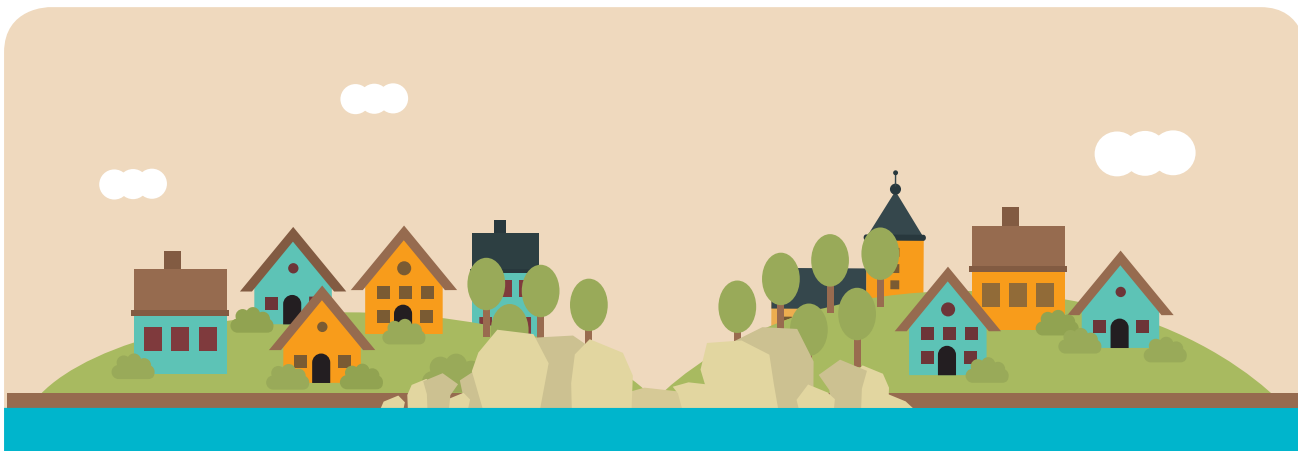
Kegiatan sekolah yang sudah dilakukan antara lain:

1. Mengadakan lomba kelas bersih serta pembentukan satgas Sahabat Bina Lingkungan (SABILI).
2. Membuat lubang biopori di lingkungan sekolah dan masyarakat sekitar sekolah.
3. Mengembangkan taman tanaman obat keluarga dan produk olahannya.
4. Mensosialisasikan kegiatan Adiwiyata ke orang tua siswa.
 - a. Kebijakan mengurangi sampah
 - b. Kantin dilarang mempergunakan *styrofoam* untuk tempat makan
 - c. Memilah sampah non-organik dan organik
 - d. Bank sampah sekolah dan produk kerajinan

Indocement supports the development of Adiwiyata School program initiated by the Ministry of Environment and Forestry (MoEF). This program aims to increase awareness of environment preservation to school-age children. Until to date, Indocement has participated in providing technical assistance towards the development of 25 schools. In 2018, one of the schools, SMU Negeri Cilegon I, won the National Level Adiwiyata Schools. Currently, there was 4 National Level Adiwiyata Schools, 9 Provincial Level Adiwiyata Schools, and 13 District Level Adiwiyata Schools.

School activities that have been performed included:

1. Conducting clean class competition and a task force of *Sahabat Bina Lingkungan* (SABILI).
2. Making biopores around the school and in the community around the school.
3. Developing medicinal plants garden and its products
4. Socializing activities of Adiwiyata to parents.
 - a. Waste reduction policies
 - b. Canteen is prohibited from using *styrofoam* for containers
 - c. Sorting of organic and non-organic waste
 - d. School waste bank and handicraft products



Pengakuan Desa Proklam dari KLHK Acknowledgement of "Desa Proklam" from MoEF

Desa Proklam adalah sebutan desa yang melaksanakan Program Kampung Iklim (Proklam) dengan kegiatan utama melakukan adaptasi dan mitigasi untuk perubahan iklim. Kegiatan adaptasi meliputi penyuluhan mengenai Pola Hidup Bersih Sehat (PHBS), pelaksanaan program peningkatan ketahanan pangan, dan pengendalian kekeringan dan banjir (biopori, embung, dan sumur resapan). Adapun kegiatan mitigasi meliputi pengelolaan sampah rumah tangga, pemakaian energi terbarukan (biogas dan panel surya) dan penggunaan pupuk organik.

Pada 2018, terdapat dua desa mitra, Desa Ciwaringin dan Desa Randakari yang meraih pengakuan Desa Proklam dari Kementerian Lingkungan Hidup dan Kehutanan (KLHK). Dengan demikian, sampai saat ini Indocement telah berhasil membina delapan desa di sekitar wilayah operasi yang mendapatkan pengakuan Desa Proklam dari KLHK.

A village that carried out Climate Change Mitigation Program is called "Desa Proklam" for with main activities consist of adaptation and mitigation related to climate change. Adaptation activities include counseling on Clean Healthy Lifestyle (PHBS), implementation of food security improvement program, and control of drought and flood (biopores, rain-fed ponds, and absorption wells). The mitigation activities include household waste management, use of renewable energy (biogas and solar cell) and the use of organic fertilizers.

There were two partner villages, Ciwaringin and Randakari villages, that received Desa Proklam recognition from MoEF in 2018. Thus, until today Indocement has succeeded in assisting eight villages around operation areas to received *Desa Proklam* recognition from Ministry of Environment and Forestry (MoEF).



MEKANISME PENGADUAN MASYARAKAT DAN LINGKUNGAN [413-1]

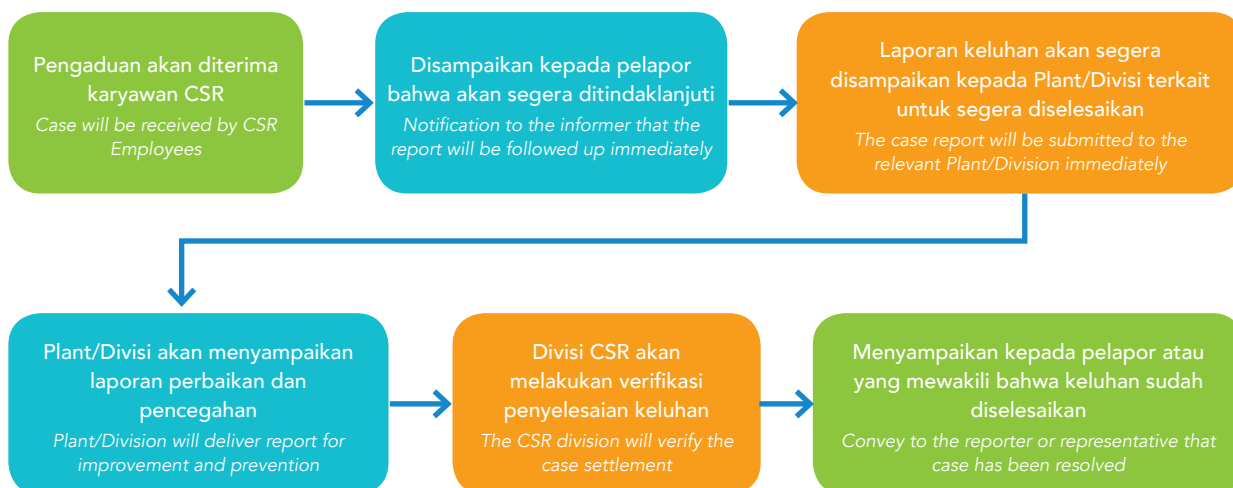
SOCIETY AND ENVIRONMENT GRIEVANCE MECHANISM

Indocement membuka jalur komunikasi bagi pemangku kepentingan, terutama masyarakat sekitar yang ingin menyampaikan isu terkait sosial maupun lingkungan. Saran dan keluhan dapat disampaikan melalui forum CSR Bina Lingkungan Komunikasi (Bilikom) atau menyampaikan secara langsung kepada karyawan CSR.

Indocement has established a communication channel for stakeholders, mainly for surrounding community who want to convey their concerns related to social or environment issues. Suggestions and complaints can be conveyed during CSR Communication Forums of Bilikom or submitted directly to CSR employees.

Standard Operating Procedure (SOP) penanganan keluhan:

Standard Operating Procedure (SOP) for grievance mechanism:



Selama periode pelaporan, terdapat lima keluhan dari masyarakat berupa debu dan getaran. Seluruh keluhan dapat diselesaikan dengan baik. Sementara Perusahaan tidak menerima keluhan terkait program CSR.

During the reporting period there was five complaints from communities regarding dust and vibration. All complaints have been resolved well. On the other hand, the Company has not received any formal grievance regarding CSR programs.

