

2016 Sustainable Development Report
The ACE for Sustainability



Contact Us

For more information related to our company's activities or our products and services, please visit our company website at www.holcim.co.id or contact our representative offices at selected locations throughout Indonesia. Should you also have any further questions, suggestions or feedbacks regarding the information presented in this Sustainable Development Report, please send the questions, suggestions or feedbacks to the address below.

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The ACE for Sustainability

The integration of two world's major players in the cement materials industry into a new company, LafargeHolcim, marked another step that we take in our journey to be an even larger building materials manufacturer supporting the world in developments.

The transformation that we underwent has ultimately provided us with advantages and strengths that, going forward, we believe will leverage our opportunities within the industry. Now that we are ONE Company, LafargeHolcim Group reinforces our Leadership Model behaviors called ACE: Agile, Collaborative, and fostering Empowerment, that reflects our ongoing efforts in pursuing all corporate and sustainability targets.

By considering the challenging situation that we faced in 2016, both through internal transformation and due to external factors, Holcim is committed to continue pursuing sustainability in all aspects of operations and in all interactions with our as we strive to be a company that continues to rise above all challenges and goes beyond our current achievements through innovative solutions So The World Builds Better.



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Sustainability Dashboard 2016

Holcim Indonesia's Sustainability Development Performance in 2016

	Holcim Indonesia 2020 Target (Mid-Term) to Support LafargeHolcim's The 2030 Plan	2016 Achievement Progress
Solutions 	6% turnover from solutions with enhanced sustainability performance	3.9% or Rp 371 Billion of revenue from Solutions
Climate 	25% reduction in net specific emissions per ton of cement from 1990 Country target of 13% Thermal Substitution Rate (TSR)	655kg of CO ₂ released per tons of cement or 21.2% reduction compared to 1990 8.1% of TSR from Alternative Fuel and Raw material (AFR)
Water & Nature 	10% reduction in freshwater withdrawal in cement operations Baseline assessment of biodiversity condition of all active quarries, using the methodology developed with IUCN	0.17m ³ water per ton of cement or 9% reduction compared to last year Biodiversity All sites completed baseline assessment. Biodiversity Action Plan available for TUB, CIL and NAR plant.
Circular Economy 	1 Mio tons of alternative fuel, recycled aggregate, alternative raw material, industrial MIC, gypsum	711,201 tons of alternative fuel, alternative raw material, industrial MIC, gypsum Recycled Aggregate Still not feasible
People & Community 	Direct Beneficiaries from Affordable Housing, Social Investment, Inclusive Business Zero fatality target and a commitment to sustaining healthy, safe conditions for employees, contractors, communities, and customers.	SD Global Target 25 Mio beneficiaries in 2020 : 75 mio in 2030 Country Target 2020 Total Direct : 524,141 People <ul style="list-style-type: none"> • Cumulative Beneficiaries at HIL 2015 : 136,045 (direct), 277,365 (Indirect) • Cumulative Beneficiaries at HIL 2016 : 101,723 people from CSR Program and 264,115 people from inclusive business – low income housing project Health & Safety: <ul style="list-style-type: none"> • Achieved 1.48 number of injuries per million working hours (total injury frequency rate - TIFR). • Achieved 0.17 lost time injury frequency (LTIF)



Day One Celebration 11 February 2016: Committed towards greater transparency and accountability on sustainable development, to make our presence in the society and community we serve matter.

Message From The Top

“...sustainability is not only about balancing our business ambitions with social and environmental consciousness, but it is also how we survive and preserve in challenging times ...”

Dear Stakeholders,

Welcome to Holcim Indonesia's 2016 Sustainability Report. We are very happy to present to you this report that complements our Annual Report. These reports are the embodiment of our commitment towards greater transparency and accountability.

So The World Builds Better

Holcim Indonesia, now as part of LafargeHolcim Group, the global leader in building materials industry, continues to focus on sustainable development – to make our presence in the society and the community we serve matter, So The World Builds Better.

Moving forward in our steps to pursue sustainable development, Holcim Indonesia followed through on various sustainability target programs throughout 2016. These program and initiatives were particularly guided by the LafargeHolcim Sustainability Strategy – The 2030 Plan – that was launched in 2015 as our corporate-wide sustainability commitment and targets. The 2030 Plan is specifically designed to integrate aspects of environmental and social sustainability into our core business, as well as practical and measurable actions within and beyond the scope of our internal operations. Guided by The 2030 Plans, we focused on four specific fields of action: Climate, Circular Economy, Water and Nature, and People and Communities.

The ACE for a Sustainable Future

2016 was not the easiest year to navigate our industry. The dynamics in the global and macro economy has affected demand and ultimately, prices in the market. However, being a sustainable business means that Holcim Indonesia must be able to face various challenges brought by any internal and external dynamics. For us, sustainability is not only about balancing our business ambitions with social and environmental consciousness, but it is also how we survive and preserve in challenging times. That is why, Holcim Indonesia enforces the way we do business

to anticipate those challenges by being ACE: Agile, Collaborative, and fostering Empowerment. To that end, Holcim Indonesia has put innovation and improvement on high gear as we continue to direct our internal operation to focus on aspects that we can control in the path of sustainability – which will take us further towards our Transformation journey.

We continue to innovate and look for ways on how Holcim Indonesia can offer more effective, efficient, environmentally and climate-friendly products and solutions to our valued customers. We also look inside our own organization and on how we do things internally to improve organizational and operational efficiency, so that we can cut unnecessary cost and at the same time, help reduce our CO₂ emissions, waste and other air pollutants. We also strive to manage our business and operational practices that put people, health, safety, and proper waste management at the highest priority.

Holcim Indonesia acknowledges that sustainable development is a collaborative effort between individuals, companies, communities, government and all related stakeholders. We believe that our 2030 Plan can only be achieved through cooperation, engagement and collaboration with our internal and external stakeholders. Without their trust, support and cooperation, sustainability for a better future will be difficult to actualize. Therefore, Holcim Indonesia continues to foster ongoing partnerships with external stakeholders, including government representatives, non-profit organizations, academic institutions, and local community leaders, in order to have an implementation of environmental and social sustainability programs that include direct participation from various parties and local communities. Internally, we actively engage with our employees on their aspiration, inputs, innovation ideas, and any concerns. We also strongly encourage employees' participation in our social-community

programs. We believe that with such participation, it can help develop better stakeholder engagement, improve project ownership and promote accountability. Continuous engagement with our stakeholders has helped Holcim Indonesia in better capturing important and immediate risk, issues and concerns that requires addressing.

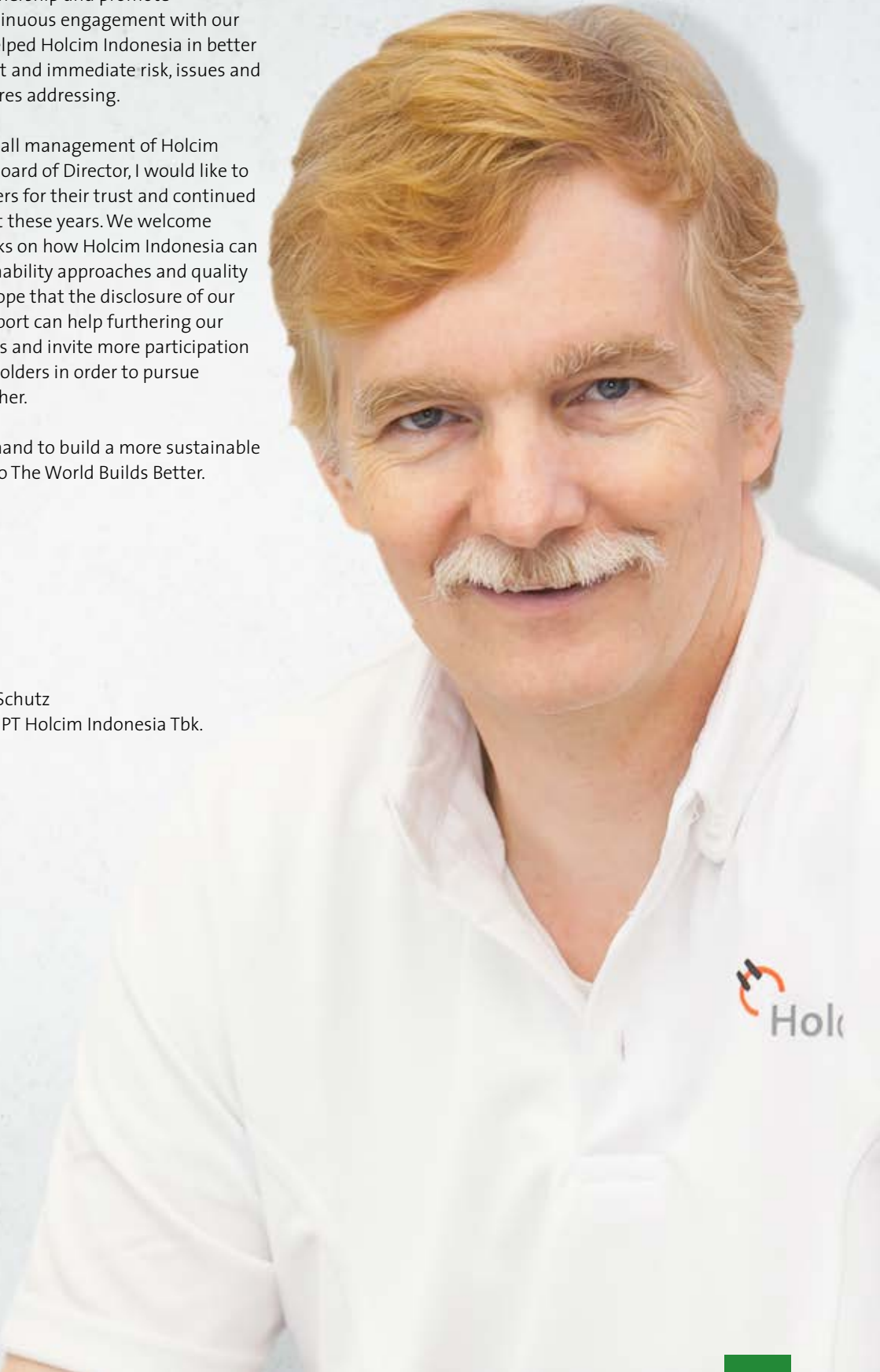
Finally, on behalf of all management of Holcim Indonesia and the Board of Director, I would like to thank all stakeholders for their trust and continued support throughout these years. We welcome inputs and feedbacks on how Holcim Indonesia can improve our sustainability approaches and quality of this report. We hope that the disclosure of our initiatives in this report can help furthering our sustainability efforts and invite more participation from related stakeholders in order to pursue sustainability together.

Let's work hand in hand to build a more sustainable and better future, So The World Builds Better.

Yours Truly,



Gerhard Wolfgang Schutz
President Director - PT Holcim Indonesia Tbk.



About This Report

Every year, Holcim Indonesia publishes a stand-alone Sustainable Development Report together with our Annual Report to give a detailed information regarding the implementation and impacts of our pursuit for sustainable development in construction in this country. This report displays our efforts to be transparent and accountable, in addition to also help with our goal setting and performance assessment, to achieve more improved implementation of our sustainable development initiatives.

Our Sustainable Development Report is published, compiled and organized according to relevant reporting standards to allow for proper review and assessment of each initiative.

In accordance with the regulations from governmental bodies, the publication of this report also complies with the Law of The Republic of Indonesia No. 40/2007 Article 66 Paragraph 2c concerning Limited Liability Company and the Regulation of the Financial Services Authority through the Decree of the Chairman of Bapepam-LK: Kep-431/ BL/2012 dated August 1, 2012, both of which require an addition of a report on Social and Environmental Responsibility implementation to a company's Annual Report.

Report Profile

Holcim Indonesia's Sustainable Development Report 2016 covers various sustainable programs and activities conducted by the company and subsidiaries during the

reporting period from 1 January 2016 up to 31 December 2016.

As our previous year's Sustainability report, this year's report also has been prepared in accordance with the Global Reporting Initiatives (GRI) G4 Sustainability Reporting Guidelines; and, out of two reporting options of preparing a report according to GRI G4 Guidelines, which are Core and Comprehensive, Holcim Indonesia's Sustainable Development Report 2016 is prepared using CORE option.

In order to ensure report credibility, all data and information in this report has been reviewed and verified internally by each related departments in Holcim Indonesia. For financial related data, Holcim appointed an External Auditor, Ernst & Young, to provide audit service.

For quick cross-reference purpose, we have inserted GRI G4 Core Indicators at each page that explains compliance to specific aspects within GRI G4 sustainability reporting. In addition, a complete list of GRI G4 Core Indicators that are used in this Report is available at page 74-84, enabling a broad review on our participation in various sustainable development initiatives.

Defining Materiality

GRI G4 Guideline specifies the process in preparing the contents of a report. It starts with Identification



GreenZone Facility in Narogong Plant

of Material Aspects and Boundaries, continued with assigning the Priority Level of the Aspects and validating them. Lastly, results from review process that

are usually conducted after the publication of each report will be the basis for Identification process in the next reporting cycle.



Meanwhile, the four principles that underline the process of defining report contents are including:

Stakeholder Inclusiveness	Sustainability Context	Materiality	Completeness
<p>Inviting stakeholders in the process of Identification, Prioritization and Validation of material aspects</p> <p>This process is done through Group Discussion Forum</p> <p>Aims to better capture to stakeholder's interests and expectations</p>	<p>Report should seek to present Company's performance in a wider context of sustainability, not only in individual performance, but at local, regional and global level</p>	<p>Aspects that are material are ones that reflect the Company's significant economic, environmental, and social impacts; or substantively influence assessments and decisions of stakeholders</p>	<p>Report properly encompasses in terms of scope, boundary, and time</p> <p>Report has a reasonable and appropriate method of data collection and presentation</p>

Both process were organized and conducted by LafargeHolcim, as specified in the Group's Sustainable Development Report. For this report Holcim Indonesia refers and adopts the Group Sustainability Context and materiality with suitable additions in regards with our operation and stakeholders' interests in Indonesia.

The Voice of Our Stakeholders

Holcim Indonesia invites participation from local internal and external stakeholders in providing feedbacks and suggestions on immediate and relevant issues that need to be addressed. The lists of stakeholders that become partners of Holcim Indonesia in pursuing our sustainable development in construction are including:

Stakeholder Engagement

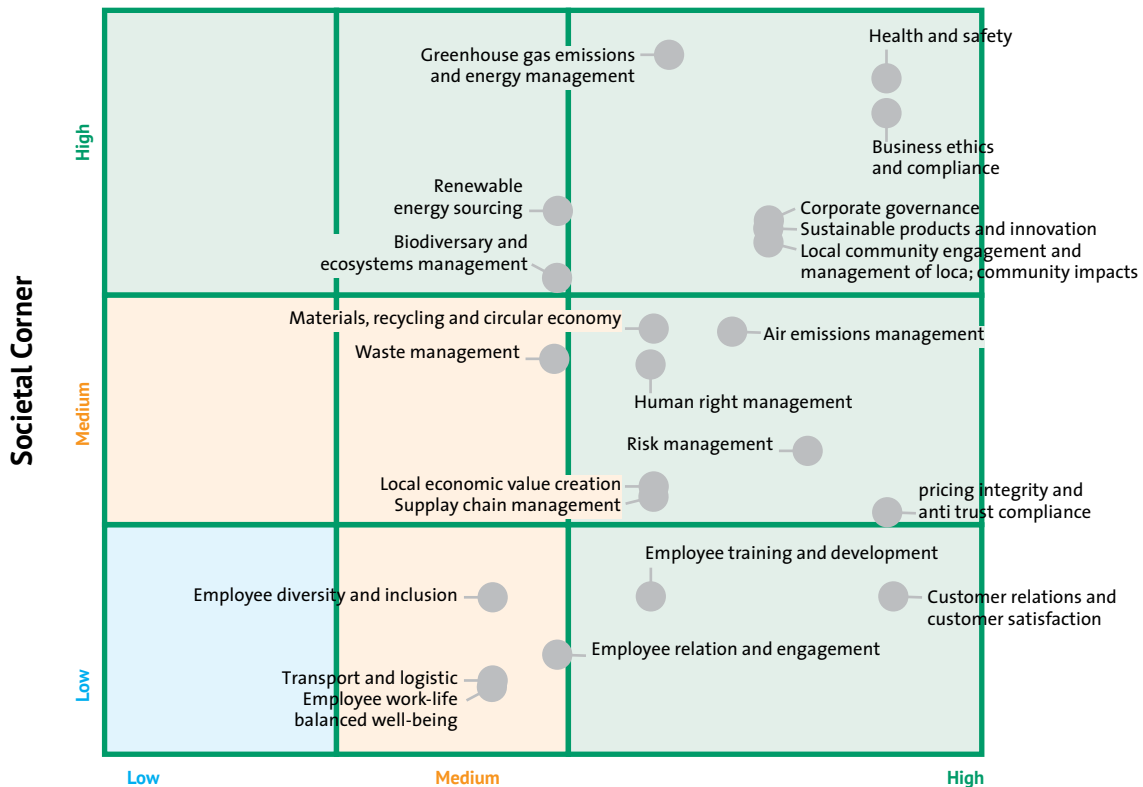
Key Stakeholder Groups	Engagement Approaches	Frequency	Topic/Interests/Concerns
Business Partners & Customers	<ul style="list-style-type: none"> - Interact with representative offices and employees - Company's website - Call center - Advertisements - Distributor Forum, Retailer Gathering, and Contractor Gathering - Media and Public Relations - Customer Satisfaction survey - Customer bulletins: iCon 	<ul style="list-style-type: none"> - Regularly - According to the needs 	<ul style="list-style-type: none"> - Product support - Efficient and effective products - Options of financing - Market and industry trend - Innovation
Employees	<ul style="list-style-type: none"> - Employees induction and orientation - Leadership development program - Business briefings and Leadership Talks - Bipartite meeting - Employee engagement survey - Employee activities, including sports, recreation, roadshow, competitions - Internal message e.g. video conference, email, intranet - Employee bulletin 	<ul style="list-style-type: none"> - Regularly - According to the needs 	<ul style="list-style-type: none"> - Employees remuneration and benefit - Recruitment process - Career development - Work experience
Government	<ul style="list-style-type: none"> - Laws-and-regulations-related activities - Compliance and other company report - Coordination meeting - Integrated community program - Joint activities - Establishing Community Advisory Panel 	According to the needs	<ul style="list-style-type: none"> - Compliance with laws and regulations - Transparency and recent information - Opportunity for involvement in CSR programs - Good Corporate Governance - Anti-Corruption and Business Ethics
Shareholders and Investors	<ul style="list-style-type: none"> - Quarterly performance report - Meeting with investors, analysts, and investment managers - Annual General Meeting of Shareholders - Annual Report 	<ul style="list-style-type: none"> - Quarterly - According to the needs - Minimum once a year - Once a year 	<ul style="list-style-type: none"> - Financial performance - Clear and recent information on corporate actions and strategic directives - Progress and status of non-financial performance
Media	<ul style="list-style-type: none"> - Press conference - Media releases and media engagement - Clear information and updates about corporate actions and strategic direction 	According to the needs	<ul style="list-style-type: none"> - Financial performance - Clear and recent information on corporate actions and strategic directives - Progress and status of nonfinancial performance

Key Stakeholder Groups	Engagement Approaches	Frequency	Topic/Interests/Concerns
Suppliers	<ul style="list-style-type: none"> - Cooperation - Periodic evaluation forum 	Minimum once a year	<ul style="list-style-type: none"> - Transparent bidding process - Fair and transparent performance monitoring and evaluation - Fair reward and punishment implementation
Non Profit Organizations and Community at Large	<ul style="list-style-type: none"> - Joint activities and programs - Website - CSR activities - Community Engagement Plan - Establishing Community Advisory Panel - Stakeholder Engagement Plan - CSR bulletins: Warta Narogong, Warta Cilacap and Warta Tuban - Sustainable Development Report 	<ul style="list-style-type: none"> - According to the needs - Annually 	<ul style="list-style-type: none"> - CSR program development and progress status - Opportunity for participation in CSR programs - Corporate activity information - Culture and reputation

Our Most Material Topics and Sustainability Aspects

Following the results of LafargeHolcim’s material issue review conducted in 2015, which have also become the foundation of the establishment of The 2030 Plan, material Aspects defined and presented in Holcim Indonesia’s Sustainability Development Report focus on the following subjects, including Innovation, Climate, Circular Economy, Water and Nature and People and Communities.