Rincian Pengaduan Lingkungan dan Penyelesaian

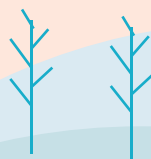
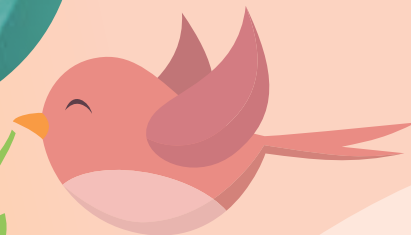
Details of Complaint and Settlement

Keluhan Lingkungan Environmental Case	Jumlah Keluhan Number of Case		Keluhan Diselesaikan Case Resolved	
	2018	2017	2018	2017
 Debu Dust	2	1	2	1
 Bau tidak sedap Bad odor	0	1	0	1
 Getar Vibration	3	N/A	3	N/A
 Lingkungan Environment	0	4	0	4
Jumlah Total	5	6	5	6



Memastikan Kepatuhan dan Menciptakan Transparansi

Ensuring Compliance and Creating Transparency





Tata Kelola yang Mendukung Keberlanjutan

Governance that Supports Sustainability

Tata Kelola Perusahaan yang Baik (GCG) merupakan landasan bagi Indocement menjalankan tiga pilar keberlanjutan yang terdiri atas aspek ekonomi, lingkungan dan sosial secara seimbang serta terintegrasi pada seluruh kegiatan operasi. Kualitas penerapan GCG terus ditingkatkan mengacu pada hukum dan standar yang berlaku, serta pedoman yang dikeluarkan oleh HeidelbergCement Group.

Good Corporate Governance (GCG) is the basis for Indocement to run three sustainability pillars consisting of economic, environmental and social aspects in a balanced and integrated manner through all operations. The quality of GCG implementation continues to be improved in accordance with the applicable laws and standards, as well as guidelines set by HeidelbergCement Group.



Sasaran utama memastikan kepatuhan dan terciptanya transparansi: menjalankan tata kelola yang mendukung keberlanjutan untuk menjaga penerapan GCG

The main objectives of ensuring compliance and creating transparency: Implementing governance that supports sustainability to maintain good corporate governance

Target Tahunan <i>Annual Target</i>	Pencapaian 2018 <i>2018 Achievement</i>
• Menerapkan prinsip GCG <i>Implementation of GCG principles</i> • Memastikan pemasok patuh pada peraturan Indocement <i>Ensure compliance of supplier toward Indocement regulations</i>	• Penilaian GCG oleh OJK berdasarkan ASEAN Corporate Governance Scorecard: 70,55 <i>GCG assesment by Financial Service Authority based on ASEAN Corporate Governance Scorecard: 70.55</i> • Pengadopsian "Kode Etik Perilaku Bisnis" HeidelbergCement Group bagi pemasok <i>Adoption of "Code of Business Conduct" HeidelbergCement Group for suppliers</i>

STRUKTUR TATA KELOLA [102-18]

GOVERNANCE STRUCTURE [102-18]

Struktur tata kelola Indocement dibentuk untuk memastikan penerapan GCG secara sistematis dengan pembagian peran dan tanggung jawab yang jelas sesuai dengan Undang-Undang Republik Indonesia Nomor 40 tahun 2007 tentang Perseroan Terbatas.

Rapat Umum Pemegang Saham (RUPS) merupakan organ utama yang memiliki wewenang tertinggi dalam pelaksanaan tata kelola Indocement. Dewan Komisaris mengawasi kinerja Direksi yang secara bersama-sama bertanggung jawab atas pengelolaan operasional untuk mencapai tujuan Perseroan. Dewan Komisaris dan Direksi dibantu oleh komite-komite dibawahnya menjalankan kegiatan operasional sesuai dengan prinsip-prinsip GCG dan perundang-undangan yang berlaku.

Perseroan membentuk CSR & Security Division yang bertanggung jawab kepada Direksi atas pelaksanaan program Tanggung Jawab Sosial Perusahaan (*Corporate Social Responsibility/CSR*) yang selaras dengan kegiatan operasional. Pelaksanaan CSR menunjukkan komitmen Indocement mewujudkan pembangunan berkelanjutan melalui pendekatan yang seimbang antara kinerja ekonomi, lingkungan, dan sosial dalam pengelolaan kegiatan operasional.

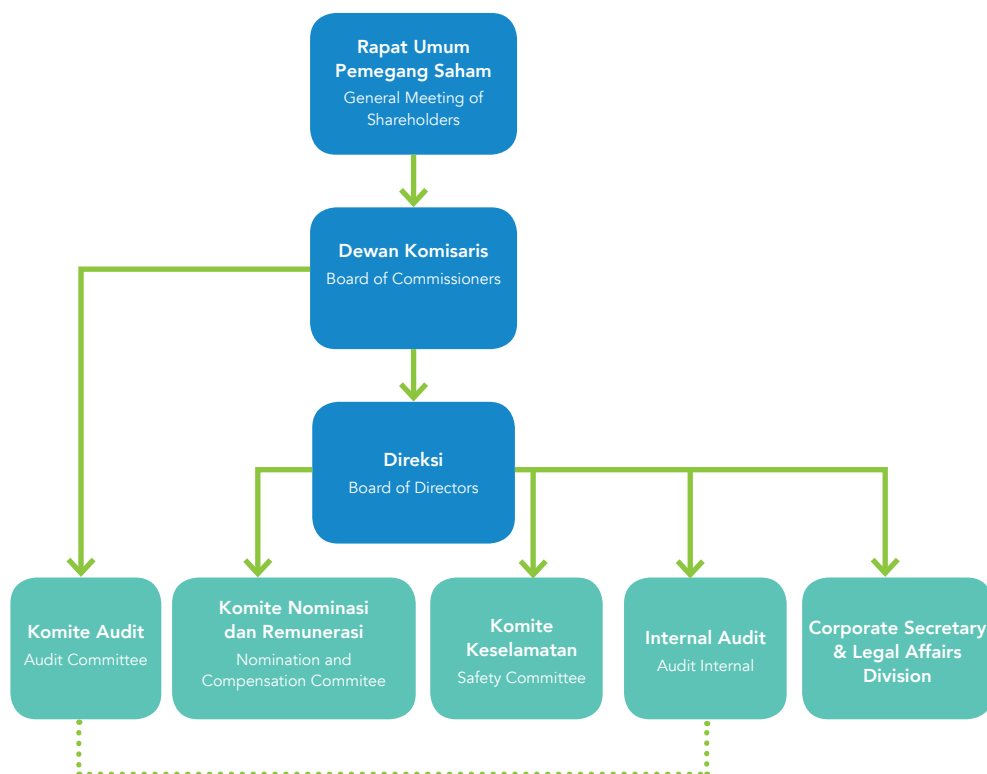
Indocement's governance structure was established to ensure the implementation of GCG systematically with clear division of roles and responsibilities in accordance with the Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies.

The General Meeting of Shareholders (GMS) is the main organ that has the highest authority in the implementation of Indocement's governance. The Board of Commissioners oversees the performance of the Board of Directors who are jointly responsible for operational management to achieve Company goals. The Board of Commissioners and the Board of Directors are assisted by committees below which carry out operational activities in accordance with the GCG principles and applicable laws.

The Company established a CSR & Security Division who is directly responsible to the Board of Directors for the implementation of Corporate Social Responsibility (CSR) programs that are in line with operational activities. The implementation of CSR represents Indocement's commitment to realize sustainable development through a balanced approach between economic, environmental, and social performance in managing operational activities.

Struktur Tata Kelola Perusahaan

Corporate Governance Structure





Pada 2018, komposisi Direksi Perseroan mengalami perubahan sesuai dengan keputusan RUPS Tahunan yang diselenggarakan pada 22 Mei 2018. Informasi lebih lengkap disajikan dalam Laporan Tahunan 2018. [102-10]

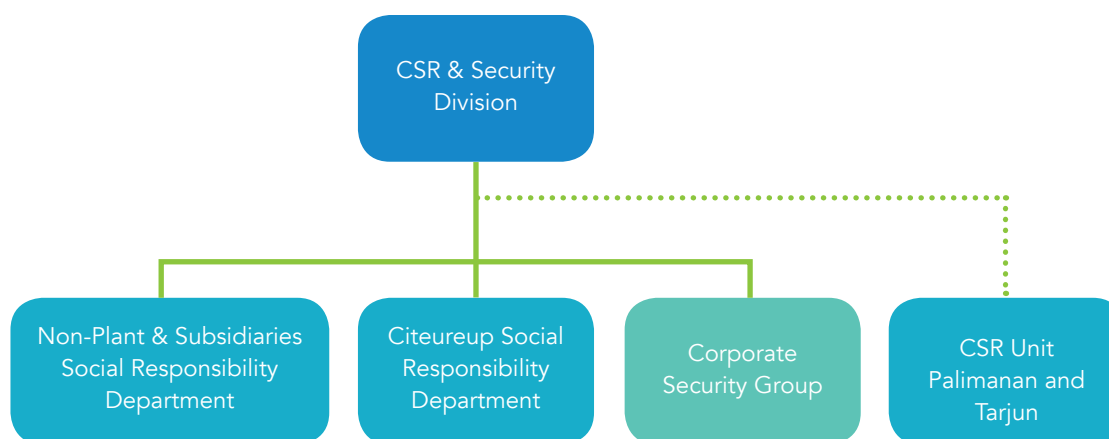
In 2018, there was a change in the composition of the Company's Board of Directors approved by the decision of the Annual GMS held on May 22, 2018. More information can be found in the 2018 Annual Report. [102-10]

Struktur Divisi CSR & Security

Struktur organisasi pengelola fungsi CSR adalah sebagai berikut:

CSR & Security Division Structure

Organization structure managed CSR function is as follows:



PEMBARUAN KODE ETIK [102-16]

CODE OF CONDUCT RENEWAL

Indocement memiliki kode etik yang berlaku sejak 2003 dan telah diperbarui pada 2018 untuk menyesuaikan perubahan yang berpengaruh pada pengelolaan Perseroan. Penyesuaian yang dilakukan diantaranya perumusan ulang terhadap nilai dan gaya kepemimpinan (*New Leadership Style*). Kode etik ini terdiri dari etika bisnis dan etika kerja. Etika bisnis adalah standar perilaku dalam menjalin hubungan dengan pemangku kepentingan, baik internal maupun eksternal (termasuk masyarakat sekitar). Etika kerja adalah sistem nilai untuk melaksanakan kerja sehari-hari diantaranya menciptakan kondisi kerja yang aman, sehat dan selamat, serta ramah lingkungan.

Indocement has a code of conduct that has been in place since 2003 and renewed in 2018 to adjust changes that affect the management of the Company. Adjustments made include reformulating the values and leadership approach (*New Leadership Style*). This code of conduct consists of business conduct and work conduct. Business conduct is a standard of behavior in establishing relationships with stakeholders, both internal and external (including the surrounding community). Work conduct is a corporate value system for carrying out day-to-day activity, such as creating secure, healthy and safe working conditions, as well as being environmentally friendly.





Terkait penanganan atas pelanggaran kode etik, pelapor dapat menyampaikan laporan dugaan atas pelanggaran kode etik melalui *hotline compliance* di "MySafeWorkplace" (www.mysafeworkplace.com). Fasilitas pengaduan *whistleblowing system* ini disediakan untuk menindaklanjuti setiap pelanggaran tanpa mengganggu stabilitas bisnis.

Regarding the handling of violations of the code of conduct, employee from internal and external parties may report suspected violations of code of conduct through hotline compliance at "MySafeWorkplace" (www.mysafeworkplace.com). This whistleblowing system is designed to ensure every violation can be followed up without disturbing the stability of the business.

PENEGAKKAN KODE ETIK PEMASOK *SUPPLIER CODE OF CONDUCT ENFORCEMENT*

Kode etik pemasok disusun berdasarkan Kode Etik Pemasok HeidelbergCement Group yang memuat kepatuhan kepada hukum dan peraturan dalam hal pelestarian lingkungan, keamanan produk, dan hal-hal mengenai kesejahteraan sosial. Selain itu, kode etik pemasok juga mendukung pemenuhan standar akuntabilitas sosial internasional SA 8000, standar lingkungan ISO 14001, serta ketentuan dalam Organisasi Buruh Internasional (ILO) di dalam rantai pasokan hulu kami. Untuk memastikan setiap ketentuan kode etik dipatuhi oleh pemasok, Perseroan melakukan verifikasi setiap pemasok dalam rantai suplai mereka dan jika diperlukan akan menelaah secara terus menerus dan melakukan penyempurnaan.

The supplier code of conduct is developed based on HeidelbergCement Group Supplier Code of Conduct which includes compliance with laws and regulations in terms of environmental preservation, product safety, and social welfare matters. In addition, the supplier code of conduct also supports the compliance of international social accountability standard SA 8000, environmental standard ISO 14001, and principles of the International Labor Organization (ILO) in our upstream supply chain. To ensure that every principles of the code of conduct is adhered by suppliers, the Company verifies each vendor in the supply chain and if necessary reviews it continuously and makes improvements.

HUBUNGAN INDUSTRIAL [102-41] *INDUSTRIAL RELATIONS*

Untuk menjaga hubungan industrial yang positif, Perseroan memiliki Serikat Pekerja dan menyusun kebijakan ketenagakerjaan yang dirumuskan dalam Perjanjian Kerja Bersama (PKB) VIII periode 2018-2019. PKB terbaru ini memuat hasil perundingan penentuan kenaikan upah. Seluruh atau 100% karyawan tetap terikat pada PKB dan Kode Etik Indocement.

To maintain positive industrial relations, the Company has a Labor Union and develops employment policies set forth in the Collective Labor Agreement (CLA) VIII for the period 2018-2019. This renewed CLA contains the results of negotiations determining the increase in wages. All or 100% of permanent employees are binded to CLA and the Code of Conduct of the Indocement.





Kepatuhan Lingkungan Hidup [102-11]

Environmental Compliance

Penerapan manajemen risiko Indocement meliputi identifikasi, pengukuran, pemantauan, dan pengendalian risiko. Salah satu potensi risiko pencemaran lingkungan yang timbul dari kegiatan operasional dikelola melalui pendekatan atau prinsip pencegahan untuk menghindari kerugian Perseroan. Pendekatan pencegahan mencakup kepatuhan pada seluruh peraturan, standar, dan pedoman yang berlaku terkait perlindungan dan pengelolaan lingkungan hidup. Perseroan patuh dan taat pada proses AMDAL, RPL, RKL, serta mendukung capaian pembangunan berkelanjutan (SDGs) yang dicanangkan oleh Perserikatan Bangsa-Bangsa (PBB). Indocement melalui Fungsi Kepatuhan bertanggungjawab memantau kebijakan, ketentuan, dan kegiatan, serta memastikan kepatuhan terhadap peraturan yang berlaku.

Kebijakan Lingkungan Hidup

Dengan diperolehnya sertifikasi ISO 14001:2015 Sistem Manajemen Lingkungan, Indocement berkomitmen untuk memerhatikan aspek lingkungan dalam setiap kebijakan yang dibuat. Kebijakan pelestarian lingkungan hidup Indocement ditandatangani oleh Direktur Utama.

Kebijakan Pelestarian Lingkungan Hidup Indocement:

1. Upaya-upaya nyata untuk melakukan penghematan sumber daya alam;
2. Konservasi keanekaragaman hayati;
3. Konservasi di bidang energi;
4. Mencegah pencemaran lingkungan melalui kegiatan perbaikan secara berkelanjutan.

Peringkat PROPER dan Level Industri Hijau

Wujud komitmen Indocement mencapai yang terbaik dalam manajemen lingkungan tercermin dari pencapaian Program Penilaian Peringkat Kinerja Lingkungan Hidup Perusahaan (PROPER) yang diselenggarakan Kementerian Lingkungan Hidup dan Kehutanan tahun 2018 dan Penghargaan Industri Hijau dari Kementerian Perindustrian Republik Indonesia.

The implementation of Indocement risk management includes identification, measurement, monitoring and risk control. One of the potential risks is related to the arising of environmental pollution from operational activities. It is managed through a precautionary approach or principle to avoid the Company's losses. The precautionary approach includes compliance with all applicable regulations, standards and guidelines related to environmental preservation and management. The Company adheres to the Environmental Impact Analysis and Management (EIA&EMP), such as AMDAL, RPL, RKL, and supports the SDGs adopted by the United Nations (UN). The Compliance Function is responsible for monitoring Indocement's policies, provisions, and activities, as well as ensuring compliance with applicable regulations.

Environmental Policy

By achieving the certification of ISO 14001:2015 Environmental Management System, Indocement is committed to paying attention to the environmental aspects on each policy to be set in place. Indocement's environmental conservation policy was signed by the President Director.

Indocement's Environmental Conservation Policy:

1. Real efforts to save natural resources;
2. Biodiversity conservation;
3. Conservation in the energy sector;
4. Prevent environmental pollution through continuous improvement activities.

PROPER Ranking and Green Industry Level

Indocement's commitment to gain the best environmental management is reflected in the achievement of the Company's Environmental Performance Rating Program (PROPER) held by the Ministry of Environment and Forestry in 2018 and the Green Industry Award from the Ministry of Industry of the Republic of Indonesia.



PENCAPAIAN KINERJA LINGKUNGAN

Environmental Performance Achivement



Peringkat PROPER Hijau, Kompleks Pabrik Citeureup
Green PROPER Rating, Citeureup Factory



Peringkat PROPER Hijau, Kompleks Pabrik Palimanan
Green PROPER Rating, Palimanan Factory



Penghargaan Industri Hijau Level 5 (level tertinggi)
Kompleks Pabrik Citeureup, Kompleks Pabrik Palimanan,
Kompleks Pabrik Tarjun.
Level 5 in Green Industry Award (highest Level)
Citeureup Factory, Palimanan Factory, Tarjun Factory



Profil Laporan

Report Profile

Laporan Keberlanjutan 2018 merupakan refleksi kinerja keberlanjutan Indocement pada periode 1 Januari sampai dengan 31 Desember 2018. Laporan ini merupakan kesinambungan dari Laporan Keberlanjutan 2017 yang diterbitkan pada 27 April 2018, bersamaan dengan penyelenggaraan Rapat Umum Pemegang Saham Tahunan (RUPS). [102-50, 102-51, 102-52]

Referensi Pelaporan [102-54]

1. Laporan ini telah disusun sesuai dengan Global Reporting Initiative (GRI) Standard: *core option*;
2. Laporan ini disusun menggunakan referensi Peraturan Otoritas Jasa Keuangan (POJK) Nomor 51/POJK.03/2017.