To provide detailed description on the process of defining material Aspects, below are the matrix of results from 2015’s material issue review, which was participated by various external and internal stakeholders, as well as through including peer and industry research and wider industry trends.







Source: Adopted from LafargeHolcim 2016 Sustainable Development Report

Identify Material Aspects and Boundary

Data and information related to each material topic listed in the matrix are compile from Holcim Indonesia's entire operations, which includes Jakarta Headquarter and Narogong, Cilacap, Tuban and Lhoknga Plants. Data and information discussed in this report do not cover activities of third party stakeholders conducted beyond Holcim Indonesia's operational areas.

Report Structure

Holcim Indonesia follows LafargeHolcim's The 2030 Plan as umbrella strategy and goals of sustainability. However, to help the stakeholders and readers to easily navigate and find their topic of interest in this report, Holcim Indonesia structured our Sustainability Report into chapters with specific discussion on one or several sustainability aspects. We incorporated our 2030 Plan in relevant chapters and topics of discussion. The following illustration summarizes the structure of this Sustainability Report and its content topics.

Report Chapter	Remarks
<p>Solutions to Build a Sustainable Future & Circular Economy</p> <p>The 2030 Plan Four Fields of Action</p>  <p>Circular Economy</p>	<p>In addition to offering products and services that help people build strong and reliable houses and other constructions to live in, do activities, and interact with one another, Holcim Indonesia looks for solutions that can support the sustainability of life on earth in the long run.</p> <p>This report currently includes our focus on producing cement-based materials with minimum impacts on the environment, such as low carbon products, pervious concrete solution, recycled aggregates, and using biomass as an alternative energy source, and offering waste management solutions under Geocycle.</p>
<p>Our People</p> <p>The 2030 Plan Four Fields of Action</p>  <p>People & Community</p>	<p>Throughout our operations, Holcim Indonesia implements fair and proper employment practices with clear and hands-on guidelines to create a safe and healthy working environment and to allow for employees' right to pursue professional developments.</p>
<p>Our Community</p> <p>The 2030 Plan Four Fields of Action</p>  <p>People & Community</p>	<p>Holcim Indonesia takes an active part in the development of local communities through the establishment of various targeted CSR programs, which aim to assist the people on various community development aspects, including health, education, economic empowerment, human resources development, infrastructure, among others. Communities that become parts of our targeted CSR programs are those around our operational boundaries and areas that require immediate support based on risk and needs assessment.</p> <p>In conducting our CSR programs, we engage participation from local government offices, non-governmental organization, local community leaders, as well as other related stakeholders.</p> <p>On top of our planned CSR programs, Holcim Indonesia also involves in various emergency responses for natural disasters relief.</p>
<p>Climate, Water & Nature</p> <p>The 2030 Plan Four Fields of Action</p>  <p>Climate Water & Nature</p>	<p>Various methods and efficiency efforts are implemented to achieve operational activities with minimum impacts to the environment, including regular measurement on CO₂ emission, reducing the use of non-renewable energy through alternative sources, and conducting rigorous assessment on water use in our operation.</p> <p>Regarding biodiversity and nature preservation efforts, Holcim Indonesia conducts biodiversity studies and assessments at our cement plants to formulate biodiversity action plan that aim to improve the biodiversity index.</p>
<p>Governance & Integrity</p>	<p>Holcim Indonesia creates comprehensive and appropriate tools and measures to enable proper and accountable governance of our organization. This includes establishing a clear Code of Business Conduct, preparing an organizational matrix with proper assignment of roles and responsibilities for each corporate function, implementing a proper risk management to mitigate threats on the Company's success, and enforcing other preventive policies on potential conflict of interests, frauds and corruption. Regular audits and certification programs are also properly conducted to ensure that all corporate standard practices comply with the applicable rules and regulations.</p>

Significant Changes in the Reporting

There has been no significant change in data comparability principle compared to last year's report. Data and information from the Company's new addition of our operations in Lhoknga, Aceh, as a

result of the Company integration in 2016, has been compiled using the same principles of data collection and compilation as our other operations. Hence, in this report financial, sales, and operation-related data has included the Lhoknga operation.



Presenting a detailed information that fits to relevant practices to allow for proper review and assessment to achieve improved implementation of our sustainable development initiatives.

Holcim's Cement Terminal in Lampung





Company Profile





Company Profile

“With global and vast experience in providing reliable building materials and services, Holcim Indonesia is transforming into one of the drivers for sustainable development in construction in the country through ongoing efforts and innovation in addressing some of the most crucial environmental and social issues.”

About the Company

PT Holcim Indonesia Tbk (“Holcim” or “Holcim Indonesia”) is a leading manufacturer and supplier of cement-based construction materials in Indonesia. Widely used in various building and infrastructure projects throughout the country, Holcim cements, concrete and aggregates are available in various types to perfectly fit different construction purposes.

Holcim manufactures our products and invents new solutions to meet the needs of low energy consumption and CO₂ emissions to minimize greenhouse gas effect, better water absorption on land through innovative pervious concrete feature, and waste management.

Following a merger decision on early 2015, Holcim Indonesia is now a part of LafargeHolcim Group, the world’s largest producer and supplier of building materials with an extensive network spanning over 80 countries.

For the past few years, Holcim Indonesia has also been an active member of the Indonesian Cement Association (ASI) and Indonesia Business Council for Sustainable Development (IBCSD); a founder member of the Green Building Council of Indonesia (GBCI), Business and Human Rights Working Group (B&HRWG), Corporate Forum for Sustainable Development (CFCD), and Indonesia CSR Society (ICRS); and a founder member of the Cement Sustainability Initiative (CSI).

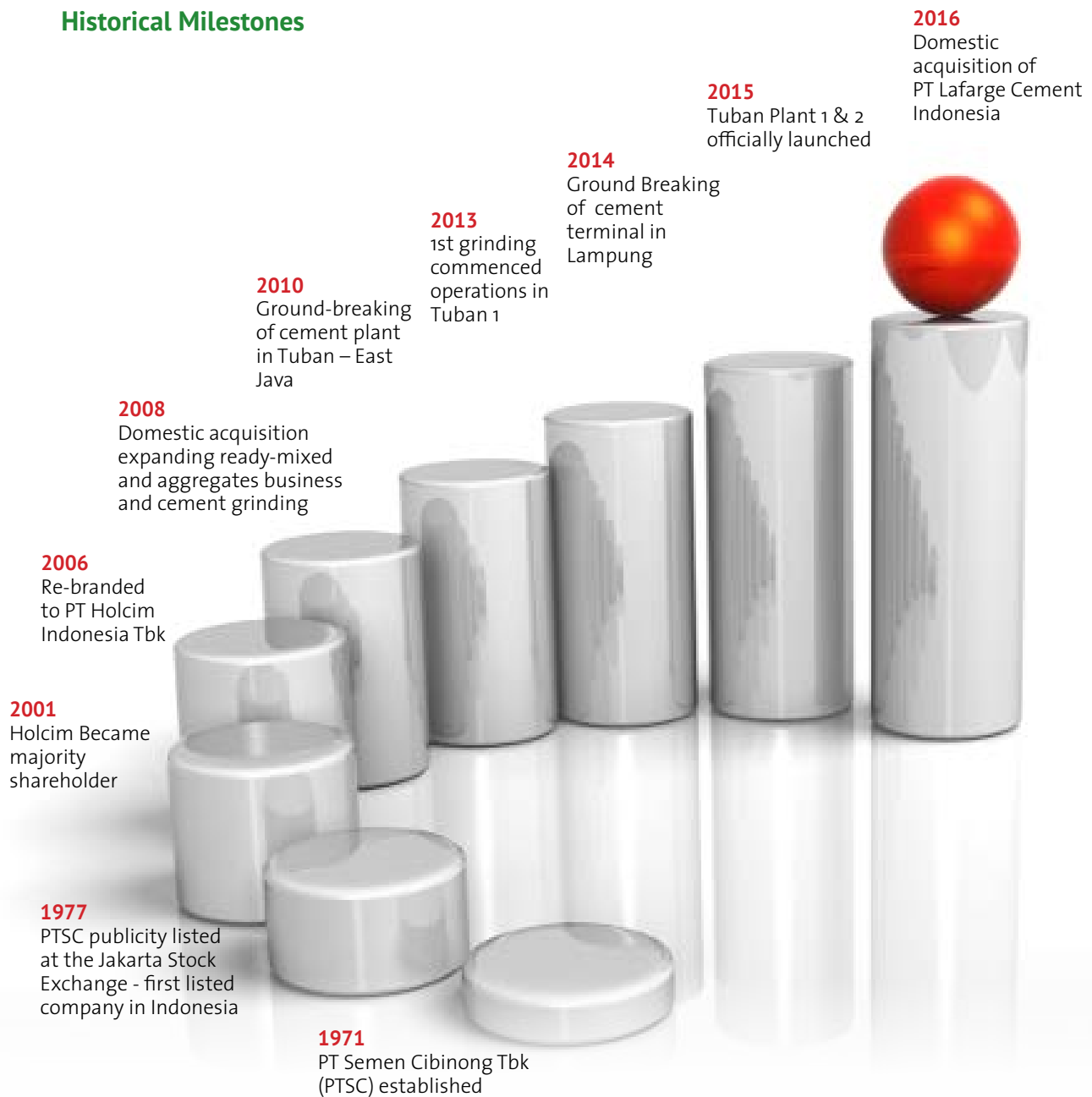
Vision

To be the leading and highest-performing company in the building materials industry in Indonesia

Mission

- Health & Safety - We ensure zero harm in all our activities
- Customers - We partner with our customers to deliver differentiated and innovative solutions
- People - We develop high performing people through a diverse and inclusive working environment
- Stakeholders - We create shared-value and sustainable solutions for our stakeholders

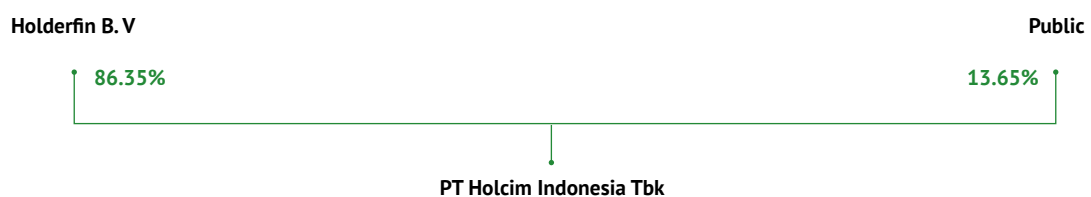
Historical Milestones



Shareholder Composition

Holcim Indonesia is a limited liabilities company established under the law of the Republic of Indonesia. As of 31 December 2016, major shareholder of Holcim Indonesia is Holdervin B.V with 86.35% of share ownership, while the remaining shares or 13.65% are owned by the public. There were no significant changes regarding share ownership and/or capital structure of the Company's in 2016.

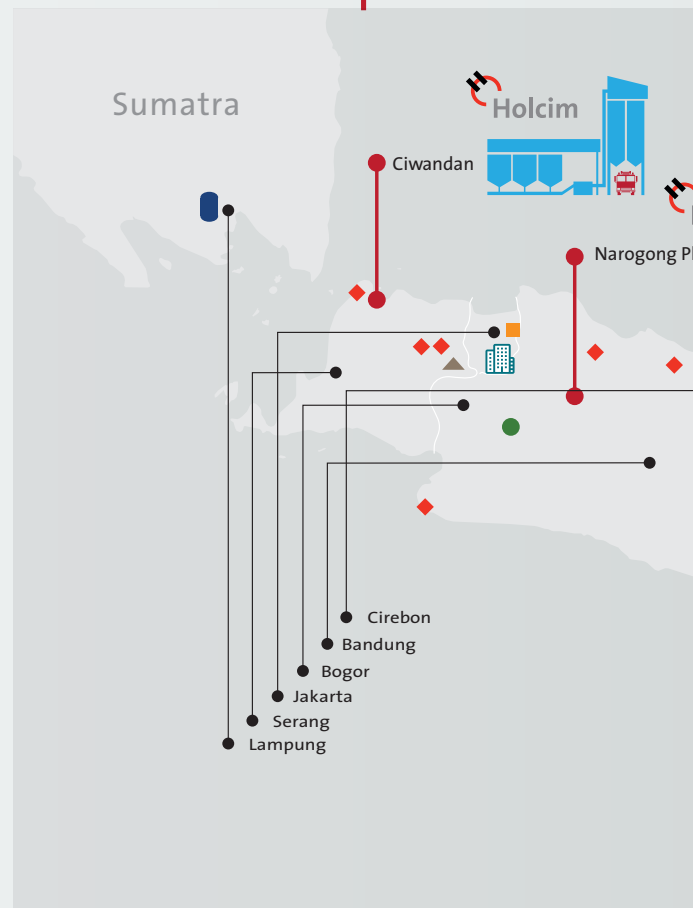
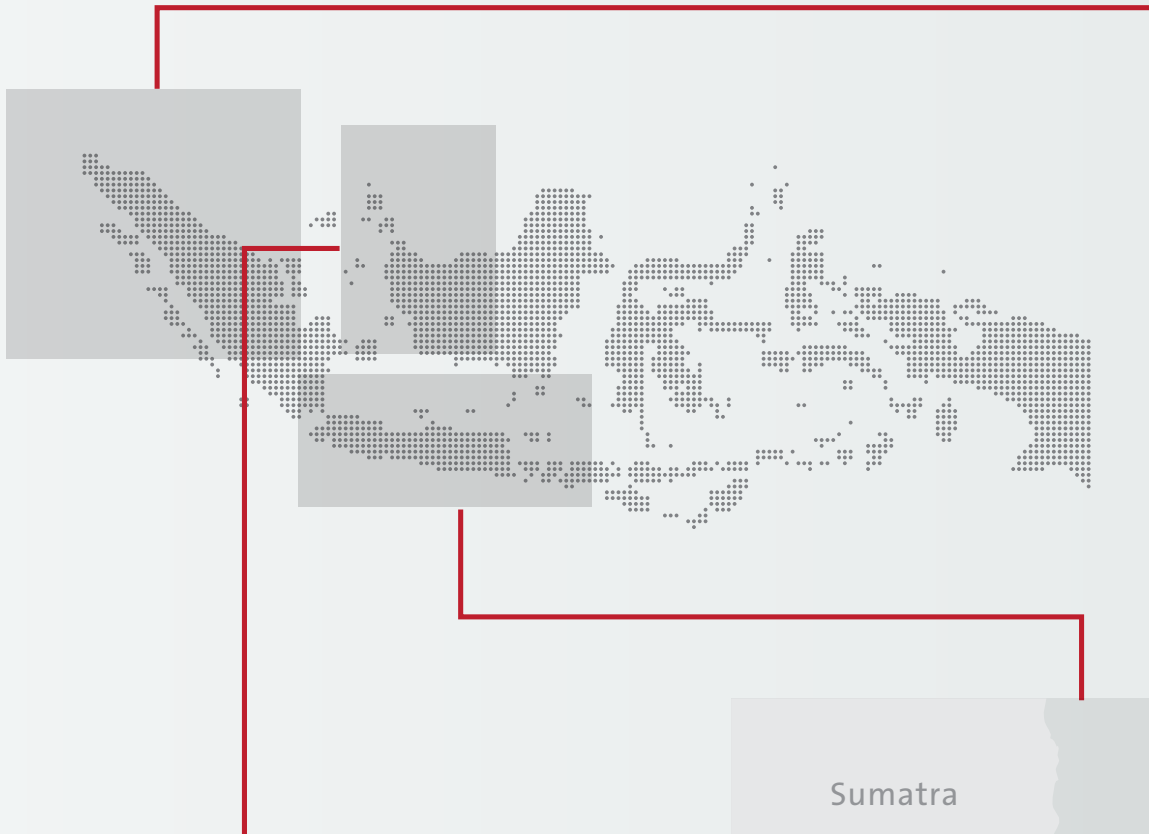
**Holcim Indonesia Shareholder Composition
as of 31 December 2016**

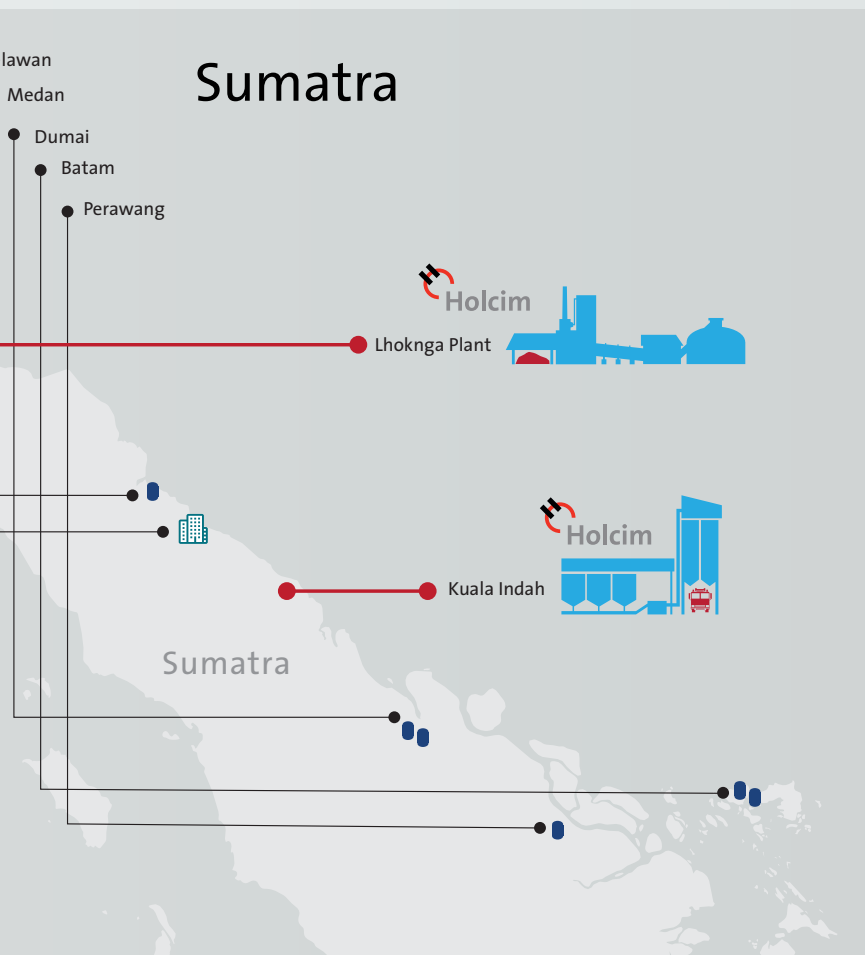




Operational Activities and Areas

From our headquarter in Jakarta, Holcim Indonesia oversees an extensive network of operation with a total production capacity of 15 million tons from four cement plants located in Narogong (West Java), Cilacap (Central Java), Tuban (East Java), and Lhoknga (Nanggroe Aceh Darussalam). We served both personal and organizational customers in Indonesia from various industries, mainly construction, infrastructure, and real estate.