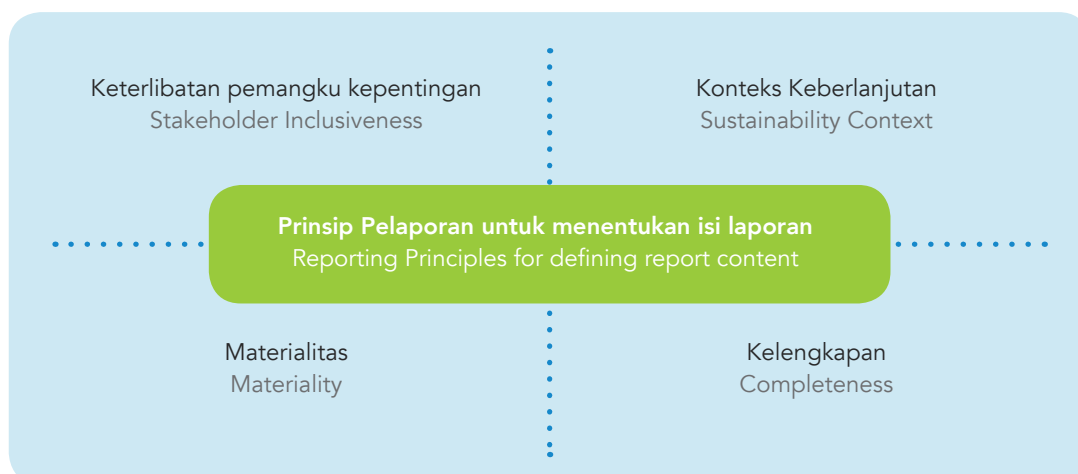
The 2018 Sustainability Report is a reflection of Indocement's sustainability performance in the period January 1 to December 31, 2018. This report is the continuity of the 2017 Sustainability Report which was published on April 27, 2018, together with the Annual General Meeting of Shareholders (GMS). [102-50, 102-51, 102-52]

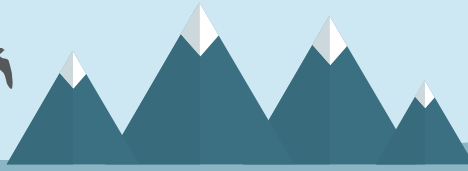
Reporting Reference [102-54]

1. This report is in accordance with the Global Reporting Initiative (GRI) Standard: *core option*
2. This report is in reference to the Financial Services Authority Regulation (POJK) Number 51/POJK.03/2017.

Proses Pelaporan [102-46]

Reporting Process [102-46]





Prinsip Pelaporan untuk Menentukan Kualitas Reporting Principles for Defining the Quality



Keseimbangan
Equality



Komparabilitas
Comparability



Keandalan
Reliability



Akurasi
Accuracy



Kejelasan
Clarity



Ketepatan Waktu
Timeliness

Proses Penentuan Isi Laporan [102-46]

Reporting Contents Defining Process [102-46]

IDENTIFIKASI Identification

Proses identifikasi topik keberlanjutan (sustainability context) mempertimbangkan karakteristik industri semen dan pengaruhnya terhadap pemangku kepentingan dengan mengacu pada Sustainability Accounting Standard Board (SASB) untuk industri material konstruksi (construction materials).

Identifying sustainability topics using Sustainability Accounting Standard Board (SASB) references for the construction materials industry and determining relevant topics based on the characteristics of the cement industry and its impact on stakeholders.

PRIORITASI Prioritization

Proses penentuan topik dan isu keberlanjutan dilakukan melalui diskusi internal dan penentuan skala prioritas pada 19 November 2018.

The process for determining topics and sustainability issues was conducted through internal discussions and priority scale determination on November 19, 2018.

VALIDASI Validation

Proses validasi dan persetujuan aspek material dalam laporan ini melibatkan Direksi.

Validating and approving the material aspects in the report by involving the Board of Directors.

TINJAUAN Review

Kajian ulang atas laporan tahun sebelumnya dengan mempertimbangkan masukan dari pemangku kepentingan, baik internal maupun eksternal (stakeholder inclusiveness).

Reviewing the previous year's report by taking into account stakeholder input, both internal and external (stakeholder inclusiveness).



Cakupan Ruang Lingkup [102-45, 102-48]

Laporan ini menyajikan data keuangan konsolidasian dari seluruh kinerja pabrik, 18 entitas anak, dan 4 entitas asosiasi Perseroan. Di luar data keuangan, laporan ini menyajikan topik material yang berdampak signifikan pada Kantor Pusat dan ketiga Kompleks Pabrik Indocement, yaitu: Citeureup, Bogor, Jawa Barat; Palimanan, Cirebon, Jawa Barat; dan Tarjun, Kotabaru, Kalimantan Selatan. Adapun data kecelakaan kerja juga mencakup mitra kerja. Dalam laporan ini terdapat pernyataan kembali (*restatement*) yang bersifat memperbaiki laporan sebelumnya terkait kinerja pengurangan emisi dengan acuan baku mutu yang disesuaikan dengan periode peraturan berlaku dan kinerja pengolahan limbah B3 yang lebih terdokumentasi.

Hasil Uji Materialitas [102-46]

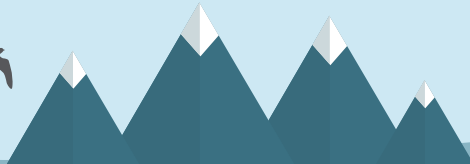
Penentuan informasi material berdasarkan hasil identifikasi tingkat kepentingan dan dampak signifikan terhadap pemangku kepentingan dengan menggunakan skala 1 (rendah), skala 2 (sedang), skala 3 (tinggi) dan skala 4 (sangat tinggi). Informasi material kategori "sangat tinggi", yaitu Kinerja Ekonomi, Emisi, Efluen dan Limbah, Energi, K3. Informasi lainnya pada kategori "tinggi", yaitu Komunitas Lokal dan penerapan Tata Kelola, serta keanekaragaman hayati.

Scope Coverage [102-45, 102-48]

This report disclosed consolidated financial information for all the Company's factories, 18 subsidiaries and 4 associated companies. Outside the financial data, the Company has presented the entire report contents, showing significant impacts, related to the Head Office and three Indocement factories, Citeureup in Bogor, West Java, Palimanan in Cirebon, West Java, and Tarjun in Kotabaru, South Kalimantan. While the OHS performance is also included the contractors. In this report, there is a restatement for correcting previous reports' data regarding the performance of emission reductions with reference to the adjusted quality standards and the performance of hazardous and toxic waste with better documentation.

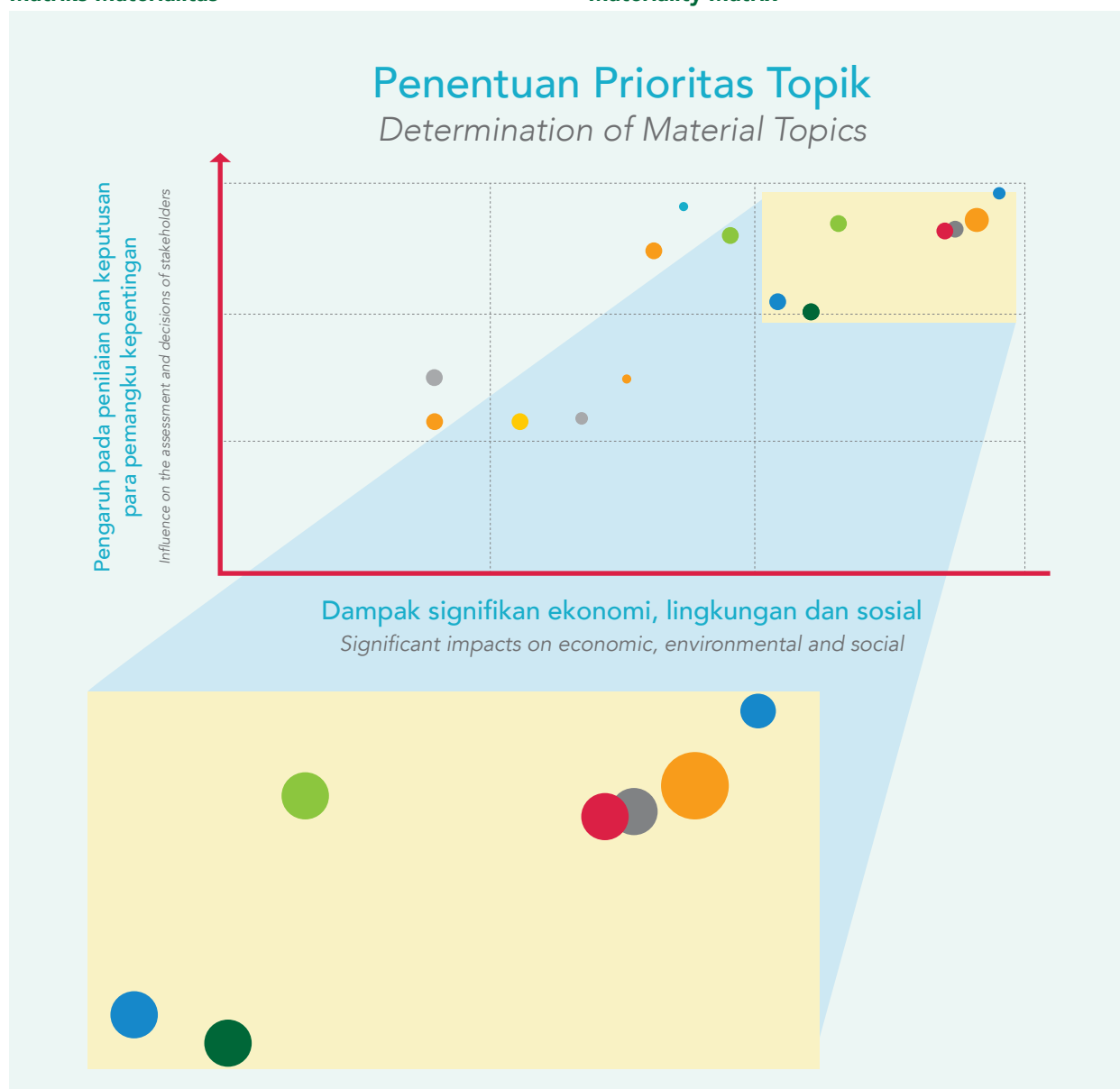
Materiality Test Result [102-46]