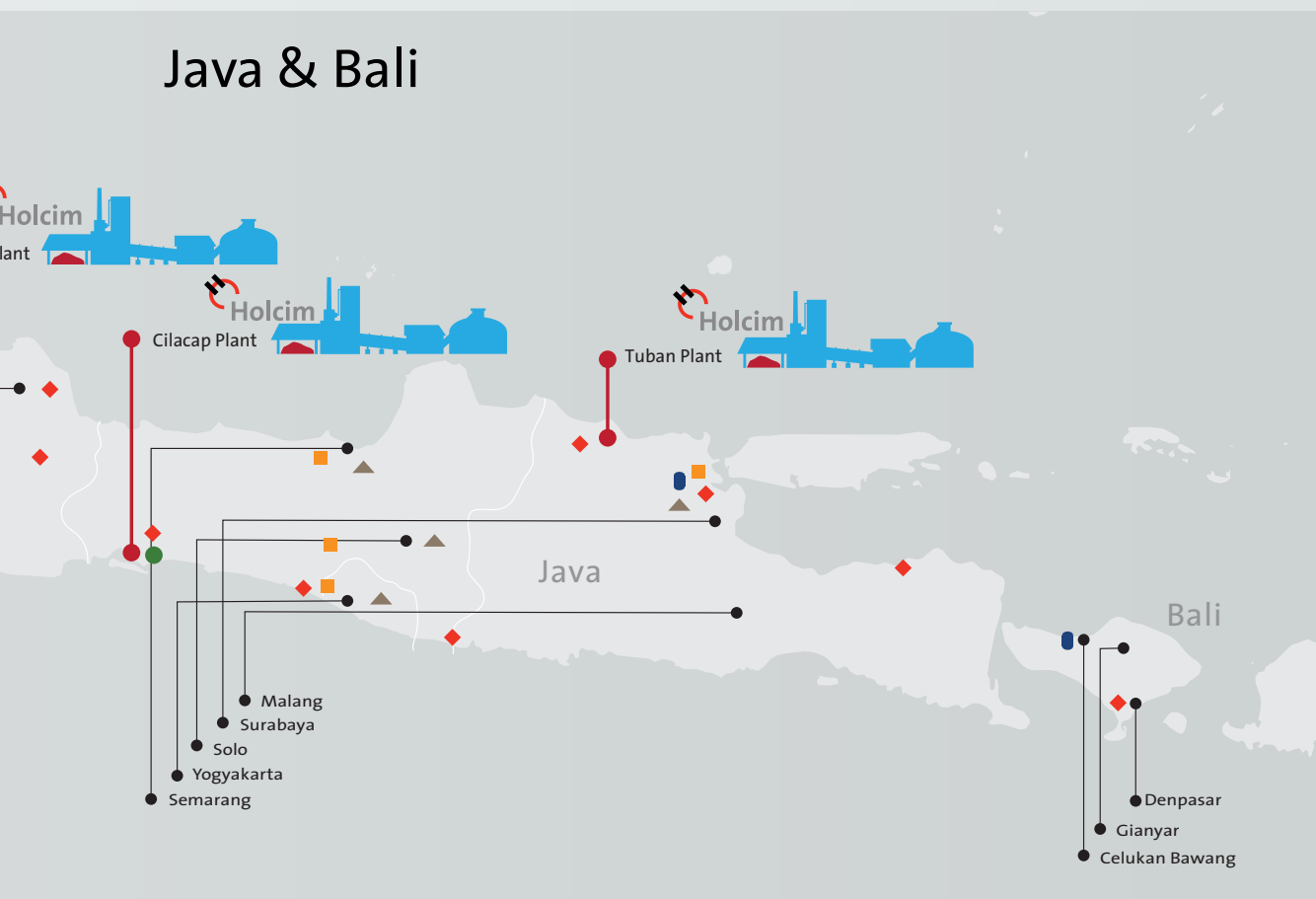


Legend

- Holcim Plant or Grinding Station
- Silo and Distribution Centre
- Distribution Hub
- Batching Plants (including mobile project plants)
- geocycle
- Sales Office
- Main/Representative Office

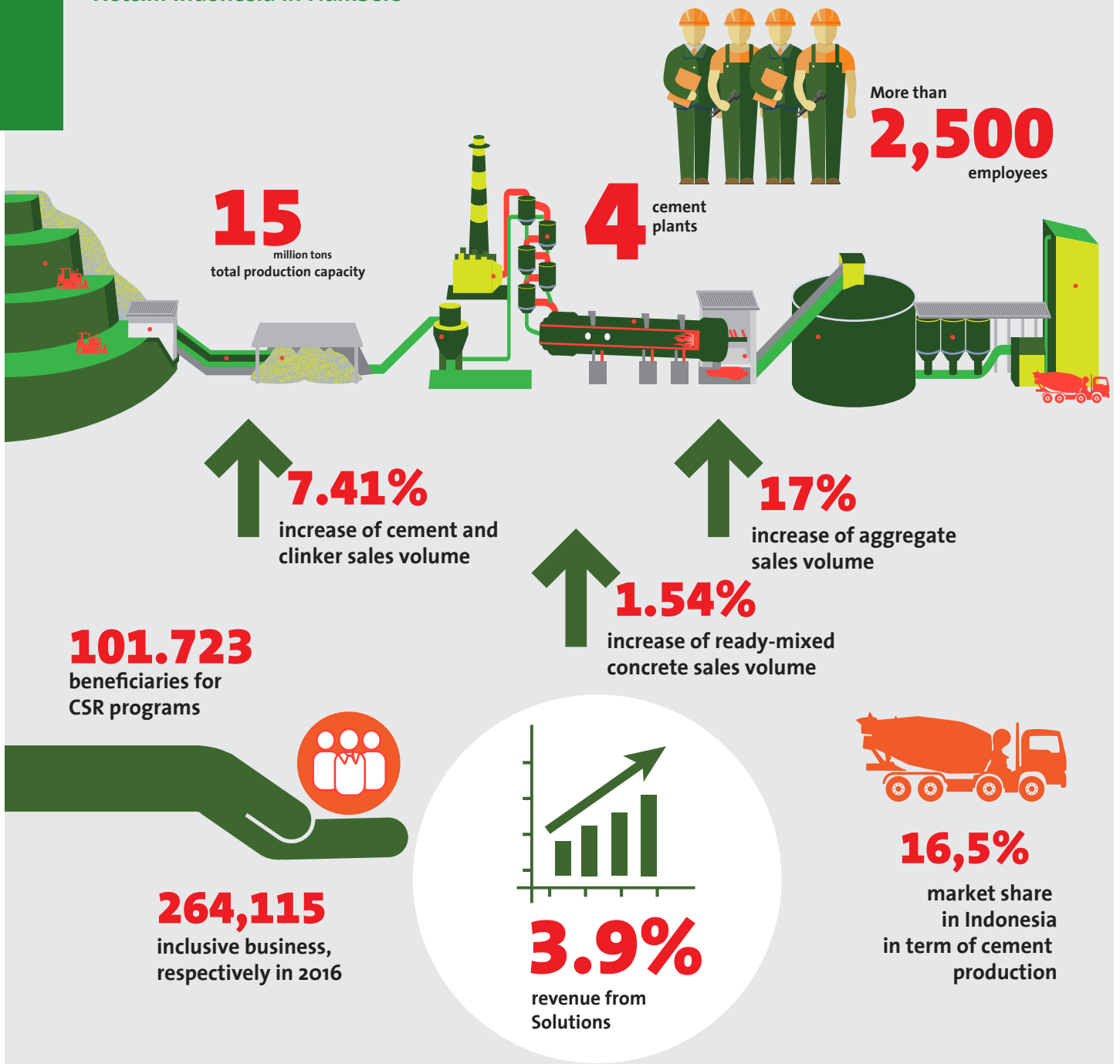
Information network:

- www.holcim.co.id
- www.membangunbersama.com
- Tanya Holcim ☎ 800 100 7788
- GPS Tracking System
- Betonku Holcim ☎ 811 811 811 ☎
- www.geocycle.co.id





Holcim Indonesia in Numbers



A subsidiary of
LafargeHolcim Group

80 Countries **2,300** Operations **26,904** Million CHF net sales **90,000** Employees

Products and Solutions

Holcim Indonesia offers various types of cement, aggregate and concrete materials that are suitable for application in different construction works. In addition, Holcim launches programs and solutions that can support individual home owners as well as companies and the government in aspects such as construction consultation, financing access to our bank partners, and waste management.

Cement

- Holcim Indonesia produces about 15 million tons of cement and clinker annually for the domestic market as well as serving selected export markets in the region

Aggregates

- Holcim Indonesia operates two aggregate quarries at Maloko, West Java, and Jeladri, East Java, to supply

large-scale commercial and infrastructure projects, as well as Holcim Beton for ready-mixed concrete production

Ready-Mixed (RMX)

- Holcim Beton operates 24 hours a day through a network of concrete batching plants, primarily in and around Jakarta and Surabaya as well as selected location across Java, close to the needs of our customers and delivered via a large fleet of mixer trucks
- Currently, Holcim Beton also offers franchise opportunities to local investors.

Geocycle

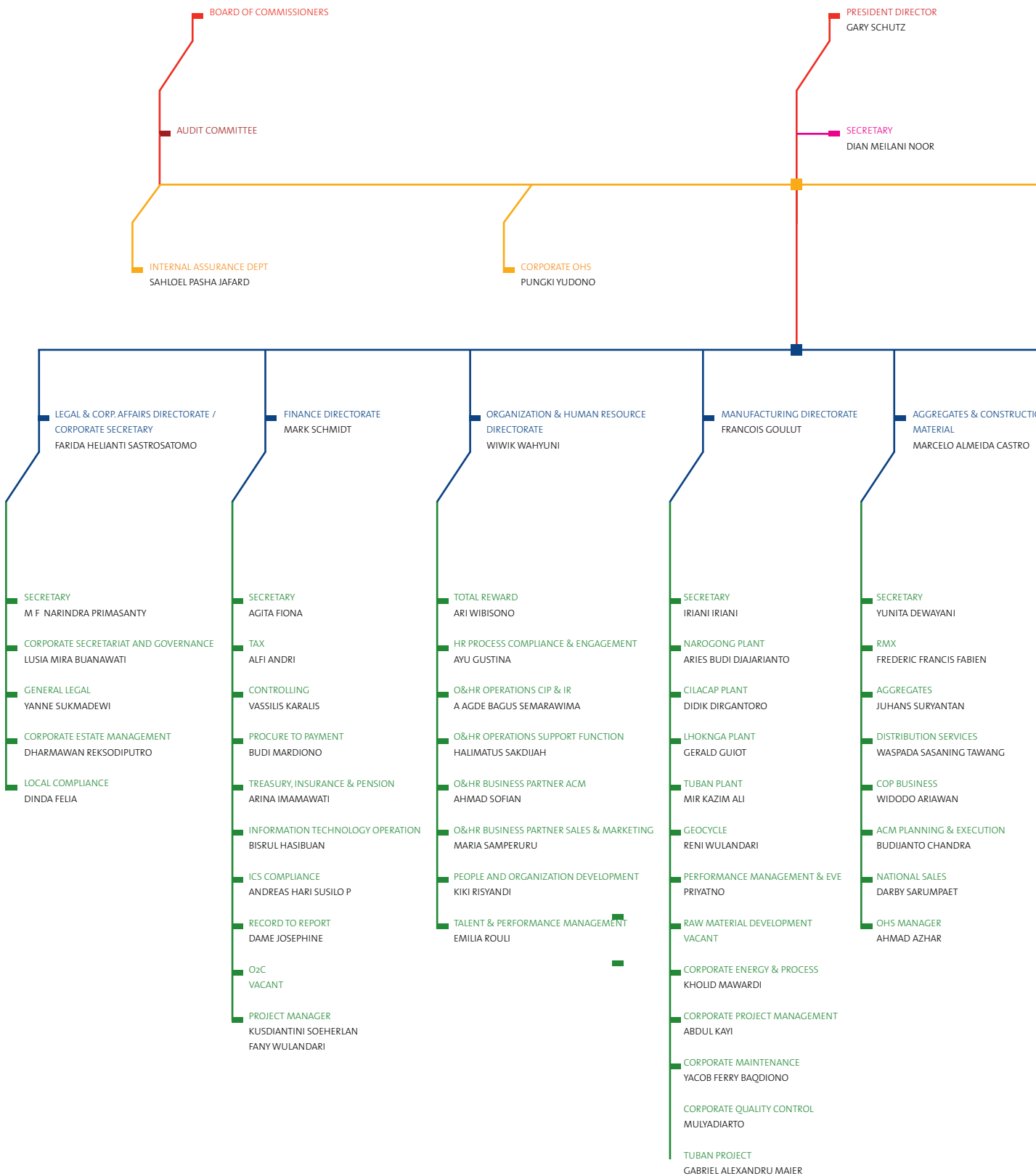
An innovative solution to manage industrial and domestic waste, Geocycle provides reliable, safe and secure waste management services to help industrial companies, manufacturers and municipalities.



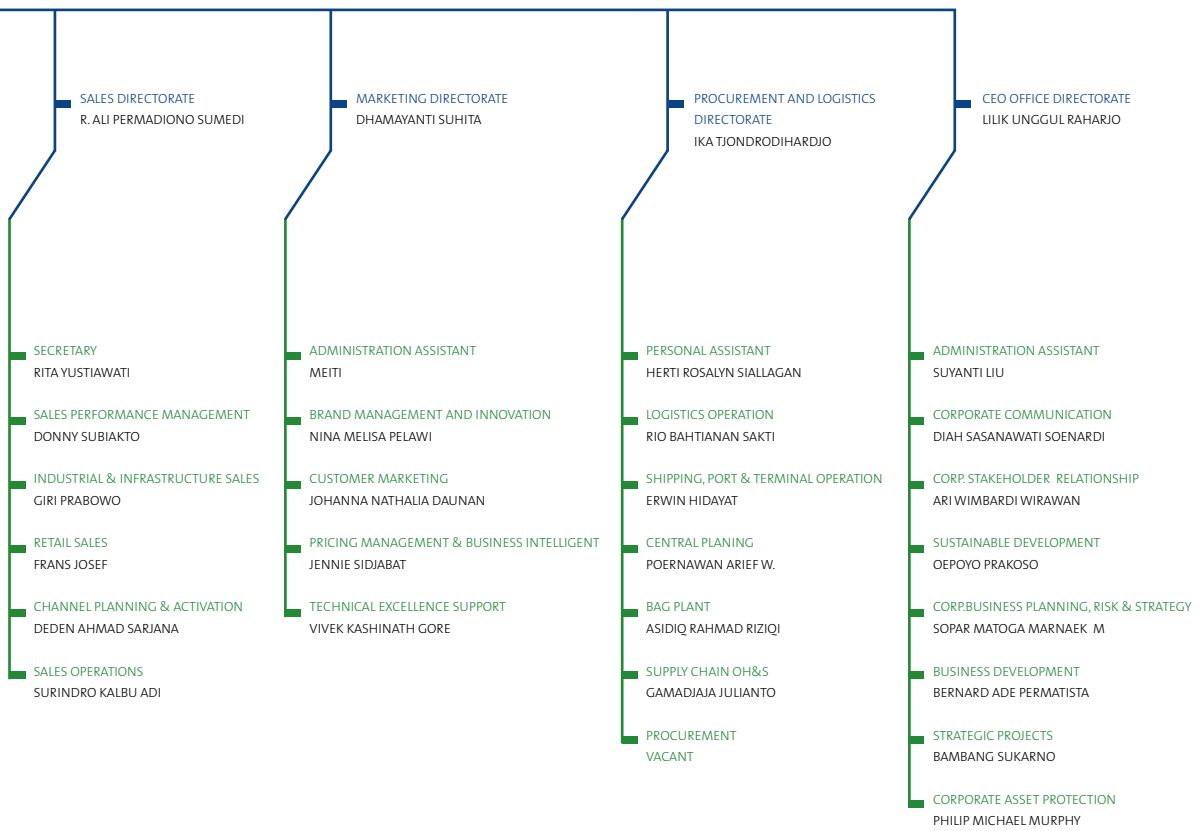
Pedestrian revitalization in Jakarta using ThruCrete. Innovative solutions for better and stronger construction to serve people's needs.