Determination of material information based on the results of identification of the degree of importance and significant impact on stakeholders using a scale of 1 (low), scale 2 (medium), scale 3 (high) and scale 4 (very high). Material information in "very high" category, namely, Economic Performance, Emission, Effluent and Waste, Energy, OHS. Other information in the "high" category, namely, Local Communities and Sustainable Governance, as well as biodiversity.



Matriks Materialitas

Materiality Matrix



1. Mendorong Kekuatan Ekonomi dan Inovasi

Driving Economic Strength and Innovation

● Kinerja Ekonomi | *Economic Performance*

2. Mengurangi Jejak Lingkungan Kami

Reducing Our Environmental Footprint

● Emisi | *Emission*

● Keanekaragaman Hayati | *Biodiversity*

3. Menerapkan Circular Economy

Enabling the Circular Economy

● Effluen & limbah | *Effluent and waste*

● Energi | *Energy*

4. Mencapai Keunggulan dalam Keselamatan dan Kesehatan Kerja

Achieving Excellence in Occupational Health and Safety

● Kesehatan & Kecelakaan Kerja | *Occupational health & safety*

5. Menjadi Tetangga yang Baik

Being a Good Neighbor

● Komunitas Lokal | *Local communities*

6. Memastikan Kepatuhan dan Menciptakan Transparansi

Ensuring Compliance and Creating Transparency

● Tata Kelola Keberlanjutan | *Sustainable governance*



Batasan Dampak Topik Material [102-47, 103-1]

Material Topics Impact Limitation [102-47, 103-1]

Topik Keberlanjutan Sustainability Topic	Informasi Utama Main Information	Topik Material Material Topic	Dampak Pada Pemangku Kepentingan Impact to the Stakeholders	
			Dalam Perusahaan Internal	Luar Perusahaan External
Mendorong Kekuatan Ekonomi dan Inovasi <i>Driving Economic Strength and Innovation</i>	Meningkatkan Efisiensi, Produk Ramah Lingkungan <i>Improving Efficiency and Producing Environmentally Friendly Products</i>	Kinerja Ekonomi <i>Economic Performance</i>	Pemegang Saham <i>Shareholders</i>	Pemerintah, Media <i>Government, Media</i>
Mengurangi Jejak Lingkungan Kami <i>Reducing Our Environmental Footprint</i>	Mengendalikan Emisi dan Polutan <i>Controlling Emissions and Pollutants</i>	Emisi <i>Emission</i>	Karyawan <i>Employee</i>	Masyarakat Lokal, Pemerintah <i>Local Communities, Government</i>
	Menjaga Keanekaragaman Hayati <i>Maintaining Biodiversity</i>	Keanekaragaman hayati <i>Biodiversity</i>	Karyawan <i>Employee</i>	Masyarakat Lokal, Pemerintah <i>Local Communities, Government</i>
Menerapkan Sirkular Ekonomi <i>Enabling the Circular Economy</i>	Penggunaan energi alternatif <i>Utilizing alternative fuels</i>	Energi <i>Energy</i>	Karyawan <i>Employee</i>	Masyarakat, Pemerintah <i>Communities, Government</i>
	Mengelola Sumber Daya Limbah <i>Managing Waste Sources</i>	Efluen dan limbah <i>Effluent and waste</i>	Karyawan <i>Employee</i>	Masyarakat, Pemerintah <i>Communities, Government</i>
Mencapai Keunggulan dalam Kesehatan dan Keselamatan Kerja <i>Achieving Excellence in Occupational Health and Safety</i>	Mengembangkan Budaya Keselamatan <i>Developing a Safety Culture</i>	Kesehatan dan Keselamatan Kerja <i>Occupational health and safety</i>	Karyawan <i>Employee</i>	Pemerintah <i>Government</i>
Menjadi Tetangga yang Baik <i>Being a Good Neighbor</i>	Mendorong Masyarakat Mandiri <i>Encouraging Independent Communities</i>	Komunitas Lokal <i>Local communities</i>	Karyawan <i>Employee</i>	Masyarakat Lokal, Pemerintah <i>Local Communities, Government</i>
Memastikan Kepatuhan dan Menciptakan Transparansi <i>Ensuring Compliance and Creating Transparency</i>	Penerapan prinsip GCG dan Pengadopsian "Kode Etik Perilaku Bisnis" HeidelbergCement Group bagi pemasok <i>Implementation of GCG principles and the adoption of the HeidelbergCement Group "Code of Business Conduct" for suppliers</i>	Tata kelola berkelanjutan <i>Sustainable governance</i>	Karyawan <i>Employee</i>	Pemerintah, Media <i>Government, Media</i>

Perubahan Topik Material [102-49]

Topik material "Kesehatan dan Keselamatan bagi Konsumen" pada Laporan Keberlanjutan 2017 diganti menjadi topik "Tata Kelola yang Berkelanjutan" pada Laporan Keberlanjutan 2018. Meskipun demikian, laporan ini tetap mengulas "Kesehatan dan Keselamatan bagi

Changes in Material Topics [102-49]

Material topics of "Consumer Health and Safety" in the 2017 Sustainability Report was replaced by the topic of "Sustainable governance" in the 2018 Sustainability Report. Nevertheless, this topic report continues to disclosed "Consumer Health and Safety" in the Innovation



Konsumen” pada bagian Inovasi dan Layanan Pelanggan. Topik tata kelola yang berkelanjutan dipilih sejalan dengan Komitmen Keberlanjutan 2030 yang sudah berjalan selama dua tahun. Penerapan Komitmen Keberlanjutan 2030 memiliki sasaran utama yang menentukan orientasi dari informasi topik material. Selain perubahan topik material, tidak ada perubahan periode laporan, cakupan, dan batasan topik keberlanjutan dalam laporan ini.

and Customer Service section. The topic of “sustainable governance” is selected because it is in line with the 2030 Sustainability Commitments which has been running for two years. The adoption of the 2030 Sustainability Commitments has main goals that define the orientation of material topic information. In addition to the material topic changes, there were no changes to the reporting period, coverage, and limitations of sustainability topics in this report.

Perubahan Topik Material 2017 dan 2018

Material Topic Changes in 2017 and 2018

Topik 2017 2017 Topics	Topik 2018 berdasarkan Komitmen Keberlanjutan 2030 2018 Topics based on 2030 Sustainability Commitments
Emisi <i>Emission</i>	Mendorong Kekuatan Ekonomi dan Inovasi <i>Driving Economic Strength and Innovation</i> Kinerja Ekonomi <i>Economic Performance</i>
Energi <i>Energy</i>	Mengurangi Jejak Lingkungan Kami <i>Reducing Our Environmental Footprint</i> Emisi <i>Emission</i>
Kesehatan dan Keselamatan Kerja <i>Occupational Health and Safety</i>	Mendorong Kekuatan Ekonomi dan Inovasi <i>Driving Economic Strength and Innovation</i> Mengurangi Jejak Lingkungan Kami <i>Reducing Our Environmental Footprint</i> Keanekaragaman Hayati <i>Biodiversity</i>
Efluen dan Limbah <i>Effluent and Waste</i>	Menerapkan Circular Economy <i>Enabling the Circular Economy</i> Efluen dan Limbah <i>Effluent and Waste</i>
Kinerja Ekonomi <i>Economic Performance</i>	Menerapkan Circular Economy <i>Enabling the Circular Economy</i> Energi <i>Energy</i>
Keanekaragaman Hayati <i>Biodiversity</i>	Mencapai Keunggulan dalam Keselamatan dan Kesehatan Kerja <i>Achieving Excellence in Occupational Health and Safety</i> Kesehatan dan Keselamatan Kerja <i>Occupational Health and Safety</i>
Kesehatan dan Keselamatan bagi konsumen <i>Consumer Health and Safety</i>	Menjadi Tetangga yang Baik <i>Being a Good Neighbor</i> Komunitas Lokal <i>Local Communities</i>
Komunitas Lokal <i>Local Communities</i>	Memastikan Kepatuhan dan Menciptakan Transparansi <i>Ensuring Compliance and Creating Transparency</i> Tata Kelola yang Berkelanjutan <i>Sustainable Governance</i>

Topik Material dan Komitmen Berkelanjutan 2030

[102-56]

Setiap topik material yang disajikan dalam laporan ini disertai hasil identifikasi kinerja keberlanjutan yang mendukung enam sasaran utama yang tertuang dalam Komitmen Keberlanjutan HeidelbergCement 2030. Laporan ini belum mendapatkan penjaminan dari lembaga eksternal, namun keseluruhan dari isi laporan telah ditinjau oleh Direksi. Perseroan menjamin keabsahan dan kebenaran semua informasinya.