Organization Structure



STAKEHOLDER RELATIONSHIP
AMIRUDDIN LATIEF



Holcim's Cement Plant in Tuban





Sustainability





Sustainability at Holcim Indonesia

So The World Builds Better.....

At Holcim Indonesia, the pursuit for sustainability started since the beginning of our journey. We grew as a business that aimed to be part of sustainable solutions for the society's future, by providing reliable building materials to support the society's development and better living standards.

Cement, concrete and concrete-based solutions are the main products of Holcim Indonesia. These materials are highly cost effective, easily available, and relatively affordable. Most importantly, concrete can help people to construct and build home, buildings, offices, and infrastructures that are strong and last for a long period of time. Cement can be used for simple and practical application in people's backyard, but can also support extraordinary cutting-edge construction, such as skyscrapers, bridges, and towers.

Due to its reliability, utilization of concrete can be traced back not only in the past 1000 or 2000 years, but since the era of Roman's empire through using the combination of limestone and volcanic ash to create functional structures that supported the civilization at that time. Along with steel, concrete has been one of the important drivers of human's civilization, allowing for advancement of society, industry, and technology through the creation of bigger, more solid, and more complex functional buildings. Concrete's ability to self-compact even supports energy efficiency both during application and throughout the lifetime of a building, while its plasticity allows for creation of complex and beautiful building shapes.

Developing ourselves as a leader in the industry, Holcim Indonesia does not solely establish our credibility on providing products that can support people's needs for reliable and strong functional buildings in the long run, but also ensuring that the Company employs best corporate practices that create tangible positive impacts in the lives of our employees and stakeholders.

Envisioning to become the leading and highest-performing company in the building materials industry in Indonesia means that Holcim Indonesia ensures excellent performances on our production, operational and sales. For this purpose, we continue transforming ourselves to reach higher standards and offer best performance of our products and services. We innovate, conduct researches, and cooperate with various stakeholders, in addition to continuously study growing trends in the economy and society.

We believe that only through focused attention on factors that can improve the performance of our products and services will we be able to offer best-fitting solutions to the local construction sector in Indonesia and help people build their dream houses and buildings with best quality and lowest impact on the environment and society.

Supporting the Nation's Infrastructure Development Projects

On November 11, 2016, Holcim Indonesia officially launched Lampung Terminal, providing one million ton of cement per year.

Symbolizing as the gateway to Sumatra island,

the second largest cement market in Indonesia, the launch of the terminal also represents a considerable commitment that Holcim Indonesia makes for the future in this region through reliable supply chain.

Holcim Indonesia's Lampung Terminal is equipped with the most advanced fully automatic packing and handling technology in Indonesia, enabling lower cost and higher output to support the local market.

Most importantly, the health and safety of everyone involved in our operation and consumers who use our products and solutions is Holcim Indonesia's utmost priority, by ensuring zero harm on our employees, contractors, suppliers and customers whom we regularly interact with. Next, we place utmost consideration for our customers' satisfaction during our product development process, finding what would be the best solutions for their construction needs. At different occasions, we also cooperate with the government and other related stakeholders, including those that share our value in the protection and sustainability of environment, local heritage, and society, to better capture their best interests.

Lastly, in pursuing all of our targets, goals, vision and missions, we rely on the competence of our people to perform their regular duties as well as in searching for the most updated and relevant innovation that we can apply in our products and services given the current construction trend and condition, specifically going towards environmentally-friendly and climate-neutral directions.

Challenges & Opportunity towards Sustainability

Located in a developing nation with rapid growth such as Indonesia, Holcim Indonesia has the unique opportunity to actively contribute in and support the development of the construction sector in the country. A large archipelago consisting of 13,466 registered islands and a home to approximately 255 million of people with various cultural heritages, there are clearly many possibilities for growth in various aspects of the country's economy and social settings, as the government is ensuring that developments could happen simultaneously in the country.

Yet, pursuit of faster growth and better development can contribute to the increase of greenhouse gas

emissions, energy consumption, and unwanted waste; in addition to requiring extra effort in the human resource development as there are still uneven developments, for example in educational aspect and various work opportunities, between bigger regions in Indonesia and other cities/villages, which has also triggered big scale urbanizations with people flocking the big cities in search of better opportunities and leave the smaller rural areas, which may eventually also cause higher number of unemployment and poverty.

Thus, for the past decade, through innovation and constant efforts on efficiency to pursue sustainability, Holcim Indonesia has made several breakthrough efforts through offering products and services that can reduce the number of energy used in our operations, amount of CO2 emissions during our activities, and clinker factor in cement production, in addition to also implementing waste management to achieve higher utilization of waste, implementing efficient water use, and using alternative fuels, all to reduce natural resources consumption and greenhouse gas emissions.

Though achieving sustainability in all areas of economy and life is a long pursuit and needs strategic cooperation from various stakeholders, Holcim Indonesia believes that even smallest participation, if done continuously and properly, can make a lasting impact to the betterment of people and planet. As part of the leading building materials company, LafargeHolcim, Holcim Indonesia is more than ready to be part of the development solutions in the country.

The commitment is reflected on the signed collaboration with BTN in 2016, supporting the government's One Million Houses program. Through the collaborative platform, Holcim offers consultative assistances in terms of building materials application, safety, and design.

Social Business Innovation and Green CEO Award (25 August 2016)

Holcim Indonesia's commitment and performance on Sustainable Development, acknowledged with Social Business Innovation and Green CEO Award by Warta Ekonomi on Thursday, 25 August 2016, at Pullman Hotel Jakarta, received by Marketing Director - Dhamayanti Suhita





The 2030 Plan - LafargeHolcim's Sustainability Strategy

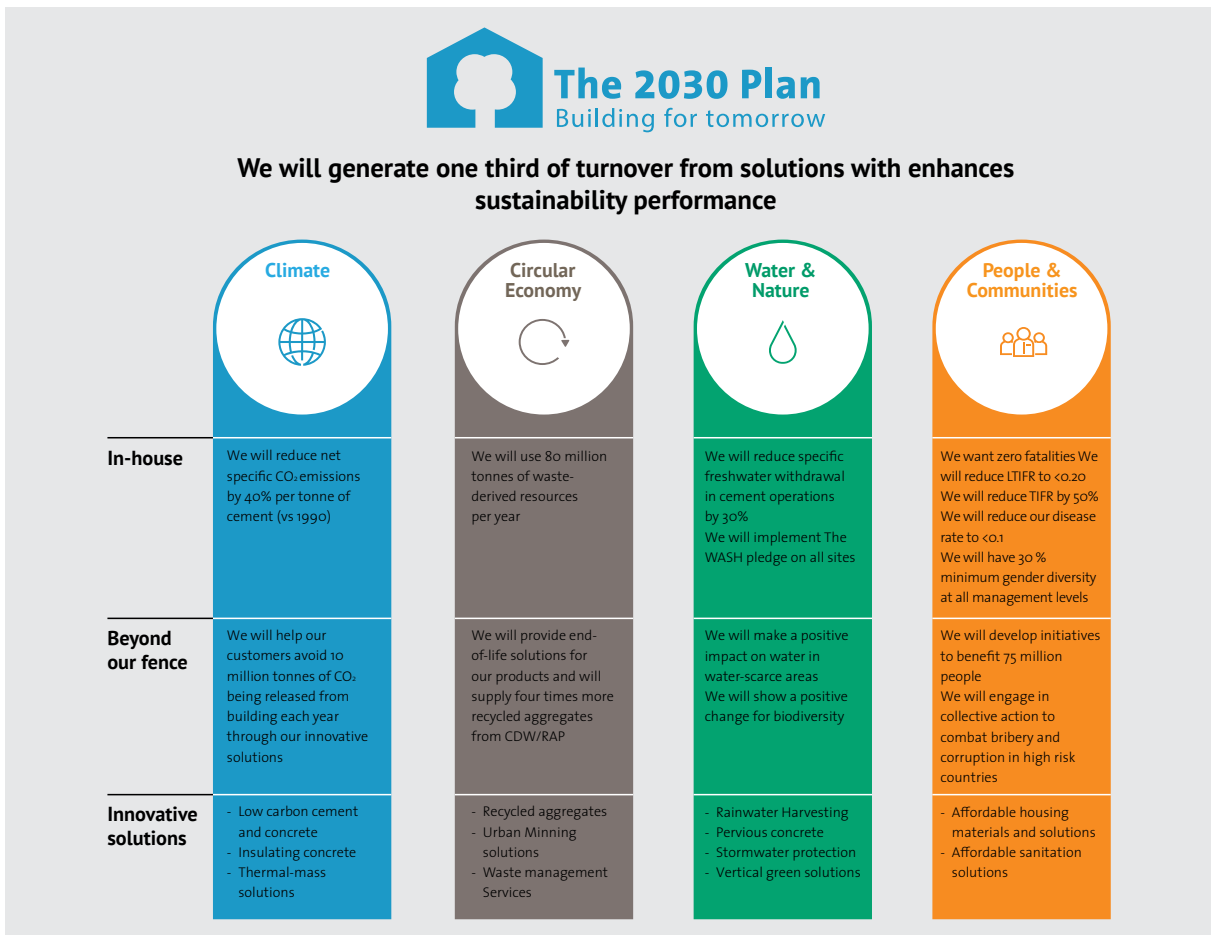
In 2015, LafargeHolcim conducted material issues review, with assistance from DNV GL and participation from internal and external stakeholders, to analyze if meaningful and relevant sustainability risks and opportunities can be correctly evaluated and addressed by the Group.

Given the size and impact that LafargeHolcim has as an organization, there has been a consensus among the external stakeholders that the Group must take leadership in addressing most material sustainability issues. In addition, The United Nations Environmental Program estimates that buildings have accounted for 30% of greenhouse gas emissions, one third of resource consumption and 40% of solid waste in the world.

Thus, considering the threat of global warming, inevitable depletion of non-renewable natural resources, in addition to various activities that have real impacts on the environment and the community, LafargeHolcim has formally included sustainable development initiatives into our long-term corporate strategies and proceeded with driving innovation to help solving some of the most pressing global issues.

In particular, results from material issue reviews conducted in 2015 become the foundation in formulating LafargeHolcim Sustainability Strategy – The 2030 Plan. The overarching ambition of The 2030 Plan is to transform our business and ensure that by 2030, one third of the LafargeHolcim's revenue comes from products, services, and solutions that offer enhanced sustainability performance. This would drive innovation inside our fence line to continue pursuing product developments that can help pursuing sustainable development in the local construction sector while also working hand in hand with related stakeholders in finding solutions that can solve some of the most crucial sustainability issues.

Now becoming Group's guideline in performing sustainability initiatives across all operations, The 2030 Plan directs Holcim Indonesia in focusing all local sustainable development programs under four fields of action, including Climate, Circular Economy, Water and Nature, and People and Communities. Following this direction, Holcim Indonesia will aim to ensure that the local construction sector of tomorrow will be safe, innovative, climate-neutral and circular, with end purpose to bring long-term benefits to the people and the planet.



Supporting the Sustainable Development Goals

Sustainable Development Goals is a set of “Global Goals” advocated by the United Nations, containing 169 targets that are included in the United Nations Resolution A/RES/70/1 of 25 September 2015 and aim to be fulfilled by year 2030. The SDGs continue what the Millennium Development Goals strived to achieve and

build on the Principles agreed upon under Resolution A/RES/66/288, popularly known as The Future We Want.

As can be seen from the diagram below, The LafargeHolcim 2030 Plan aligns with the majority of the 17 Sustainable Development Goals, which have been adopted particularly those that are most material to our operations.



The Sustainable Development Team

Through clear and established roadmap provided by The 2030 Plan, a team comprising of Holcim Indonesia’s professional staff will guide the implementation of various sustainable development initiatives following a set of targets and goals. In doing so, the team engages closely with various stakeholder groups’ representatives to ensure their aspirations, concerns and needs are incorporated in Holcim Indonesia target, programs and goals.

This team will conduct review and assessment on the performance of each initiative and will report the results to the Management on regular basis. In preparing our annual Sustainable Development Report, the sustainability team will ensure availability of necessary data, prepare related performance review to support proper reporting, and contact related stakeholders or regulating bodies as required.





Embedding Sustainability with Our Core Values and Winning Behaviors

Holcim Indonesia promotes our corporate values to guide each individual while working and representing the Company in various settings. These values are what we believe can support us to achieve all corporate goals and targets in ways that are proper and ethical with objective consideration of what our related stakeholders believe in.

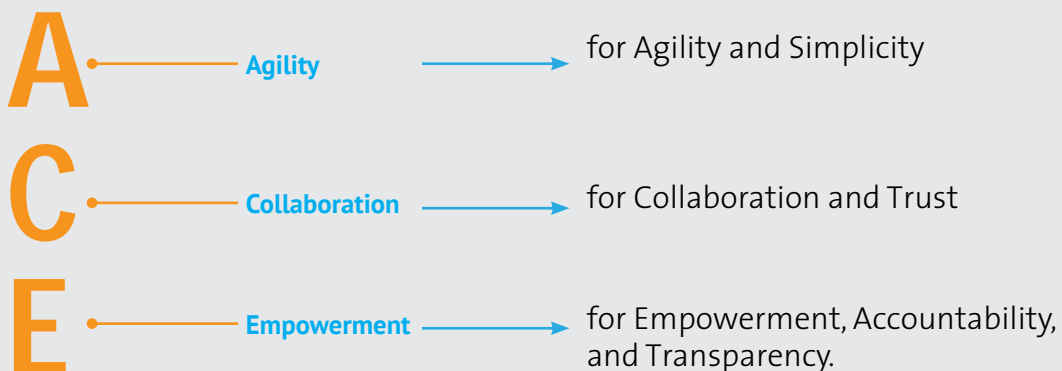
Holcim Indonesia's Core Value - C.R.I.S.P

Health and Safety is overarching



Behaviors of a Leadership Model - A.C.E

ACE guides all Holcim's employees in working and representing the Company professionally within internal and external settings.



Behaviors Guidelines for Holcim Indonesia's Employees





Solutions to Build a Sustainable Future & Circular Economy

Holcim's efforts to improve our products, services, and solutions are in line with the aspiration to achieve our Company's Vision and Missions, corporate objectives, and to support the LafargeHolcim Sustainability Strategy – The 2030 Plan, which focuses to achieve sustainable development targets in: Climate, Circular Economy, Water and Nature, and People and Communities.

Innovative & Eco-Friendly Solution So The World Builds Better

Holcim Indonesia's cements, aggregates, and concrete are available in a wide range of types with additional features that could improve efficiencies and minimize impacts on the environment and society.

SpeedCrete

First introduced in mid-2009, Holcim Indonesia's SpeedCrete delivers high performance and commercial value as well as to help in reducing carbon emission through effective application of only 7 hours, overnight. Prior to using SpeedCrete, regular road maintenance services could take up an average of three weeks to be completed. This could impose negative risks for road users, and even can cause significant delay to various business and transportation activities. With SpeedCrete, road maintenance can be completed within 7 hours. This means faster road downtime, less energy usage, avoid traffic congestions that caused by road maintenance, and minimize risks of road accidents.

SpeedCrete has been entrusted to be listed in the e-catalogue of Bina Marga Office of the Provincial Government of Jakarta to provide an integrated environmentally-friendly construction solution for the city, particularly in improving the quality of roads in Jakarta.

ThruCrete

Addressing the risks of urban flooding, Holcim Indonesia introduces ThruCrete, a pervious concrete solution that enables better water absorption after application. It supports strong and durable paving construction, while allowing easy drain-off and water table replenishment after heavy rainfall. ThruCrete is ideal for sidewalks, parking areas for light vehicle and public spaces in housing or office areas. It helps sustaining groundwater and mitigates flooding risks from bad water absorption at those areas. ThruCrete has featured in building better public infrastructure facilities in Indonesia, including in the renovation of taxiway at Juanda International Airport, East Java, and pedestrians in Jakarta.

ApexCrete

ApexCrete integrates high performance and cutting-edge technology to support construction of large area in a short time. Perfect solution for large area development with high load and mobility, such as in warehousing complexes, ApexCrete is manufactured according to American Concrete Institute (ACI) standard, with computerized system, has high accuracy, and is applied by using high-tech equipment, such as laser screed and 3D profiler.

Advantages in using ApexCrete, including:

- floor construction with very precise surface
 - very fast completion, for example a 2,500m² floor can be completed in approximately 10 days, compared to conventional solutions that take approximately 8 weeks
- Through ApexCrete, Holcim offers a value-added solution for flooring construction work in Indonesia, to support the development of warehouse facilities in the country.

TraCrete

TraCrete is a choice for construction project that requires additional strength to carry heavier weight above the concrete surface, such as in construction of level crossing area.

Successfully helping Bina Marga Office of the Provincial Government of Jakarta in 2016 to fix road problems at a level crossing in Karet area, Tanah Abang, Jakarta, with record-breaking time, Holcim Indonesia has now been appointed as a partner, to provide immediate solutions for road repairs in Jakarta.

Innovative Solution So The World Builds Better

As part of a global network with more than 100 years of experience in providing quality building materials, Holcim Indonesia never stops researching for best solutions. The research and development initiatives resulted enables Holcim to better position itself within the competition and pioneer the use of advanced technology in the building materials industry.

EzyFloCrete

This specific concrete type is a reliable solution for high-rise tower construction through its self-compacting characteristic that enable concrete mix to consolidate under its own weight, easily flow, and reach high difficult places, which makes it a perfect choice for construction of 50-70 floor buildings.

EzyFloCrete is the perfect partner product of Holcim's Indoor Climate Solution system, able to perfectly cover ICS cooling pipes. It is also a great solution for parapets and beams as well as a perfect choice to fill in the gaps between precast sections of bridge structures.