Material Topics and 2030 Sustainability

Commitments [102-56]

Each material topic disclosed in this report is accompanied by the identification of sustainability performance that supports the six main goals contained in the HeidelbergCement 2030 Sustainability Commitments. This report has not received assurance from external institutions, but the entire report has been reviewed by the Directors. The Company guarantees the validity and truth of all information.



Pelibatan Pemangku Kepentingan [102-42]

Untuk memenuhi harapan para pemangku kepentingan serta memastikan hubungan dalam jangka panjang, Perseroan mengidentifikasi para pemangku kepentingan berdasarkan interaksi yang sudah terjalin dan tingkat pengaruh. Perseroan menetapkan enam kelompok pemangku kepentingan melalui metode survei internal dengan manajer dan kepala bagian fungsi utama, yaitu produksi, keuangan, ketenagakerjaan, *general affairs*, dan pengembangan bisnis.

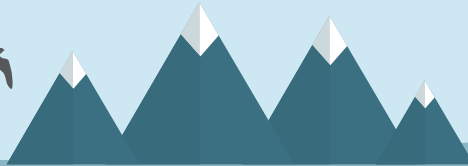
Stakeholder Engagement [102-42]

To meet the expectations of stakeholders and ensure long-term relationships, the Company identifies stakeholders based on existing interactions and levels of influence. The Company establishes six stakeholder groups through internal survey methods with managers and heads of main functions, namely of production, finance, employment, general affairs, and business development.

Pendekatan Pemangku Kepentingan [102-40, 102-43, 102-44]

Stakeholder Approach [102-40, 102-43, 102-44]

Kelompok Pemangku Kepentingan Stakeholder Group	Isu Utama Main Issues	Metode Pelibatan dan Frekuensi Method of Engagement and Frequency	Respon Perseroan Corporate Response	Manajemen Penanggung Jawab Responsible Management
Pemangku Kepentingan Internal <i>Internal Stakeholders</i>				
Pemegang Saham <i>Shareholders</i>	1. Peningkatan nilai investasi dan dividen <i>Increasing the value of investment and dividends</i> 2. Keterbukaan informasi <i>Information disclosure</i> 3. Kinerja Perseroan yang baik <i>Good performance of the Company</i> 4. Pelaporan <i>Reporting</i>	1. RUPS secara berkala minimal satu tahun sekali atau insidental <i>GMS periodically at least once a year or incidental</i> 2. Diskusi secara berkala sesuai kebutuhan <i>Regular discussions as needed</i>	1. RUPS <i>GMS</i> 2. Membuat laporan tahunan, laporan keberlanjutan, laporan keuangan <i>Preparing annual reports, sustainability reports, financial reports</i> 3. Pengungkapan kinerja melalui media (website, pengumuman, laporan) <i>Performance disclosure through media (website, announcement, report)</i>	• Direksi <i>Board of Directors</i> • Sekretaris Perusahaan <i>Corporate Secretary</i> • Hubungan eksternal <i>External relations</i>
Karyawan <i>Employees</i>	• Pemenuhan hak-hak dan kesejahteraan karyawan <i>Fulfillment of employees' rights and welfare</i> • Kesetaraan kesempatan berkariir, remunerasi, dan fasilitas kerja <i>Equal career opportunities, remuneration, and work facilities</i> • Penerapan Keselamatan dan Kesehatan Kerja (K3) <i>Application of Health and Safety (OHS)</i>	• Forum Bipatrit dan Tripartit yang diselenggarakan minimal satu bulan sekali <i>Bipartite and Tripartite Forum held at least once a month</i> • Komunikasi dengan Serikat Pekerja yang diselenggarakan minimal setiap minggu <i>Communications with Trade Unions at least weekly</i>	• Pertemuan berkala <i>Periodic meetings</i> • Diskusi pengembangan karyawan dalam program pengembangan karyawan <i>Employee development discussions within the employee development programs</i> • Pelibatan aktif penyusunan laporan keberlanjutan dan laporan tahunan <i>Active involvement in preparation of sustainability report and annual report</i>	Fungsi sumber daya manusia <i>Human resource function</i>



Kelompok Pemangku Kepentingan Stakeholder Group	Isu Utama Main Issues	Metode Pelibatan dan Frekuensi Method of Engagement and Frequency	Respon Perseroan Corporate Response	Manajemen Penanggung Jawab Responsible Management
Pemangku Kepentingan Eksternal External Stakeholders				
Pelanggan Customers	- Harga kompetitif dengan jaminan kualitas produk dan pasokan <i>Competitive prices with product and supply quality assurance</i> - Penerapan standar produk dan informasi yang lengkap <i>Implementation of product standards and complete information</i> - Pelayanan keluhan <i>Service complaints</i> - Menghasilkan produk ramah lingkungan <i>Production of environmentally friendly products</i>	Pertemuan secara berkala sesuai kebutuhan, atau minimal satu tahun sekali <i>Meeting regularly as needed, or at least once a year</i>	- Diskusi dengan pelanggan sesuai kebutuhan <i>Customer discussions as needed</i> - Sekolah Tukang Semen Tiga Roda <i>Sekolah Tukang Semen Tiga Roda</i> - Survei kepuasan pelanggan <i>Customer satisfaction survey</i> - Memberikan produk berkualitas <i>Providing quality products</i>	Fungsi pemasaran <i>Marketing function</i>
Pemerintah Government	- Kepatuhan terhadap perundang-undangan dan peraturan yang berlaku <i>Compliance with applicable laws and regulations</i> - Pelaksanaan CSR dan pelaporan berkala <i>Implementation of CSR and periodic reporting</i> - Pembayaran pajak <i>Payment of taxes</i> - Mengendalikan emisi dan polutan <i>Controlling emissions and pollutants</i> - Menjaga keanekaragaman hayati <i>Maintaining biodiversity</i> - Meningkatkan efisiensi energi <i>Improving energy efficiency</i> - Mengembangkan budaya keselamatan <i>Developing a safety culture</i>	- Pertemuan forum Tripartit dan kunjungan kerja sesuai dengan kebutuhan <i>Tripartite forum meeting and working visits as needed</i> - Kerja sama kegiatan CSR yang dilaksanakan sesuai kebutuhan <i>Cooperative CSR activities carried out as required</i>	- Mematuhi peraturan dan kewajiban pajak <i>Comply with tax regulations and obligations</i> - Penerapan program CSR <i>Implementation of CSR program</i>	- Direksi <i>Board of Directors</i> - Manajer umum kompleks pabrik <i>Factory general managers</i> - Fungsi CSR <i>CSR function</i>



Kelompok Pemangku Kepentingan Stakeholder Group	Isu Utama Main Issues	Metode Pelibatan dan Frekuensi Method of Engagement and Frequency	Respon Perseroan Corporate Response	Manajemen Penanggung Jawab Responsible Management
Masyarakat Lokal Local Communities	- Kemitraan <i>Partnerships</i> - Pengelolaan sampah untuk bahan bakar alternatif <i>Waste management as alternative fuels</i> - Tingkat kesejahteraan <i>Prosperity level</i> - Mengendalikan emisi dan polutan <i>Controlling emissions and pollutants</i> - Menjaga keanekaragaman hayati <i>Maintaining biodiversity</i> - Meningkatkan efisiensi energi <i>Improving energy efficiency</i>	- Pelaksanaan kegiatan CSR sesuai kebutuhan <i>Implementation of CSR activities as needed</i> - Pertemuan dua pihak minimal tiga kali dalam setahun dengan setiap desa <i>Bilateral meetings at least three times a year in each village</i>	- Penerapan program CSR di desa mitra <i>Implementing CSR program in partner villages</i> - Mendukung BUMDes dalam pemanfaatan sumber daya <i>Supporting BUMDes in utilizing resources</i>	- Manajer umum kompleks pabrik <i>Factory general managers</i> - Departemen CSR <i>CSR function</i>
Media Media	- Keterbukaan informasi <i>Disclosure of information</i> - Kerjasama pelaksanaan program <i>Program implementation cooperation</i>	- Menjalin komunikasi intensif melalui pertemuan rutin sesuai kebutuhan <i>Establish intensive communication through regular meetings as needed</i> - Pemasangan iklan sesuai kebutuhan <i>Necessary advertising</i>	Melakukan publikasi <i>Carry out publications</i>	- Sekretaris Perusahaan <i>Corporate Secretary</i> - Hubungan eksternal <i>External relations</i>

KAMI MENJAWAB KEBUTUHAN MASYARAKAT

WE RESPONSE COMMUNITY NEEDS

Perseroan berupaya untuk terus melakukan pelibatan dengan masyarakat dengan berinteraksi dan memperhatikan kebutuhan mereka. Hasil dari interaksi ini kami sampaikan dalam laporan keberlanjutan sebagai bentuk akuntabilitas dan respon atas pelibatan tersebut.