Indoor Climate Solution (ICS)

First introduced for application in one high rise in Jakarta, Holcim's Indoor Climate Solution capitalizes on thermal storage capacity located in concrete floor and ceiling slabs as a cooling system, using a network of water cooled tubes.

Holcim's ICS saves significant amount of energy over the entire life of a property due to substantially lower temperature resulted from the radiant cooling system, which then results in lower consumption of electricity for air conditioning. This allows customers to reduce the amount of carbon from the building operation as well as generating lower operating costs in the long term.

PakCrete

An innovative product developed in 2012, PakCrete becomes a flexible solution for construction projects located in remote areas, which generally have limited access to logistics and materials. PakCrete is dry ready-to-mix jumbo pack of instant reliable concrete, providing easy to handle and to ship solution, with no additional costs for establishing and operating a batching plant.

Through solution provided by PakCrete, Holcim secured a contract with WIKA, a government-owned construction company in Indonesia, to supply 1,700 m³ of concrete for the construction of a New Condensate and Diesel Tank (NCDT) of BP Berau Ltd., which operates an offshore gas platform and onshore LNG plant in Tangguh, West Papua.

MiniMix

In order to serve also individual home owners as well as by considering road conditions in Indonesia that can be challenging for bigger vehicles to enter, Holcim Indonesia offers an alternative ready-mixed solution, MiniMix, a smaller truck with a capacity of 2.5 m³ of concrete, to help solving problems dealt in construction works that are in areas with small impassable roads such as in housing areas.

Geocycle

Geocycle is reliable, safe and secure waste management service for leading industrial companies, manufacturers and municipalities. Our expertise and experience provides peace of mind and a complete solution to unwanted waste. We can provide solutions to alleviate over-pressed landfills, groundwater contamination and illegal dumping.



Promoting Sustainable Construction Practice

In the world of construction, buildings have the capacity to make a major contribution to a more sustainable future for our planet. The OECD estimates that buildings in developed countries account for more than 40% of energy consumption over their lifetime, incorporating raw material production, construction, operation, maintenance and decommissioning.

Add to this, the fact that for the first time in human history, over half of the world's population now lives in urban environments; sustainable buildings have become vital cornerstones for securing long-term environmental, economic and social viability. With the fact of increasing urban populations worldwide, there is an urgent need to come up with ideas to optimize the

sustainable performance of the buildings that we live and work in.

Sustainable construction aims to meet present day needs for housing, working environments and infrastructure without compromising the ability of future generations to meet their own needs in times to come. It incorporates elements of economic efficiency, environmental performance and social responsibility, and contributes to the greatest extent when architectural quality, technical innovation and transferability are included.

Together with LafargeHolcim Foundation, Holcim Indonesia continues to promote sustainable construction practices in Indonesia by adhering to LafargeHolcim Foundation's Five Target Issues in our construction projects and operational activities.

LafargeHolcim Awards for Sustainable Construction

The LafargeHolcim Awards have become one of the most significant global competitions in sustainable construction. It seeks leading projects of professionals as well as bold ideas from the Next Generation that combine sustainable construction solutions with architectural excellence. Organized by the LafargeHolcim Foundation for Sustainable Construction, the competition identifies ideas with the highest potentials to tackle today's challenges to increasing urbanization and to improve the quality of life.

2016 marked the opening of entries to participate the 5th cycle of LafargeHolcim Awards. The competition's main category is open to architects,

planners, engineers, students of related disciplines, project owners, builders and construction firms that showcase sustainable responses to technological, environmental, socioeconomic and cultural issues within contemporary building and construction.

Taking part in promoting the global initiative, Holcim Indonesia organized roadshows to universities as architect communities, including the launch of the Indonesian version of "Greening Asia" book by one of the judges of LafargeHolcim Awards – Asia Pacific, Dr Nirmal Kishnani. In this opportunity, Dr Nirmal Kishnani and LafargeHolcim Awards Country Coordinator for Indonesia, Oepoyo Prakoso introduced and explained various aspects of sustainable construction and the importance of these principles in actualizing longer-lasting buildings, more comfortable homes, and healthier society.



LafargeHolcim Awards roadshow for architecture professionals and students

LafargeHolcim Award's Five Target Issues of Sustainable Construction

Innovation & Transferability (PROGRESS)	Ethical Standard & Social Inclusion (PEOPLE)	Resource & Environmental Performance (PLANET)	Economic Viability & Compatibility (PROSPERITY)	Contextual & Aesthetic Impact (PLACE)
<p>Projects must demonstrate innovative approaches to sustainable development, pushing the envelope of practice and exploring new disciplinary frontiers. Breakthroughs and trend-setting discoveries must be transferable to a range of other applications.</p>	<p>Projects must adhere to the highest ethical standards and promote social inclusion at all stages of construction, from planning and building to use and servicing; to ensure an enduring positive impact on communities. Proposals must demonstrate how they enhance the collective realm.</p>	<p>Projects must exhibit a sensible use and management of natural resources throughout their entire life cycle. Long-term environmental concerns, especially pertaining to stocks and flows of material and energy, should be an integral part of the design philosophy.</p>	<p>Projects must prove to be economically feasible with regard to channeling and managing financial flows, promoting an economy of means and be compatible with demands across the construction's lifespan.</p>	<p>Projects must convey a high standard of architectural quality as a prevalent form of cultural expression. With space, form and aesthetic impact of utmost significance, the material manifestation of the design must make a positive and lasting contribution to the physical, human and cultural environment.</p>

Recycling Waste for Alternative Energy Source

When most people think of renewable energy, they think of wind, solar and hydroelectric. However, there is another source of energy that is created every day across the globe: waste. Over the years, Holcim Indonesia has made significant investments to support the efforts of re-purposing waste. Geocycle is our business unit that recovers and utilizes waste from its clients' production activities in a safe, compliant and sustainable way. As we co-process the wastes in our production line, we convert the wastes into alternative energy in our production process.

Waste is big issue. It is in fact an issue on a global scale for both businesses and governments. Between 3.4-4.0 billion tons of waste are generated every year globally, resulting in large amounts of unsightly landfill sites, emissions from which contribute about 3-4% of global greenhouse gases. Even when it is formally disposed, untreated waste is a threat to society, environment and climate.

As scrutiny of the sources of waste increases, companies are recognizing that waste, if badly managed, has serious consequences. Governments, including Indonesian, are

encouraging companies to recycle and recover energy from waste and refine their production processes to minimize waste. All this adds up to some enormous opportunities for Geocycle in the evolution of a complete end-to-end approach as a provider of service and solutions.

In 2016, GreenZone, the biggest waste pre-processing platform in South East Asia, located in Narogong Plant, West Java, had pre-processed 80,895 MT waste to be used as alternative fuel. Holcim Indonesia will continue to build new storages to provide substansial capacity of alternative fuel and alternative raw material, as well as developing new co-processing facilities in Tuban and Lhoknga plants to meet Indonesia's growing demand for sustainable waste management solutions.

Holcim Indonesia has also been carrying out a trial project in Narogong Plant in 2016, named Geotainer. Partnering with Bogor Regency authorities, the purpose of this project is to do a research on Mechanical Biological Treatment (MBT) of Municipal Solid Waste (MSW) - coming from nearby state owned landfill - to become Refuse-Derived Fuel (RDF) that can be used as alternative fuel.



Alternative Resources

The use of waste as an “alternative fuel and raw material” (AFR) makes a significant contribution to Holcim Indonesia’s sustainable development and economic performance. Furthermore, it improves the environmental footprint of our operations by limiting the use of fossil fuels and lowering emissions. In view of the full recovery of waste in the combustion process, Holcim Indonesia mitigates the risk of rising energy costs, improves energy security and reduces the consumption of natural resources.

Total waste used as alternative fuel (AF) in 2016 was 121,527 tons, meanwhile 235,879 tons of waste were used as alternative raw material (ARM). From these alternative resources, Holcim Indonesia managed to achieve Thermal Substitution Rate (TSR - Percentage of energy input through AFR compared to total thermal energy required for clinker production) of 8.1%.

Geocycle

	2015	2016
AFR Consumption Actual	284,904	357,406



Alternative fuel pre-processing facility

Safety at The Heart of Everything We Do

In 2016, Geocycle received a certificate of endorsement in carrying out the job safely reflected from the routine daily activities of Field Services team in site location of Chevron Pacific Indonesia (CPI).

Geocycle proved its capability to meet the tough standards of the oil and gas industry. The best practice of ‘fatigue test’ has been so successful that CPI has replicated it as a requirement for other contractors to implement.

Geocycle received a contract to clean up site and co-process 80,000 metric tonnes of general waste and Crude Oil Contaminated Soil (COCS) for the period of two years.



Product Safety & Responsibility

To ensure safety and workability during production and in its application, all Holcim cement-based solutions have met all the required standards and certifications, including Quality and Environment Management System Implementation (ISO 9001 dan 14001). Rigorous quality control is also conducted during the manufacturing process to ensure best performance of our products.

Currently, our cement, aggregates and concrete fit the standards that are required by Standar Nasional Indonesia (SNI), American Society for Testing and Materials (ASTM) standards, and meeting TCLP (Toxicity Characteristic Leaching Procedure) requirements under US Environmental Protection Agency standards (USEPA).

Certified Green Label

Holcim Indonesia has its Serba Guna cement brand officially certified Green Label from the Singapore Environment Council (SEC), an independently managed, non-profit and non-government organization (NGO), focusing onto creating a lasting impact on climate change by collaborating with people, industries and government to encourage and achieve sustainability standards and lead green lifestyles. The internationally accepted standard takes a life cycle approach - from raw materials through manufacturing, to consumer health impact.

Some of the eco-friendly features of Holcim Serba Guna that qualified this product its Green Label are its low environmental impact by using renewable energy and alternative materials, thus contributing to conserving natural resources. It goes through a responsible production process which complies to the prevailing environment regulation; and the implementation of quality and environmental management certification under the International Organization for Standardization, namely ISO 9001 & ISO 14001, and also certification for occupational health and



safety management system, OHSAS 18001 by Holcim Indonesia at its operational sites.

Holcim Serba Guna is now among the first cement brand certified Green Label in Indonesia.

Solusi RumahKu: Helping People to Build Their Dream Homes

As part of our product and corporate responsibility, Holcim Indonesia promoted Solusi RumahKu. Solusi RumahKu aims to help home owners to build their dream homes through our integrated solutions, starting from design consultation, financing access to our bank partners, and reliable building materials, all under one roof.







People & Community





Our People

People are the foundation of Holcim's long-term success. Holcim strives to maintain a healthy organization by sourcing talented people across the industry, accelerating development of our people, and enhancing employee performance. We have consistent, high safety standards and requirements across Holcim that all our employees must meet.

Health & Safety Management System

The wellbeing of people is our top priority. Health and safety are, in fact, two of our main corporate values. Critical to the sustainability of our business is vigilance in assessing, managing and, where possible, eliminating the health and safety risks associated with our business activities. It is our objective to minimize the risk of accidents and injuries and the risk of occupational illness.

We further improved technical and organizational safety standards in order to strengthen the company's safety culture. Our standards reinforcing the Group's commitment to place health and safety foremost at all times. Our target is zero harm and a commitment to sustaining healthy, safe conditions for employees, contractors, communities, and customers.

To enhance the implementation of health and safety standard in Holcim, training under the Institution of Occupational Safety and Health (IOSH) has been adopted as a minimum requirement for every manager. All our plants conducted safety workshops and Central Contractor Safety meetings every semester. It is mandatory for contractor management teams, contractor safety staff and our own management.

Starting in 2015, safety has become integral to individual performance assessments every year. Each employee is assessed on the five H&S competencies, covering awareness of H&S facilities; identification of hazards & control risks; implementation of the H&S mission; cultivation of relationships and networks on safety and proficient management of incident. Moreover, we have in place our Corporate Safety Committee to ensure group safety standards were securely in place.



Annual Global Health & Safety Day participated by all employees

Health and Safety for all and by all

To have a more rigorous and relevant on-field H&S implementation that allows employees' individual accountability practices at each level, the Corporate Safety Committee includes representation from employees at each department, division and management function. Through this initiative, Holcim expects to have relevant implementations of Health and Safety with direct involvement from employees of Holcim.

Safety Performance

Following steady improvements in our safety performance over the past years, we achieved 1.48 number of injuries per million working hours – the total injury frequency rate (TIFR). We also achieved 0.17 lost time injury frequency (LTIF) in 2016.

No	Target	Employees / Third party (on site)		
		2014	2015	2016
1	Death, Permanent Disability	0	0	0
2	LTI - Frequency Rate	0.5	0.5	0.425
3	LTI - Severity Rate	3.0	3.0	3.0
4	Total Injury Frequency Rate	5.6	3.7	3.3

Safe Working Hours year to date (hours):

No	Safe Working Hours	HIL		
		Employees	Contractor (on site) *	Combined (E&C)
1	Worked hours (Dec)	473,203	1,116,137	1,589,340
2	Hours since last LTI	7,443,895	3,518,329	4,866,446
3	Last LTI	Jun 2015 _(Nar)	Sep 2016 _(Nar)	Sep 2016 _(Nar)

Sick leaves rate

(days/safe working hours x 100) : 0.052^(12m)

Year 2015: sick leaves rate 0.078 and Days lost : 1.54 days/employee/ year

Incident Report year to date:

Total Injury Frequency Rate (TIFR) HIL: 1.48^(12m)/1.48^(YTD)

Lost Time Injury Frequency Rate (LTIFR) HIL : 0.17^(12m)/0.17^(YTD)

Type of injury	HIL								
	Employees		Contractor (on Site)		Contractor (off Site)		Visitors/Others		
	Dec 15	Dec 16	Dec 15	Dec 16	Dec 15	Dec 16	Dec 15	Dec 16	
1	Death, P. Dis. WRD*	0	0	0	0	1	0	-	-
2	LTI –FR (12m)	0.2	0.00	0.6	0.24	N/A	N/A	-	-
3	LTI-SR (12m)	9.1	0.00	7.9	0.89	N/A	N/A	-	-
4	Total Injury FR (12m)	0.9	0.58	1.6	1.86	N/A	N/A	-	-
5	Lost Time Injury	0	0	1	0	1	0	1	-
6	Medical Treat Injury	0	0	3	1	0	0	-	-
7	First Aid Injury	0	0	0	3	N/A	N/A	-	-
8	Near miss/near hit	0	0	0	0	N/A	N/A	-	-

Note :

(*) new Cases up from 2011



A Healthy Working Environment

Beside occupational safety, a healthy working environment is another main focus in Holcim's OSH management system. Socialization on healthy habits and lifestyle, as well as hygiene and nutrition are carried out on a regular basis for all employees, including on-site contractors.

At our sites, industrial hygiene workplace monitoring was conducted annually and this year we managed to cover 59% of monitoring target. During the industrial hygiene workplace monitoring, all health and hygiene related findings were recorded and communicated to the related managers and employees for further action. Up to the end of 2016, there were a total of 140 industrial hygiene workplace findings and 25% were closed.

Employment Practices

The quality of our people is essential to the success of our company. We strive to maintain healthy relations with our employees. Holcim treats all people with respect and providing a work environment free from discrimination based on national origin, race, religion,

gender, sexual orientation, disability, age or any other attribute protected by law.

Embedding the principles of diversity and inclusion in the way we do business gives us a better understanding of the needs of our stakeholders. We see diversity as a management concept that brings various cultures, talents and experiences together to create a workforce that reflects the diversity.

Female employees currently represent a small percentage of our workforce, but we have institutionalized a host of women-friendly practices and continue to make efforts to increase their numbers in our workforce. At the end of 2016, The proportion of woman in senior leadership positions was 11 %.

We actively monitor diversity. We have a talent development process to bring about more diverse representation. We also committed to engage local community as part of our Company. There was no report on discrimination incident in the workplace throughout 2016.

As of 31 December 2016 the total of our employees were 2,637 employees

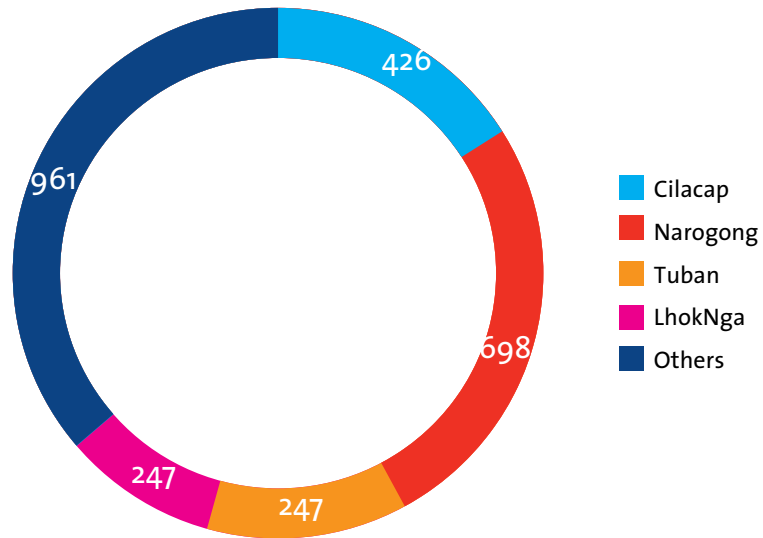
Holcim Indonesia's Employees Profile & Distribution 2016

Education Level	Number of employees
Bachelor Degree	847
Doctorate	1
High School/Diploma/Bac	134
Master	66
Others Only For Degree Below High School	629
Data of PT LCI employees due to unintegrated system	400
Total	2637

Management Level	Number of employees
Top Management Level (TML)	11
Senior Management Level (SML)	51
Middle Management Level (MML)	384
First Management Level (FML)	1,562
Non-Management Level (NML)	629
Total	2637

Employment status	Number of employees
Permanent	2,608
Temporary	13
Expatriate	16
Total	2637

Based of Operation Place



Protecting Employees Rights

We know that if our employees have the resources they need to live healthy and happy, they'll bring their best to the workplace, and our competitive compensation and employee benefit packages are the key contributor. We also comply to the minimum wage regulation in each location.

Holcim is committed in compensating people in a fair and equitable manner. Our Total Rewards program is designed to provide a competitive compensation position in all locations and support equitable remuneration between men and women among job categories.

We offer broad-ranging employee benefits that improve employees' personal and professional well-being. These benefits include monthly salary, medical allowances, pension, and skill development.

Moreover, in line with principles ascribed in the UN Global Compact and is binding on all employees, we strictly prohibit child labor or forced labor at our operations. Minimum age to join the company is 18 years old.