Masyarakat adalah salah satu pemangku kepentingan utama dan berada di seputar keberadaan Perseroan. Mereka menjadi kelompok yang secara langsung merasakan adanya dampak positif dan negatif atas keberadaan Perseroan, dan terutama sebagai penerima kegiatan CSR. Untuk memahami kebutuhan mereka dan menjalin hubungan baik, Perseroan mengidentifikasi beragam isu keberlanjutan yang signifikan melalui *focus group discussion* (FGD). FGD dilaksanakan pada Kamis, 13 Desember 2018 di Gunung Putri, Bogor. Kegiatan

The Company strives to continue to engage with the community by interacting and paying attention to their needs. We disclosed the results of this interaction in the sustainability report as a form of accountability and response to this involvement.

Community is one of the main stakeholders and around the operation of the Company. They become a group that directly engaged the positive and negative impacts of the Company, and especially as beneficiaries of CSR activities. To understand their needs and establish good relations, the Company identified significant sustainability issues through focus group discussion (FGD). The FGD was held on Thursday, December 13, 2018 at Gunung Putri, Bogor. The activity was attended by 15 community representatives from Puspanegara Village, Tajur Village,



tersebut dihadiri oleh 15 anggota masyarakat, yang berasal dari Kelurahan Puspanegara, Desa Tajur, Desa Bantarjati, Desa Tarikolot, dan Desa Citeureup. Mereka adalah masyarakat desa yang berada di area terdekat dengan Pabrik Citeureup.

Dalam FGD, masyarakat memberikan masukan terkait isu signifikan pada aspek ekonomi, sosial, dan lingkungan. Terkait aspek ekonomi, masyarakat berharap Perseroan lebih transparan dalam menyampaikan pencapaian kinerja ekonomi dan alokasi dana CSR. Masyarakat berharap adanya peningkatan alokasi dana untuk CSR agar program yang diberikan semakin berkualitas dan menyentuh lebih banyak masyarakat di area terdekat Perseroan. Atas kebutuhan ini, Indocement menanggapi bahwa biaya CSR telah disampaikan dalam laporan keberlanjutan dan dapat dibaca oleh publik. Lebih jauh, Perseroan juga menyatakan bahwa kegiatan CSR lebih mengutamakan pemberdayaan dan membangun kemandirian masyarakat.

Terkait aspek sosial, masyarakat menaruh perhatian pada isu peningkatan keterampilan, penyerapan tenaga kerja lokal, dan pemberian kesempatan bagi masyarakat menjadi pemasok lokal. Mereka berpendapat bahwa pemberian pelatihan dan keterampilan bagi masyarakat saat ini belum optimal. Program pelatihan yang dimaksud, diantaranya berupa kegiatan peningkatan keterampilan teknik mesin dan industri logam. Masyarakat berharap, penerima manfaat yang telah menyelesaikan rangkaian program pelatihan mendapat prioritas penyerapan tenaga kerja oleh Indocement maupun kontraktor, selain diarahkan untuk berwirausaha. Atas kebutuhan ini, Perseroan menyatakan bahwa dalam menerima tenaga kerja yang memang diutamakan berasal dari masyarakat sekitar, sejauh semua persyaratan kemampuan, keterampilan dan kebutuhan terpenuhi. Namun demikian, Perseroan juga meminta pengertian masyarakat agar memahami bahwa Perseroan belum memerlukan tambahan tenaga kerja maupun pemasok lokal selama tahun 2018. Perseroan masih terus meningkatkan efisiensi dan efektifitas dari sumber daya manusia dan pemasok lokal yang selama ini sudah ada.

Dari aspek lingkungan, masyarakat mengeluhkan adanya debu dari *conveyor belt* yang memberikan dampak negatif, terutama untuk masyarakat yang berada di Desa Tajur, Tarikolot, Citeureup, Gunung Sari, Hambalang, dan Pasirmukti yang secara langsung dilalui oleh *conveyor belt* tersebut. Masyarakat mengeluhkan adanya penyakit infeksi saluran pernafasan akut (ISPA) dan penyakit kulit. Selain itu, masyarakat juga mengajak Perseroan untuk bekerja sama mengelola sampah yang perlu ditindaklanjuti di lingkungan sekitar. Merespon dampak negatif ini, Indocement akan

Bantarjati Village, Tarikolot Village, and Citeureup Village. They are villages who located in area and the closest to Citeureup Factory.

In the FGD, the community provided input regarding significant issues on economic, social and environmental aspects. Regarding the economic aspect, the community hopes that the Company will be more transparent in communicating economic performance achievements and CSR fund allocation. The community hoped for an increase in the allocation of funds for CSR so that the programs provided are of higher quality and benefit more people in the areas closest to the Company. For this need, Indocement responded that CSR costs have been submitted in the sustainability report and can be accessed by the public. Furthermore, the Company also stated that CSR activities prioritize empowerment and build community independence.

Regarding social aspects, the community paid attention to the issue of improving skills, employing local labor, and providing opportunities for the community to become local suppliers. They argued that the provision of training and skills for the community was currently not optimal. The training program includes activities to improve mechanical engineering skills and metal industry. The community hoped that the beneficiaries who have completed a series of training programs will receive priority on employment by Indocement and contractors, besides being directed to entrepreneurship. For this need, the Company stated that Indocement prioritized the employee recruitment from the surrounding community, as long as the requirements for skills and needs were met. However, the Company also asked the public to understand that the Company did not need additional labor and local suppliers during 2018. The Company still continued to improve the efficiency and effectiveness of local employment and suppliers that have been in place.

From the environmental aspect, the community complained the presence of dust from the conveyor belt which had a negative impact, especially for communities in the villages of Tajur, Tarikolot, Citeureup, Gunung Sari, Hambalang, and Pasirmukti which were directly passed by the conveyor belt. The public complains the risk of acute respiratory infections (ARI) and skin diseases. In addition, the community also invited the Company to work together to manage municipal waste that needed to be treated. Responding to the negative impact, Indocement will continue to improve



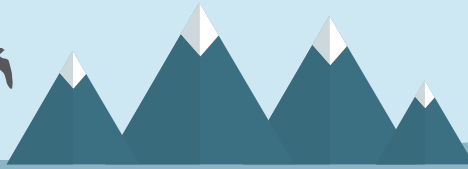
terus meningkatkan kegiatan yang telah dilakukan beberapa tahun terakhir, yaitu penggantian *electrostatic precipitator* (EP) dengan *bag filter*, melaksanakan proyek pencampuran bahan semen dan proyek bahan bakar alternatif. Semua upaya ini dilakukan untuk mengurangi debu dan meminimalkan dampak negatif dari proses operasi pabrik.

Perseroan berharap dukungan dari semua pihak, baik masyarakat lokal maupun pemerintah setempat untuk terus menjalin hubungan yang baik. Adapun penyelenggaraan FGD ini mendapat sambutan positif dan masyarakat memberikan apresiasi keterbukaan Perseroan melalui dialog yang telah dilakukan dengan baik. Ke depan, Perseroan akan terus meningkatkan komunikasi dengan masyarakat untuk membangun potensi dan memperbaiki diri.

the activities that have been carried out in the past few years, such as the replacement of electrostatic precipitators (EP) with filter bags, implementing blended cement project and alternative fuel project. All these efforts are carried out to reduce dust and minimize the negative impact of the plant's operation process.

The Company expects support from all parties, both local communities and local governments to continue to establish good relations. The implementation of this FGD has been positively welcomed and the community has appreciated the engagement of the Company through well-conducted dialogues. Going forward, the Company will continue to improve communication with the community to develop potential and improve ourselves.