Our workforce represented by unions, workplace agreement, protecting workers' rights and engaging with our union organizations to achieve mutually beneficial results are critical to the sustainability of our business.

We regularly conduct meetings with Holcim Indonesia Labor Unions to review and discuss further improvement in our employment practice and industrial relation. Points of these discussions and agreement were clearly stated in a collective labor agreement. All employees were covered by this collective labor agreement.





Diversity and inclusion in Holcim Indonesia

The cement industry may be considered as a male-dominated world. Nevertheless, our women employees have been taking key roles and responsibilities in making sure Holcim Indonesia's success from our daily operation, in logistic, during interaction with the communities, to our Geocycle laboratories. Women are an integral part of the Holcim Indonesia family.

Nova Lina - Community Relations Coordinator

I started my career by taking a three-year vocational education in machinery. But my passion of interacting with others has brought me beyond my expectation. Interacting with the local communities is not as easy as it looks or as it taught. It takes a lot of patience, sincerity, the willing to listen to what their needs, and how we can address them and offer solutions that meets their needs and beyond, for the future. In a paternal environment, I often face hard situations in which women are rarely involved. But given the opportunity and trust, I proved that I can.

Atik - Geocycle

Most women may choose to work back offices, with neat desk, makeup and heels. But me, I choose to manage wastes. Working in a male dominated environment gives me the push to equally make values of what I'm doing. Being involved in the waste management business unit provides me the chance to contribute for a better world. And I am proud for this.

Verawati - Logistic

Working at Holcim provides me the chance to prove what I can do best in my expertise. It's not easy when you're being minority in a male dominated industry like a cement company. But Holcim considers that great capabilities lie in every personality, thus open the opportunities that require only a positive mind and dare to take a step ahead. So, here I am. Ready to make a difference, to bring values, and contribute to grow Holcim Indonesia.



Fit and Transparent Recruitment Process

To fulfil our leadership ambitions and achieve our growth targets, it is vital that we attract the brightest talent, as well as optimally leverage internal capabilities by grooming and nurturing our people, so we can better engage and retain them.

New Recruits	Number of employees
Male	358
Female	66
Expatriate	9
Total	433

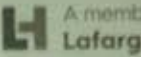
Employee Engagement Activities

We strive to maintain healthy relations with our employees. Dialogue between management and employees is integral to our work practices. Employee engagement occurs at all levels, from the application and hiring process, to training and developing employees.

These engagement activities keep employees connected. In 2016, Holcim has conducted various engagement activities, including annual Sports Fiesta at our cement plants and quarterly Business Briefing to cascade the Company’s performance and way forward.



Regular morning exercise at a cement terminal in Belawan, Medan



1st Business Briefing as

ONE Team. Spirit. Goal.

Cilacap 30 March 2016



Business Briefing is a quarterly town hall meeting for the Company to cascade business performance, way forward, as well as to facilitate direct communications between the management and employees.

Best Practice on Leadership Learning and Best Practice on Learning Delivery (24 October 2016)

SWA Group awarded PT Holcim Indonesia Tbk – Holcim Academy as one of Indonesia’s best practice Corporate Universities under the category “Best Practice on Leadership Learning” and “Best Practice on Learning Delivery”. The awards were given 24 October 2016 at Balai Kartini where Wiwik Wahyuni, Human Resources Director and her team represented Holcim Indonesia.



The Best Empowerment On Blood Donation Program (17 September 2016)

Holcim Indonesia Tuban Plant received recognition from The Indonesian Red Cross of Tuban as the best empowerment for the participation of the employees and contractors on the Blood donation program held by The Red Cross of Tuban.



Talent and Development Programs

It takes sound, strong direction to propel a company our size forward and ensure we meet the needs of our global customers. That’s why we invest in development programs for employees of all levels.

Training and development programs for each employee were developed based on considerations, namely performance appraisal, job specification, competence and skill analysis, career-path, and future man-power planning based on the Company’s future strategic direction.

In 2016, we are conducted People Development Program Such as: Anti Bribery and Corruption Directive (ABCD) & Fair Competition Training, Third Party Due Diligence (TPDD), Supervisory Development Program (SDP), People Manager 101, HIL Internal Facilitator Certification Program, Corporate Induction, Health& Safety Improvement Program (HSIP), Technical Certification for CIP, Retirement Program, and Regional training for CIP.

Parts of the program are seminars and workshops, which aim to increase their awareness and knowledge. In 2016, we provided more than 52,000 training hours.





Based of Operation Place

Average hours of training per employee	
Senior executive Positions (A-C)*	16
Direction / manager positions(D-E)*	37
Individual Contributor/ Professional/ Supervisor Positions (F-G)*	19
Non-Management positions (H)*	10

Note :

(*) This KPI is Based on the headcount at the year end

Holcim's Leadership Program

Holcim Indonesia continues to focus on growing our people's leadership capability, nurturing their talents and interest, and at the same time improving their skills in technical, safety and commercial areas through various programs.



To maintain a healthy organization by sourcing talented people across the industry, accelerating development of our people, and enhancing employee performance.

Our Community

We believe by engaging with the communities and contributing to their success and wellbeing, Holcim Indonesia is investing for a better and more sustainable future for all.

Holcim Indonesia realizes of our identity as an inseparable member of the community. From our headquarter in the capital city of Jakarta, to our plants and sites in Indonesia's rural areas, we are aware that our daily operation, our actions and every element of our organization simultaneously have impacts and are impacted by the community.

Therefore, since the beginning of our operations, Holcim is committed to establish a long-lasting mutual relationship with the communities wherever we operate. This commitment is carried out through a series of community engagement activities and high-impact CSR programs. We believe that by engaging with the communities and contributing to their success and wellbeing, Holcim Indonesia is investing for a better and more sustainable future for all.

Upon implementation, Holcim Indonesia consistently supports any plans/projects that can promote the wellbeing of people and environment that form a community, either through actions that are done within our internal scope of work or external targeted CSR programs/initiatives that we establish regularly. This includes establishing a safe and healthy environment both for the employees working in the vicinity of our operation and for the people we interact with on regular basis. In addition, we pay attention to good management of the nature and the environment, specifically the soil condition, local biodiversity and natural resources, to sustain people's lives and our business pursuits in the long term. Lastly, we strive to actively participate in various aspects of society life to show a genuine interest on the mutual success between us and the community.

Holcim Indonesia's Social Investment Focus Areas

CSR-related contributions that Holcim Indonesia offers to the community are those that can serve as a future investment for a better wellbeing of the community. Not only offering solutions on short-term basis, we aim to develop and conduct programs and initiatives that would last for a long time and require responsible management from all related parties. Therefore, Holcim

Indonesia continuously establishes targeted programs and initiatives that have been carefully discussed and analyzed prior to their implementation. This is done through a series of activities that are part of our community engagement.

As a result, Holcim Indonesia particularly introduces five focus areas that will guide implementation of all CSR initiatives at all company locations and sites. Furthermore, in deciding all target programs under our social investment focus areas, Holcim Indonesia also incorporates important aspects of various relevant and applicable standards and requirements, namely targets within LafargeHolcim's Sustainable Development Strategy 2030, the Sustainable Development Goals, as well as regional and central government initiatives/ goals.

Holcim Indonesia's social investment focus areas are including:



Education & Training



Community Health



Micro, Small & Medium Enterprises Support



Infrastructure



Environment Preservation



Best CSR Program

Holcim Indonesia received the best CSR programs in Central Java from Central Java Governor, on 15 August 2016 received by CEO Office Director – Lilik Unggul Raharjo.



Education & Training

Holcim Indonesia has been consistent with implementing programs that can improve educational experience of the people who are residing at the communities around the Company's operational areas. This is done through providing scholarships for students from low-income families and by establishing inclusive programs/events, either regular or non-regular, that can improve the quality of education or learning process of students, adults, and even families at the communities.

Scholarships

● Regular Holcim Scholarship

Since 2006, Holcim Indonesia has been giving out scholarships to students from low-income families at all operational areas, to pursue their study at the elementary level and middle school. This non-cash support is provided through collaboration with financial institutions.

● LCI Scholarship

As a part of regular LCI Scholarship, in 2016, a total of 400 scholarships were awarded to local students from Lhoknga and Leupung areas. With amounts varied according to each educational level, the scholarships were given to 125 junior high students, 125 high school students, 100 university students, and 50 Islamic boarding school students. We collaborate with an independent party, to select scholarship recipients, helped in preparing

the questions, conducted and supervised the examination process and scoring process. Interview process was conducted by representatives of kemukiman (region), which include community/ educational/religious leader, and representatives of LCI CSR team. To establish better implementation, routine review and improvement of the program concept was conducted by scholarship committee, CSR team, and executive team.

● GOTA (Gerakan Orang Tua Asuh)

GOTA is an initiative to support the 9-year compulsory education program. Though students are given free education up to year 9 of their compulsory education, many students still cannot afford to have their school uniforms, books, and other items needed for their study.

Employees of Holcim Indonesia plant regularly participated in GOTA program as foster parents to local students from the Company's operational areas, starting in 1996, with participation from employees in Cilacap plant, followed by employees at Narogong and Tuban plant.

As per April 2016, Holcim Indonesia recorded an increase in participation by our employees at Tuban plant, which is a total of 241 employees willing to become foster parents for a total 392 students that are from 6 villages around Tuban plant, compared to a total of 173 employees in 2013.



Engaging with the communities and contributing to their success and wellbeing, Holcim Indonesia is investing for a better and more sustainable future for all. Foster Parents Program (GOTA) in Tuban Plant



Enterprise-based Vocational Education (EVE) Program

Introduced in 2005, Enterprise-based Vocational Education (EVE) program is a community program that selects and develops the potential of the local youths living around Holcim Indonesia's operational areas. This special program also becomes a channel for Holcim Indonesia to recognize local talents and prepare them as future leaders in the industry.

Held at Narogong, Tuban and Cilacap plants, EVE program aims to offer opportunities for high school graduates to pursue their vocational study in a three-year program (equal to D3 degree in Indonesian

universities) provided by Holcim and eventually reach their dreams. Launched by cooperating with Indonesian academic institutions, including Politeknik Negeri Jakarta and Universitas Jenderal Soedirman, EVE program has graduated up to 412 students. Some of the graduates are recruited to work in Holcim, while the rest have found work opportunities at Holcim's business partners or somewhere else.

In 2016, EVE program was opened for entries in Lhoknga plant and resulted to 14 students out of 106 applicants who were successfully admitted to the program. EVE selects students through various admission tests, including psychological, health, and English tests.

Training

● Journalistic Training

On 2 December 2016, a few youth journalists from Media Indonesia, a well-known news publication, visited Holcim Educational Forest (HEF) that is located in Cibadak, Sukabumi. Accompanied by senior journalists, these young talents chose this particular biodiversity project as subject of their journalistic training, which included writing report draft, preparing interview question, and taking photos of the location.

Educational Facilities

● Holcim Educational Forest (HEF)

Holcim Educational Forest transformed our former quarry area in Cibadak, Sukabumi, in a reclamation project with Bogor Agriculture Institute (IPB). Holcim Educational Forest functions as educational research site, training site, biodiversity research site, as well as becoming a recreational center for the local community. Home to a total of 52 different plants that can be used for various purposes, HEF also supports local community business empowerment in the future.

Community Health Improvement

Programs that aim to improve the health condition of people living in the communities both near and outside Holcim Indonesia's operations are done in several ways. For programs that are implemented nation-wide and generally covering people in a large scale, Holcim Indonesia works together with governmental bodies or

non-governmental organizations. Thus, up to the end of 2016, Holcim Indonesia has been involved in programs, including blood donation and Posyandu (Pos Pelayanan Terpadu or Integrated Health Post).

In addition, Holcim Indonesia also executes programs and initiatives that are conducted following the specific needs at each targeted location. These needs are captured from regular interactions with local people, including during visitations and Community Advisory Panel sessions. Programs that come out from these specific interactions are mostly connected to improving the quality of the environment first in order to eventually improve the health quality of the people. Some of these programmes are including waste management, and sanitation facilities, and some programs integrated in Posdaya which is Holcim Indonesia's main activity that also encompasses community health improvement as one of its pillar.

Highlighted Programs for Community Health Improvement in 2016

● Ciliwung River Restoration Effort

On 7 August 2016, KLHK and Mat Peci (Masyarakat Peduli Ciliwung or People for Ciliwung) community started a restoration program to improve the condition of Ciliwung river in Jakarta. A total of 1,500 people participated in the program, helping with cleaning up the river starting from a bridge at MT Haryono up to the bridge located at Kampung Melayu. Employees of Holcim Indonesia also participated in the program by providing biodiversity training to Masyarakat Peduli Ciliwung.

Posdaya – An Integrated Concept to Support and Empower Community

Posdaya was started in 2012 at Holcim's Cilacap plant as an implementation enabler of various CSR programs. Through Posdaya, Holcim Indonesia conducts an integrated CSR plan to cover the aspects of economy, education, health, and environment. Having gone through a journey to find the best concept to establish programs that can properly correspond to the needs of each community, Posdaya is now one of main CSR programs of Holcim Indonesia.

In starting a program under Posdaya, Holcim Indonesia conducts social mapping in cooperation with academic institutions and government bodies. From the results of social mapping, our company will then respond directly to the situation/condition that the community face. For example, if the community mainly grows cassava as their source of livelihood, Holcim Indonesia would respond by providing machines that can help in cassava chips production.

Upon implementation, a Posdaya center will be located at the village or smaller village level. Up to now, Holcim Indonesia has supported 50 Posdaya and benefited a Total of around 8000 people.

Posdaya programs held at communities located in Holcim Indonesia's operational areas, including:

- *Education: scholarship, early childhood education, welding training and qualification, informal Islamic teaching institution (Taman Pendidikan Al-Quran), EVE program, English for Fun program, nature school (Sekolah Alam) concept to teach English and Math to students from low-income families*
- *Economy: trainings/support system to start local product businesses, including oyster mushrooms, chips, brown sugar, fish floss, cookies, handcrafts, batik, fresh water fish farming, etc.*
- *Environment: planting homegrown medicinal plants, organic waste handling*
- *Health: Posyandu (pos pelayanan terpadu or integrated health post), health seminars, prenatal education seminar, Bedah Rumah (house reconstruction) program*
- *Community: Moslem prayer gathering*





Community economic empowerment through various aspects of animal husbandry.

Micro, Small and Medium Enterprises Development

Part of empowerment effort that Holcim Indonesia is willing to achieve is for the community to be economically independent. This means that the community is able to manage resources and talents that are needed to establish businesses (Micro, Small or Medium) in order to be able to create jobs and generate income for the people who live in the community.

As this is in line with Holcim Indonesia’s target to help people through the creation of jobs or developing people’s potential that can support the sustainability of the lives in a community, since the establishment of the Company’s operations at different locations around the country, Holcim Indonesia has been consistently been a part of various Micro, Small and Medium Enterprises Development programs at various communities that we have been a part of.

Aspect	Program
Technology	<p>mFish Mobile Internet Application</p> <p>Started two years ago, this application has been a helpful source to empower local fishermen. By helping them to connect and share important information with one another in a way that is fast and easy using their mobile phones, the fishermen can improve their quality of life, be more safety-conscious, create sustainable fishery industry, and help protecting the environment through getting necessary information that is provided in mFish application.</p>
Farming Activities	<p>Cow Donation Program</p> <p>On May 25, 2016, Lhoknga Comrel team donated eight cows to Badan Usaha Milik Gampong, the Region Owned Enterprise of Lampaya village, Lhoknga, Aceh Besar, as an effort to support animal husbandry, particularly cow farming in the area.</p> <p>The hand over event was attended by local leaders (including Muspika of Lhoknga, Imuem Mukim, and Keuchik of Lampaya village), village government officials and local community representatives.</p>
	<p>Muscovy Duck Farming</p> <p>Holcim Indonesia has been supporting Muscovy duck farming activities held by the local community at Jalan Pepaya, Tambakreja, South Cilacap. Due to its savory taste compared to chicken, Muscovy duck has been another favorite food for the local people, especially as an ingredient to make Brekecek, Cilacap’s local food.</p> <p>Currently, with the help from Holcim Indonesia, the local community raises a total of 160 Muscovy ducks, with products sold to the local market and wastes that can be sold to the papaya farms as composts.</p>
SME Facility	<p>Galeri Sampireun</p> <p>Galeri Sampierun is a gallery to sell SME products and a center for community enterprise development at Narogong, Klapanunggal subdistrict. Launched in 25 February 2016 and functions as a support center for the local SMEs, Galeri Sampireun offers 50 types of food products, drinks, and crafts, produced by a total 25 SMEs that partner with Holcim Indonesia.</p>
Female-focused Empowerment	<p>Holcim Indonesia recognizes the potential of local women to become agents of change in overcoming the challenge of poverty in the communities near the Company’s operations. Therefore, the Company has been supporting small enterprises that are created for and manage by local women.</p> <p>In Tuban, wives of the local fishermen, as well as those who live around Glondonggede dan Socorejo, now participate in the fish-based food industry. In Narogong dan Cilacap, local women are also trained to recycled domestic waste into useful byproducts. At various locations, Holcim Indonesia also encourages participation of local mothers in the local early educational institution. Meanwhile, in Jeladri, catering business has been established to help local women in getting additional income. Lastly, in Nambo village, the local women collects used cooking oil and used motorcycle lubricants to be traded with new cooking oil. The used oil and lubricants will then be used as alternative fuel in cement production process.</p>



Pusat Kegiatan Masyarakat

Pusat Kegiatan Masyarakat (PKM) or Community Activity Center has always been the forefront of CSR initiatives developed and implemented at Holcim. Started even before the establishment of Holcim operations at Tuban, PKM functions as a bridge between our Company and the community, helps communicating and establishing all of our CSR plans in the area. Up to now, PKM has been supporting projects and programs that benefit a total of 15,818 lives, in the aspects of economy empowerment, health improvement, social and education.

Regular programs under PKM are including employment opportunities, scholarship, free medical treatment, and other SME-related projects. One of highlight programs under PKM is microfinance support for farmers and small business owners. In particular, Saprodi program, which in particular provides funds for farmers to purchase seed, fertilizer, and pesticides, has provided supported up to a total 135 farmers.



Acknowledgement

On the 5th SME's Summit & Awards 2016, held by UNS, Holcim's Cilacap plant was selected as Best CSR Organizer for Micro, Small, and Medium Enterprise Development. In particular, the award was given for the success of Holcim's SME effort called "Batik Bakau" in Kutawaru, Central Cilacap.



Public Infrastructure Support

Availability of good and reliable public infrastructure is a very important part of community. Through interactions with the local people on daily basis, Holcim Indonesia recognizes the lack of public infrastructure in some areas compared to in other locations; and this can create difficulties for the people who are living in the area to gain access or enjoy comfort from the availability of public infrastructure. For that reason, Holcim Indonesia continues to look for opportunities to support public infrastructure in the areas where we operate to create an impactful and beneficial involvement to better the lives of the people.

Taman Pandang Istana: Open Spaces to Enjoy, Relax and Express Yourself

On 30 July 2016, Holcim Indonesia collaborated with Pemprov DKI officially launched Taman Pandang Istana, a public park located in Monas, Jakarta, overlooking the Presidential Palace. This park is built to facilitate public activities, including in expressing their ideas and opinion in various topics and issues. Surrounded by visual arts and built by using sustainable materials, the park is open for everybody to pursue art or music activities, to study, or just to rest and relax. The construction of this park also reflects the nation's "Bhinneka Tunggal Ika" philosophy – Unity in Diversity.





Environmental Preservation

In regards of environmental preservation efforts as a form of Holcim's corporate responsibility, the Company ensures that operational activities that we carried out will have minimum impact to the environment. Moreover, Holcim Indonesia also establishes specific programs that can improve the condition of the nature and the environment, including planting trees regularly at various locations around our operational areas, protecting biodiversity in the area, revegetation effort at post-mining sites, etc.

In 2016, Holcim Indonesia planted a total of 20,185 trees. Further information on our environmental preservation efforts are discussed in Chapter Climate, Water & Nature of this Report.

Mangrove Planting to Support Safety in Coastal Areas

On 19 September 2016, Environment team from Cilacap plant in cooperation with Ministry of Environment, Government Body of Marine Affairs and Fishery, and Management Office of Segara Anakan Area Resources, held a mangrove planting program at Wijayapura port in Nusakambangan island.



Waste Bank – Unpopular Bank that Solves Environmental and Economic Problems

One of immediate solutions to the problem of waste in the local community, the establishment of waste banks at various locations throughout Indonesia has been increasing, though slowly. Due to the nature of the work that is dealing with unwanted wastes, many of the initiators of this program often receive disapproval from their communities, unaware of the impacts that can be made to the environment within the community and the lives of the people.

However, realizing of the positive contributions that can be made through this unpopular program, Holcim Indonesia is eager to support waste bank program as it has positive benefits to the society. In fact, up to now, Holcim Indonesia has been supporting a total of 3 waste banks, including Bank Sampah Sumber Rejeki, Bank Sampah Para Kemuning, and Bank Sampah Tegal Endah, all are located in Narogong.

In particular, Holcim's involvement in this program started in 2013 at Narogong community, with initiative that came from the community themselves. The idea is to collect domestic waste from the community and sell them at the waste bank, which later will be sold to waste recycle collectors.

To support this waste bank program, Holcim Indonesia provides waste management assistance through inviting participation from various parties in providing mentoring in aspects of waste collecting and categorization. In addition to waste-related mentoring support, Holcim Indonesia uses this partnership with the waste banks to provide information/trainings on the aspects of health and economic empowerment, through cooking/baking class.





Developing the potential of local women to become agents of change in the challenge of women empowerment.

Holcim's cement plant in Lhoknga





Climate, Water & Nature





Climate, Water & Nature

Two pillars of The 2030 Plan, i.e. Climate and Water & Nature guide Holcim Indonesia's implementation of sustainable development initiatives that promote environmental preservation and protection. We conduct innovation efforts on our products and services and effective management on factors that can be controlled or measured inside our fence, including:

CO₂ emissions, air pollutants, responsible water and energy use, waste management, biodiversity study, and efficiency measure on water sources and green areas management at specific locations.

Moreover, Holcim Indonesia's environmental management initiatives cover the following strategy:



Holcim Indonesia encourages our people and the local communities where we operate to join hand in our environmental efforts, taking small steps together towards a more sustainable future.

To ensure best and proper environmental practices, our environmental programs and targets also comply with applicable standards and regulations, including ISO 14001:2004 on Environmental Management System, ISO 9001:2008 on Quality Management System, ISO 18001:2007 on Occupational Health and Safety Management System, and Law of the Republic of Indonesia No. 32/2009 on Environmental Protection and Management Law.

Tackling Climate Change: Emission, Energy, and Waste

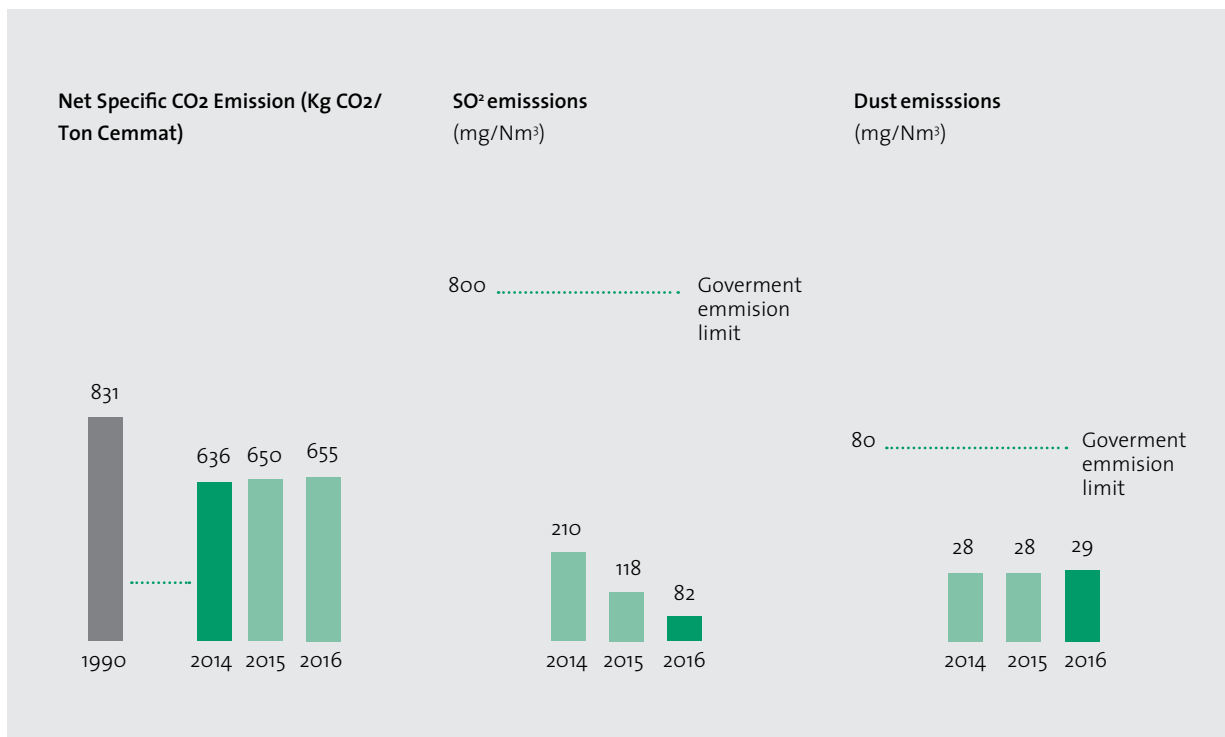
Strategically over the years, we look for ways to reduce the amount of raw materials that are needed per ton cement produced, to use energy resources efficiently and responsibly, and to handle our waste products safely and properly to prevent contamination to the environment.

Emission Control

Holcim Indonesia regularly measures the amount of emissions generated from our activities. We continue to monitor emissions in the amounts that are considered safe, even far below the parameter of maximum amount of emission required by the Government. Up to 2016, we managed to reduce 21.2% specific carbon

emission compare with Holcim Indonesia's 1990 carbon emission baseline. This year's progress is meeting with our 2020 carbon emission reduction target of 25% from baseline.

Our 2016 carbon emission was slightly higher due to overall production which was lower than the total installed capacity. We hope with the improvement of market demand and increasing utilization of alternative fuel usage for our operation in coming years, our energy efficiency and carbon emission performance will be improved.



Energy Efficiency

We keep on seeking new ways and raise our bars for responsible utilization of other energy resources or materials that are regularly used to support our operation, including to create more efficiencies in our logistics/transportation activities to reduce energy consumption and carbon footprint resulted from our operations. Efforts that we made in 2016 are including:



1. Efficient use of electricity (lamps, air conditioner, machines, etc.)
2. Proper installation of electrical network
3. Regular checks on machines and transportation vehicles
4. Efficient use of fuels in cement production processes.
5. Increased utilization of Alternative Fuel and Raw Material (AFR)

Holcim Indonesia remains determined to decrease our emissions per ton cement by improving energy efficiency and increasing the use of by-products and waste-derived resources as raw materials and fuels. In regards with the use of alternative energy for our operation, in 2016 Holcim Indonesia has managed to increase the use of alternative energy sources as much as 24.25% from previous year, amounted to 2,244 TJ in 2016 compared to 1,806 TJ in 2015 .



Holcim Indonesia's Energy Footprint

Alternative Fuel Usage (TJ)

	2014	2015	2016
 Biomass	812	661	800
 Other	980	1,145	1,444
Total	1,792	1,806	2,244

24.25%

**increase in total usage
of alternative energy
sources**

Total alternative energy sources used in 2016 was increased by 24.25% from 1,806 TJ in 2015 to 2,244 TJ in 2016


Waste Management

Our ambition is to create value in unlocking energy and mineral content in waste by transforming it as a resource in our production process. Our waste management business unit, Geocycle, provides complete waste management solutions for industries seeking our assistance to manage and eradicate waste using our cement kilns co-processing technology.

Internally, it has always been our commitment to optimally reuse and recycle items that still have economic value. In 2016, Holcim Indonesia's generated

2,634 tons of non-hazardous solid waste. A total of 2,070 tons of those waste or 78.59% were recycled and recovered for alternative raw material.

Hazardous waste from our operation was handled in accordance with national and international standards, including in recycling/reusing hazardous waste as material for our operation. Total hazardous waste generated in 2016 from Holcim Indonesia's operation was 2,140 tons. As many as 75.93% hazardous waste were recovered as energy for our internal operational use.

 **357,406**
**tons of Alternative Fuel
and Raw Material (AFR)**

were processed through our Geocycle facility in 2016. This number had increased by 25.45% compare to last year's AFR rate.

Special Technology for Jeruk Legi Landfill

In cooperation with the office of Cilacap regency and the Danish Government, Holcim Indonesia has started a project in establishing an alternative facility at Jeruk Legi landfill facility, Cilacap, which now is facing a challenge of overload with increasing number of municipal wastes.

Starting two years ago with a total project cost of Rp 60 billion, which is provided by the Danish Government Development Assistance Environment Support Program (Danida ESP3) and Holcim Indonesia, the new facility

will be particularly enhanced with Refuse Derived Fuel (RDF) technology that can generate fuel from various types of wastes.

As the first landfill in Indonesia that is equipped with such technology, Jeruk Legi is expected to continue to offer a solution to the municipal wastes, while at the same time provide a sustainable solution through fuel generation activity that uses recycled wastes as the sources.

78.59%

of non-hazardous waste were recovered for Alternative Fuel and Raw Material (AFR)

75.93%

of hazardous waste were recovered for Alternative Fuel and Raw Material (AFR)

5.2%

of Holcim Indonesia's raw material input in 2016 was reused materials

Eco-Office Certification

On 2 May 2016, Holcim Indonesia's main offices in Tuban, Cilacap, and Narogong Plant were Eco-Office certified by The Singapore Environmental Council (SEC) for implementing Eco-Office Principles.



Water

In 2016, our specific water use for cement production operations was 146 liter per ton cementitious material, a 6.5% reduction from previous year's specific water usage.

This year, we optimized the use of water from rainwater harvesting by 111%, and reduced the total amount of water from municipal water supplies by 54%. In addition, we also used recycled water to produce cement and ready-mix concrete.

Holcim Indonesia's 2016 Water Footprint

6.5%

reduction of specific water usage for cement production

111%

increase in use of rainwater harvesting

54%

reduction of water intake from municipal water supplies

29.45%

of total water consumption or 531,368 m³ of total water recycled

Nature

As part of the global leading group company operating with world class standards throughout the world, Holcim Indonesia ensures safe operations to avoid negative impact to the local environment and biodiversity. Important measures are always taken prior to establishment of our operations at each plant/office. A regular review is conducted to check for mitigation of any changes to the condition of the soil and environment, thus take the necessary follow ups.

Up to 2016, the total of Holcim Indonesia's active mining area is less than 12% of total mining concession area. In addition, we dedicated approximately 65% of the concession area for biodiversity conservation area.

Thus, we can minimize the negative impacts from various factors involved in our operations.

Moreover, as Holcim conducts gradual and selective mining method, extent of mining area is small of approximately 15% of concession area and post-mining area will be re-vegetated or rehabilitated immediately.

Up to 2016, there have been no major changes to our operational locations/offices that may cause major disturbance to the land and environmental condition, as all Holcim Indonesia's sites are considered as reversible area and the impacts can be mitigated by intervention of our environment and biodiversity plan.

Holcim Indonesia's 2016 Nature footprint

20,185

trees at Narogong, Cilacap, Tuban, Maloko and Jeladri operational sites

65%

of Holcim Indonesia's concession in Nusa Kambangan, Central Java is dedicated for biodiversity conservation.

Holcim Educational Forest (HEF)

Located at a 65-hectare land that was formerly used as quarry site in Cibadak, Sukabumi, West Java, the educational forest is a joint-project of Holcim Indonesia and the Faculty of Forestry of IPB (Bogor Agricultural University). It exposes as a large habitat for various types of plants. The shaded nursery areas have also been established with capacity for up to 30,000 seedling bags.

Certain plants like natural rubber and pine resin have a high economic value, while Kaliandra can support bees and honey production. Aside of being a research and study object, the forest also represents an opportunity to capture economic value for the communities as it develops.



Green Through & Through

Holcim Indonesia's continued effort in minimizing our environmental footprint through operational efficiency and excellence has received national accolades from various institutions. These recognitions will further our spirit to keep on innovating and improving our future environment management and initiatives.

Green Industry Award 2016 from The Ministry of Industry

Closing 2016 with notable achievement, Holcim Indonesia received the Green Industry Award From the ministry of industry of Republic of Indonesia for our Cilacap and Narogong plants for applying the principles of green industry, namely efficiency of the production process, waste management, and CO₂ emission reduction.

The Green Industry Award was received by Didik Dirgantoro, Cilacap Plant Manager on Tuesday 20 December 2016.



Green Proper Award from The Ministry of Environment & Forestry

Indonesia's most prestigious environmental and community award PROPER is always keenly anticipated. Cilacap (Green), Narogong (Blue), Tuban (Blue), Lhoknga (Blue) Bakar presented the award to M. Istifaul Amin, CIL Plant Technical Manager.



Sustainable Business Award for Best Energy Management

Holcim Indonesia's commitment and performance on Sustainable Development, acknowledged with the Sustainable Business Award for Best Energy Management Category from the Global Initiatives on Thursday, 25 August 2016, at Shangri-La Hotel Jakarta received by Legal & Corporate Affairs Director - F. Helianti Sastrosatomo







Governance





Governance

Corporate governance contributes to the long-term success of a company, creating trust and engagement between the company and its stakeholders to create and deliver sustainable value.

Policies and practices of corporate governance and operation shall support our commitment to do what is right by providing frameworks for implementing transparency, integrity, trust and compliance in each of our activities. We undertake continuous monitoring of performance to meet our goal of long-term value and success for all stakeholder groups.

Corporate Culture and Values

Our corporate culture and values unite our diverse workforce and provide a clear framework and guidance. Globally binding behavioral rules are specified in a series of codes. They provide guidance for the behavior and actions of our people in all our business areas. We want to create value for our stakeholders – customers, people, shareholders, communities, and government in which we operate.

Integrity & Code Of Business Conduct

Our Code of Business Conduct (CoBC) guides employees on how to apply our commitment of integrity in line with our core values. It provides guidance as well as practical advice on how to make decision and good judgment in doing our works thus our company and all employees shall comply with our policies, prevailing laws and regulations and how to relate to customers, communities and colleagues. CoBC sets the standards we expect our employees to follow and the integrity in the workplace we expect them to embody. CoBC is accessible via the LafargeHolcim website, intranet, and applies to every employee as well as to LafargeHolcim's third parties worldwide.

To ensure the CoBC is fully implemented and complied, the CoBC is also supported by a global platform called as Integrity Line which provides a safe, confidential mechanism for anyone who comes forward in good faith to raise concern or report on CoBC violations. All concern and reports are then managed and treated in strict confidence, supported by LafargeHolcim Group Investigation.

Corporate Values

Customers	Build an organization and culture that is centered on markets and customers.
Results	Passion to achieve goals and deliver with rigorous execution, with zero harm to people
Integrity	Create an environment where compliance is a central focus and commitment
Sustainability	Demonstrate leadership in environment stewardship and role-modeling responsibility to future generation
People, Openness And Inclusion	Truly care for respect every individual

Integrity Line

Following up the integration in Indonesia, Holcim relaunched Integrity Line as a whistleblowing mechanism in February, 2016. Through this mechanism, we intend to create a speak up culture where employees could feel comfortable to raise their concern and are encouraged to monitor and ensure Holcim's business ethics and CoBC are fully implemented on day-to-day basis.

Employees who have questions or any concern regarding business practices in Holcim shall contact and consult this matter to their superior, O&HR, Legal, Local Compliance Officer or by submitting a report through Integrity Line via website <https://integrityline.lafargeholcim.com> or via toll free number (also available in Bahasa Indonesia) (007) 8034 1111 39.



There were 10 reports in 2016 from Indonesia received through the Integrity Line. Of these only one is still under investigation. 7 were closed and 2 were in the investigation process closed.

Compliance Training

Our commitment towards integrity has led us to conduct specific directives and programs to deal with anti-bribery, conflicts of interest, corruption, and fair competition. The programs include a modular training concept with mandatory e-learning and face-to-face training. Following up the CoBC training for all employees which was completed by the beginning of year 2016, the trainings for Anti Bribery and Corruption as well as Fair Competition were 100 % completed by the relevant employees at the end of year 2016 (the first country in APAC Region to achieve such completion rate).