Referensi POJK dan Indeks Isi Standar GRI [102-55]

POJK References and GRI Content Index

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	102-4 Lokasi operasi Location of operations	14
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	102-6 Pasar yang dilayani Markets served	25
	102-7 Skala organisasi Scale of the organization	15
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Keterangan/Notes:

Warna indikator Biru: Pemenuhan Referensi POJK dan Standar GRI

Blue Font Color: Compliance to POJK Reference & GRI Standard

Daftar Istilah dan Singkatan

Glossary and Abbreviation

Amdal	Analisis Mengenai Dampak Lingkungan Hidup <i>Environmental Impact Analysis (EIA)</i>
BKSDA	Badan Konservasi dan Sumber Daya Alam <i>Natural Resources Conservation Agency</i>
BOD	<i>Biological Oxygen Demand</i>
CDM	<i>Clean Development Mechanism</i>
CER	<i>Certified Emission Reduction</i>
ILO	<i>International Labor Organization</i>
KLHK	Kementerian Lingkungan Hidup dan Kehutanan <i>Ministry of Environment and Forestry (MoEF)</i>
Proklim	Program Kampung Iklim <i>Climate Village Program</i>
QLA	Quarry Life Awards
RKAB	Rencana Kerja dan Anggaran Biaya Pertambangan <i>Work Plan & Budget (WP&B)</i>
PKB	Perjanjian Kerja Bersama <i>Collective Labor Agreement (CLA)</i>
RKL	Rencana Pengelolaan Lingkungan <i>Environmental Management Plan (EMP)</i>
RPL	Rencana Pemantauan Lingkungan <i>Environmental Assesment Plan (EAP)</i>
SDP	<i>Sustainable Development Program</i>
SHE	<i>Safety Health Environmental</i>
TSS	<i>Total Suspended Solid</i>
UNFCCC	<i>United Nation Framework Convention on Climate Change</i>
WBCSD-CSI	<i>World Business Council Sustainable Development-Cement Sustainable Initiative</i>

Lampiran

Appendix

RINCIAN KOMPOSISI KARYAWAN

DETAILS OF EMPLOYEE COMPOSITION

Karyawan Berdasarkan Status Ketenagakerjaan [102-8]

Employees Based on Employment Status

Status ketenagakerjaan Employment status	2018	2017	2016
Karyawan Tetap Permanent Employee	3.902	4.158	4.429
Karyawan Kontrak Contract Employee	35	54	88
Total	3.937	4.212	4.517

Karyawan Berdasarkan Wilayah dan Jenis Kelamin [102-8]

Employees by Region and Gender

Wilayah Area	Jenis Kelamin Gender	2018		2017		2016	
		(%)	Total	(%)	Total	(%)	Total
Kantor Pusat Head office	Laki-laki Male	80,4	616	80,99	605	80,23	621
	Perempuan Female	19,6	150	19,01	142	19,77	153
Total		100	766	100	747	100	774
Citeureup	Laki-laki Male	97,4	1.951	96,80	2.146	97,03	2.353
	Perempuan Female	2,6	53	3,20	71	2,97	72
Total		100	2.004	100	2.217	100	2.425
Palimanan	Laki-laki Male	97,7	501	97,66	543	97,64	579
	Perempuan Female	2,3	12	2,34	13	2,36	14
Total		100	513	100	556	100	593
Tarjun	Laki-laki Male	97,2	636	97,11	672	97,38	706
	Perempuan Female	2,8	18	2,89	20	2,62	19
Total		100	654	100	692	100	725

Karyawan Berdasarkan Usia

Employees by Age

Kelompok Usia Age Group	2018		2017		2016	
	Total	(%)	Total	(%)	Total	(%)
Di bawah 20 Below 20	0	0	7	0	0	0
21–25	328	8,3	407	10	516	11,4
26–30	446	11,3	413	10	346	7,7
31–35	173	4,4	179	4	210	4,6
36–40	428	10,9	597	14	702	15,5

Kelompok Usia <i>Age Group</i>	2018		2017		2016	
	Total	(%)	Total	(%)	Total	(%)
41–45	940	23,9	928	22	991	21,9
46–50	997	25,3	977	23	925	20,5
Di atas 50 <i>Above 50</i>	625	15,9	704	17	827	18,3
Total	3.937	100	4.212	100	4.517	99,9

Karyawan Berdasarkan Tingkat Pendidikan

Employees by Education Level

Tingkat Pendidikan <i>Education Level</i>	2018		2017		2016	
	Total	(%)	Total	(%)	Total	(%)
Doktoral <i>Doctoral</i>	1	0	2	0	3	0,1
Pasca Sarjana <i>Postgraduate</i>	48	1,2	51	1	54	1,2
Sarjana <i>Bachelor</i>	514	13,1	640	15	692	15,3
Diploma	116	2,9	137	3	149	3,3
SMP/SMA <i>Middle/High School</i>	3.258	82,8	3.382	80	3.619	80,1
Total	3.937	100	4.212	99	4.517	100

Karyawan Berdasarkan Eselon

Employees by Eselon

Jabatan <i>Position</i>	2018		2017		2016	
	Total	(%)	Total	(%)	Total	(%)
Eselon 1	44	1,1	47	1,12	51	1,1
Eselon 2	126	3,2	135	3,21	143	3,2
Eselon 3	294	7,5	295	7,00	313	6,9
Eselon 4	497	12,6	516	12,25	550	12,2
Eselon 5	877	22,3	922	21,89	948	21,0
Eselon 6	2.099	53,3	2.297	54,53	2.512	55,6
Total	3.937	100	4.212	100	4.517	100

Peserta dan Jam Pelatihan 2018

Participants and Training Hours of 2018

No	Wilayah <i>Area</i>	Peserta <i>Participants</i>	Jam Pelatihan <i>Training hours</i>	Rata-rata Jam Pelatihan setiap peserta <i>Average training hour per participant</i>
1	Kantor Pusat	2.803	25.348	0,11
2	Citeureup	10.473	79.630	0,13
3	Palimanan	2.679	30.959	0,09
4	Tarjun	2.416	24.526	0,10
Total		18.371	160.463	0,11



Lembar Umpan Balik

Feedback Form

Kami mohon kesediaan para pemangku kepentingan untuk memberikan umpan balik setelah membaca laporan keberlanjutan ini dengan mengirim email atau formulir melalui fax/pos.

We would like to ask all stakeholders to kindly provide feedback after reading this Sustainability Report by sending email or form by fax/mail.

Profil Anda/Your Profile (bila berkenan / if you are willing to)

Nama /Name :

Institusi/Perusahaan / Company :

Surel / Email :

Golongan Pemangku Kepentingan / Stakeholders Group

☐ Pemegang Saham / Shareholder

☐ Karyawan / Employees

☐ Pelanggan / Customer

☐ Pemerintah / Government

☐ Masyarakat / Community

☐ Media

Mohon pilih jawaban yang paling sesuai / Please choose the most appropriate answer

1. Laporan ini meningkatkan kepercayaan Anda pada keberlanjutan Perseroan

This report increases your trust to the Company's sustainability

☐ Sangat Setuju / Strongly Agree

☐ Netral / Neutral

☐ Sangat Tidak Setuju / Strongly Disagree

☐ Setuju / Agree

☐ Tidak Setuju / Disagree

2. Laporan ini sudah menggambarkan kinerja Perseroan dalam mendukung pembangunan keberlanjutan

This report describes Company's performance in supporting sustainability development

☐ Sangat Setuju / Strongly Agree

☐ Netral / Neutral

☐ Sangat Tidak Setuju / Strongly Disagree

☐ Setuju / Agree

☐ Tidak Setuju / Disagree

Penilaian terhadap kegiatan manajemen keberlanjutan PT Indocement Tunggul Prakarsa Tbk

Assessment to the sustainability activities of PT Indocement Tunggul Prakarsa Tbk

1. Aspek material apa yang paling penting bagi Anda? (Mohon berikan nilai 1 =paling penting, hingga 8=paling kurang penting)

Which material aspect is the most important to you? (please give score 1=most important up to 8=least important)

Emisi / Emission ()

Energi / Energy ()

Kesehatan dan Keselamatan Kerja (K3) / Health and Safety Environment ()

Efluen dan limbah / Effluent and Waste ()

Kinerja Ekonomi / Economic Performance ()

Keanekaragaman Hayati / Biodiversity ()

Komunitas Lokal / Local community ()

Tata Kelola Berkelanjutan / Sustainable Governance ()

Mohon berikan saran/usul/komentar anda atas laporan ini:
Please give your advice/suggestions/comments on this report

.....

.....

.....

.....

.....

Terima kasih atas partisipasi Anda.
Thank you for your participation.

Mohon agar lembar umpan balik ini dikirimkan kembali kepada:
Kindly send this feedback form to:

PT Indocement Tunggal Prakarsa Tbk. [\[102-53\]](#)

Oey Marcos

Corporate Secretary and Legal Affairs Division Manager

Sahat Panggabean

Corporate Social Responsibility & Security Division
Manager

Wisma Indocement, Lantai 13
Jl Jenderal Sudirman Kav 70-71
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Telepon: +6221 875 43 43 ext. 3808
Faksimil: +6221 879 411 66
E-mail: corpsec@indocement.co.id

PT Indocement Tunggal Prakarsa Tbk. [\[102-53\]](#)

Oey Marcos

Corporate Secretary and Legal Affairs Division Manager

Sahat Panggabean

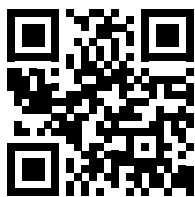
Corporate Social Responsibility & Security Division
Manager

Wisma Indocement, 13th Level
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Jakarta 12910, Indonesia
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Dicetak di atas kertas daur ulang
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