Responsible Tax

We recognize the concerns from civil society for increased transparency on taxes paid. As we operate in Indonesia, we are committed to comply with tax regulation in Indonesia. Moreover, we ensure to make detailed information available to tax authorities as the OECD initiative is implemented.

Transparent Engagement

Our aim is to provide insight into how we meet the spirit of corporate governance through adopting a discursive approach to our disclosures. The Company applies and complies with the spirit of transparent engagement. Engagement is conducted with integrity and in accordance with the highest ethical standards. As our commitment towards greater transparency and integrity, we routinely published our annual report and sustainability report, which are also available in our website www.holcim.co.id

Anti-Corruption Measures

In line with our corporate values, Holcim Indonesia maintains an Anti-Bribery and Corruptive Directive (ABCD) program that includes elements designed to prevent or detect and remediate potential violations. To strengthen our overall risk management measures all employees particularly the ones who are involved in selecting, interacting with or handling payments to third parties and/or government officials must undergo formal training, both face-to-face and e-learning to ensure they completely comprehend the ABCD Program and to comply with the relevant policy.

In addition, Holcim has relaunched the new Third Party Due Diligence (TPDD) Directive in mid 2016, and conducted training to the TPDD Power Users accordingly. The TPDD tool is a Web-based tool introduced in 2015 and updated in 2016, which is used to assess Holcim's engagement with external third parties who have interaction with public officials on behalf of our company, hence we can identify any potential risks in relation with bribery and corruption committed by external third parties and put adequate control and monitoring towards it. Employees involved in selecting, interacting with or handling payments to third parties are required to conduct TPDD prior to engagement with the third party to ensure employees are better informed about conducting business with third parties, liability and reputational risks.



National Anti-Corruption Conference 2016

Holcim was the only one of the cement company that has been invited by KPK in the National Anti-Corruption Conference. The Conference was conducted to update the public on innovative solutions to make government transparency, integrity and accountability supported by Supreme court, attorney General, Police and Ministry of Law and Human Right, through:

- 1. Integrated Systems/IT based applications to improve the quality and transparency of public service*
- 2. Interconnection systems and data between agencies/ ministries for the efficiency of public service*
- 3. Utilization of Whistleblowing system as national complaint handling*
- 4. Issuance of President Regulation No. 87 of 2016 concerning Eradication of Facilitation Payment (Focus on public services in the Ministries/ Institutions and Regional Government)*



Photo credit: AntaraNews

Risk Management

In an effort to realize the implementation of effective Corporate Governance, Holcim Indonesia is committed to implement risk management system. Our risk management system is integrated into the comprehensive planning, controlling, and reporting systems.

We evaluate the risks according to the probability of occurrence and potential loss. Significant business risk for Holcim Indonesia includes operational risk, foreign exchange risk, and market risk.

To identify and asses any potential risks in processing and obtaining permits and licenses, particularly in relation with Bribery and Corruption risks, a Risk

Assessment for Permits and Licenses was conducted in 2016. The Risk Assessment includes the updating and completing of database and information in relation with permits & licenses of Holcim, creating adequate tracking and reminder system to complement the existing tool for permits renewal, as well as assessing the risks itself in accordance with risk level measurement. The risk assessment indicator consists of risks of bribery and corruption, complexities to obtain the permits, business disruptions, company's reputation impact, etc.

For further and more detailed information on Holcim Indonesia's corporate governance, please refer to our Annual Report.



Involving everybody at Holcim Indonesia in ensuring best corporate governance through participation and consistent implementation of policies, standards and measures.

GRI G4 Reference Index

CORE

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Governance	G4-34	Governance Structure Of The Organization	22-23	
Ethics And Integrity	G4-56	Organization's Values, Principles, Standard, Norms Of Behavior	30-31	

		Units	2014	2015	2016	Explanation
Indirect Economic Impact						
	Development And Impact Of Infrastructure Investment And Service Supported					
G4-EC7	- Admin and overhead	Rp Million	10,460	15,283	16,907	
	- Strategic and investment project	Rp Million	20,145	16,019	22,262	
	- Donation	Rp Million	7,344	2,810	4,226	
	-Total	Rp Million	37,949	34,112	28,179	
G4-EC8	Significant indirect economic impact, including the extent of impact					Page: 49-58

Environmental		Units	2014	2015	2016	Explanation	
Materials							
	Report the total weight or volume of materials that are used to produce and package the primary products and services:						
	Non-renewable materials used						
G4-EN1	Raw material consumption	million tons	9.78	11.31	13.11		
	- Limestone	million tons	1.30	0.92	1.37		
	- Clay	million tons	0.49	0.53	1.03		
	- Silica sand	million tons	0.15	0.15	0.19		
	- Iron sand	million tons	0.24	0.28	0.39		
	- Gypsum	million tons	0.00	0.00	0.00		
	- Dust	million tons	0.83	0.82	0.36		
	- Others	million tons	0.023	0.022	0.011		
		Packaging Materials - paper					
		Renewable materials used					
	Raw material consumption	million tons	0.48	0.63	0.56		
	- Fly ash , Bottom Ash, Gypsum synthetic	million tons	0.03	0.08	0.10		
	- Copper slag	million tons	0.06	0.04	0.009		
	- Gypsum FGD						
	Direct Materials	million tons	10.24	11.30	12.82		

Environmental	Units	2014	2015	2016	Explanation
Materials					
Raw meal consumptions					
G4-EN2	Report the percentage of recycled input materials used to manufacture the primary products and services.	%	5.0%	6.6%	5.2%
	Total recycled input materials used/ input materials used	%	75.4	74.1%	74.3%
ENERGY					
Clinker factor (average % of clinker in cement)					
Energy consumption within the company					
Report total fuel consumption from non-renewable sources in joules or multiples, including fuel types used.					
	Coal	TJ	19,829	21,831	24,942
	- Industrial Diesel Oil	TJ	163	364	295
Report total fuel consumption from renewable fuel sources in joules or multiples, including fuel types used.					
G4-EN3	- Alternative biomass fuel	TJ/ton cement	0.00009	0.00008	0.00007
		TJ	812	661	800
	- Alternative other fuel	TJ/ton cement	0.00011	0.00013	0.00013
		TJ	980	1,145	1,444
Report in joules, watt-hours or multiples, the total:					
	- Electricity consumption	Kwh	791,722,908	831,853,895	958,633,498
	- Heating consumption	TJ	22,105	24,335	27,481
	Report total energy consumption in joules or multiples.	TJ/ton cement	0.0028	0.0032	0.0025
Energy intensity					
G4-EN5	- Heating consumption efficiency	Mjoule/ton clinker	3,335	3,335	3,354
	- Electricity consumption efficiency	Kwh/Ton cement	90.4	87.6	92

Environmental	Units	2014	2015	2016	Explanation
WATER					
	Total water withdrawal by source				
	Report the total volume of water withdrawn from the following sources:				
	- Surface water, including water from wetlands, rivers, lakes, and oceans	m ³	540,938	933,858	1,192,792
	- Ground water	m ³	251,650	375,698	382,595
	- Rainwater collected directly and stored by the company	m ³	363,398	252,331	531,368
G4-EN8	- Municipal water supplies or other water utilities	m ³	417,319	414,034	189,085
	Water consumption				
	- Cement	m ³	985,161	1,329,235	1,488,681
	- Aggregates (water withdrawal)	m ³	44,903	55,334	31,760
	- Ready-mix concrete	m ³	499,838	490,918	283,547
	Water consumption efficiency				
	- Cement	l/t	118	156	146
	- Aggregates (water withdrawal)	l/t	20	26	8
	- Ready-mix concrete	l/t	129	139	124
	Total volume of water recycled and reused				
	- Cement plant	m ³	463,714	296,742	507,322
	- Aggregates	m ³	-	-	-
	- Ready-mixed concrete	m ³	59,812	36,701	24,046
G4-EN10	Report the total volume of water recycled and reused as a percentage of the total water withdrawal reported under Indicator G4-EN8.				
	- Cement plant	%	45.9%	20.34%	35.2%
	- Aggregates	%	-	-	-
	- Ready-mixed concrete	%	12.0%	7.97%	8.6%

Environmental	Units	2014	2015	2016	Explanation
BIODIVERSITY					
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Up to 2013 there is only 1 location that classified as High biodiversity value, which is Nusakambangan Quarry in Cilacap Plant . Geographic locatin as follow :		
	- Geographic location		NK = E: 108.855 - 109.015; S: 7.645 - 7.690		
	- Subsurface and underground land that may be owned, leased, or managed by the company		No	No	No
	- Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas		> 5 KM to Nature Reserve of Nusakambangan Barat & Nusakambangan Timur		
	- Type of operation (office, manufacturing or production, or extractive)		Extractive/ Mining/Quarry area	Extractive/ Mining/ Quarry area	Extractive/ Mining/ Quarry area
	- Size of operational site	ha	112	140	
	Biodiversity value characterized by:				
	- The attribute of the protected area or high biodiversity value area outside the protected area (terrestrial, freshwater, or maritime ecosystem)			Terrestrial	
	- Listing of protected status (such as IUCN Protected Area Management Categories (67), Ramsar Convention (78), national legislation)			National Legislation	
	Sites in sensitive areas with Biodiversity Action Plans in place (%)				
	-Cement		100%	100%	100%
	-Aggregates		N/A	N/A	N/A
	Approved mining plans by local authorities				
	-Cement		100%	100%	100%
	-Aggregates		100%	100%	100%
	Percentage of sites with quarry rehabilitation plans in place				
	-Cement		100%	100%	100%
-Aggregates		100%	100%	100%	

Environmental	Units	2014	2015	2016	Explanation
BIODIVERSITY					
Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas					
Report significant direct and indirect positive and negative impacts with reference to the following:					
G4-EN12	- Species affected	According to Biodiversity Action Plans (BAP) we avoid to plant invasive alien species and prioritized to plant native species			
	- Extent of areas impacted	Used mining method is gradual and selective mining. Thus, extent of mining area is small (approximately 15% of concession area) and ex mined area will be revegetated or rehabilitated right away			
	- Duration of impacts	Duration of impact is when active mining only and then we will revegetate or rehabilitate right away			
	- Reversibility or irreversibility of the impacts	All HIL site is included to reversible area where 100% of ex mined areas are revegetated and rehabilitated			
Habitats protected or restored					
G4-EN13	Report on the status of each area based on its condition at the close of the reporting period.	Implementation of BAP reach 98% and the conservation area is still be good place for flora & fauna		Implementation of BAP reach 100% and the conservation area is still be good place for flora & fauna	
	Report whether and how biodiversity offsets have been used as part of the overall policy and approach to habitat protection and restoration	To protect some areas is chosen as biodiversity mitigation		As all HIL sites are considered as reversible area and the impact is possible to be mitigated by intervention, to protect some areas and develop BAP are chosen as biodiversity mitigation	
	Tree planting				
	- Number	28,837	50,956	19,658	
	- Location	NAR, CIL, TUB, CQ, MLK, RMX, Jeladri	NAR, CIL, TUB, CQ, MLK, Jeladri	NAR, CIL, TUB, CQ, MLK, Jeladri	

Environmental	Units	2014	2015	2016	Explanation	
BIODIVERSITY						
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk					
	- Critically endangered	3 species in NK	3 species in NK: Javan Spotted Leopard (<i>Panthera pardus melas</i>), Pelahlar (<i>Dipterocarpus littoralis</i>) and Cengal (<i>Hopea sangal</i>). Pelahlar and Cengal are 2 flora species that growing in NK Island but not found within concession			
	- Endangered	4 species in NK	4 species in NK: Fishing Cat (<i>Prionailurus viverrinus</i>), Banteng or Wild Cattle (<i>Bos javanicus javanicus</i>), Anisoptera costata, <i>Lithocarpus platycarpus</i> . All of species actually do not find within concession			
	- Vulnerable	13 species in NK	13 species in NK	13 species in NK		
EMISSIONS						
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)					
	Total direct GHG emissions					
	- Absolute gross CO ₂ emissions	tons	5,610,861	6,209,653	7,057,255	
	- Absolute net CO ₂ emissions	tons	5,530,653	6,115,421	6,954,782	
	- Specific gross CO ₂ emissions	kg CO ₂ /t cem mat	645	660	665	
	- Specific net CO ₂ emissions	kg CO ₂ /t cem mat	636	650	655	
	Aggregates CO₂ emissions					
	- Absolute gross CO ₂ emissions	tons	10,143	8,022	NA	
	- Specific gross CO ₂ emissions	kg CO ₂ /ton of product)	1.72	1.76	NA	
	Ready-mixed concrete CO₂ emission					
	- Absolute gross CO ₂ emissions	tons	3,454	3,330	NA	
	- Specific gross CO ₂ emissions	kg CO ₂ /ton of product	1.26	2.19	NA	
	Report gases included in the calculation (whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all). :					
	SO ₂		210	118	82	mg/Nm ₃
			341	205	127	g/t cem
	NO _x		230	284	390	mg/Nm ₃
			381	477	667	g/t cem
Dust		28.4	28.1	29	mg/Nm ₃	
		46	47	53	g/t cem	

Environmental	Units	2014	2015	2016	Explanation	
EMISSIONS						
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)					
	- CO ₂ emissions (indirect) from external power generation	tons	644,331	679,086	818,673	
G4-EN18	Greenhouse gas (GHG) emissions intensity					
	- Specific gross CO ₂ emissions	kg CO ₂ /t cem mat	645	660	665	
	- Specific net CO ₂ emissions	kg CO ₂ /t cem mat	636	650	655	
G4-EN19	Reduction of greenhouse gas (GHG) emissions					
	Report the amount of GHG emissions reductions achieved as a direct result of initiatives to reduce emissions, in metric tons of CO ₂ equivalent.	tons	(666,238)	(590,178)	(612,641)	
	Quantity of alternative fuel - biomass & industrial waste	tons	136,511	129,832	138,408	
	CDM					
	- Carbon credits	CER	-	-	-	
	- Value	Euro	-	-	-	
G4-EN21	NO_x, SO_x, and other significant air emissions					
	Total NO _x	tons	3,173	3,717	7,076	
	NO _x	g/t cement	381	477	667	
	Total SO ₂	tons	2,834	1,598	1,346	
	SO ₂	g/t cement	341	205	127	
	Total Dust	tons	379	366	565	
	Dust	g/t cement	46	47	53	
	Implementation rate of continuous emission monitors	%	100%	100%	100%	Continuous emissions monitoring takes place at all three kiln sites

Environmental	Units	2014	2015	2016	Explanation	
EFFLUENTS AND WASTE						
Total water discharge by quality and destination						
Report the total volume of planned and unplanned water discharges by:						
G4-EN22	- Destination		River	River	River	
	- Quality of the water including treatment method		Sanitary Waste Water Treatment, Waste Water Treatment, and Settling Pond			
	- Whether it was reused by another company		No	No	No	
	Report standards, methodologies, and assumptions used.		Local Waste water discharge permit			
EFFLUENTS AND WASTE						
		2014	2015	2016		
Total weight of waste by type and disposal method						
a. Report the total weight of hazardous and non-hazardous waste, by the following disposal methods:						
G4-EN23	- Non-Hazardous	tons	3,026	2,868	2,634	
	a1. Disposed to external landfill and/or incinerated without energy recovery	tons	2,310	382	564	
	a2. Disposed on site	tons	-	-	-	
	a3. recycled, downcycled and/or recovered	tons	2,521	4,850	2,070	
	- Hazardous	tons	322	266	2,140	
	a1. Disposed to external landfill and/or incinerated without energy recovery	tons		4	515	
	a2. Disposed on site	tons		-		
	a3. Recycled, downcycled and/or recovered	tons	301	258	1,625	
	b. Report how the waste disposal method has been determined:					
	- Disposed of directly by the company or otherwise directly confirmed					
- Information provided by the waste disposal contractor		Waste is disposed based on characteristic of the waste, according to the current regulation				
- Organizational defaults of the waste disposal contractor						

Environmental	Units	2014	2015	2016	Explanation
COMPLIANCE					
	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations				
G4-EN29	- Total monetary value of significant fines	No fines	No fines	No fines	
	- Total number of non-monetary sanctions				
	- Cases brought through dispute resolution mechanisms	-	-	-	
OVERALL					
G4-EN31	Total environmental protection expenditures and investments by type	million IDR	23,714	25,815	25,423

LABOR PRACTICE AND DECENT WORK	Units	2014	2015	2016	Explanation
Employment					
	Benefit provided to full-time employee that are not provided to temporary or part-time employees				
G4-LA2	- Full-time employees		Life insurance, health care, disability and ivalidity coverage, parental leave, retirement provision		
	- Temporary or part-time employees		Health Care		
	Return to work and retention rates after parental leave				
G4-LA3	- Male	%	100	100	100
	- Female	%	100	100	100
Labour/ management Relations					
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Week	4	4	4
					This topic is specified in collective agreements

LABOR PRACTICE AND DECENT WORK		Units	2014	2015	2016	Explanation
Occupational Health & Safety						
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	%	100	100	100	
G4-LA6	Types and ratio of injury, occupational diseases, lost days, absenteeism and the total number of work-related fatalities (employee/third party-on site)					
	Death, Permanent Disability		0	0	0	
	LTI - Frequency Rate		0.5	0.5	0.425	
	LTI - Severity Rate		3.0	3.0	3.0	
	Total Injury Frequency Rate		5.6	3.7	3.3	
G4-LA7	Workers with high incidents or high risk related to their occupation		early diagnostic: 12	no new cases	no new cases	
G4-LA8	Health and safety topics covered in formal agreements with trade unions		yes	yes	yes	
Training & Education						
G4-LA9	Average hours of training per year per employee					
	- Average Training hours/employee		48	22	20	
	- Total Duration		132,373	37,847	52,077	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category					
	- Male		100%	97%	100%	
	- Female		100%	94%	100%	
	- Percentage of employee participants in e-Dialogue		100%	100%	100%	
SOCIETY						
		Page	2014	2015	2016	Explanation
Local Community						
G4-SO1	Number of operation with implemented local community engagement, impact assesment and development program					
	- Cement plant	%	100	100	100	
	- Aggregate and concrete site	%	4	4	4	
Anti-Corruption						
G4-SO3	Assesment toward risk of corruption and other identified risk in The Organization		100%	100%	100%	
G4-SO4	Communication and training on Anti-CorruptionPolicies and procedures		Whistleblowing system Integrity line Anti-Corruption measures			