ITM



KOMITMEN YANG KOKOH UNTUK MASA DEPAN

STEADY COMMITMENT FOR THE FUTURE

2015

LAPORAN KEBERLANJUTAN
SUSTAINABILITY REPORT

STEADY COM



Industri dimana ITM berbisnis adalah untuk mendukung peningkatan kesejahteraan manusia dengan cara menyediakan salah satu sumber energi utama yang membantu mendorong pertumbuhan pasar dan ekonomi. Melalui berbagai upaya dalam pemanfaatan batubara, masyarakat bisa menggunakan listrik, serta dapat menjalankan usaha dan kehidupan sehari-hari.

Hal ini mengisnspirasi perusahaan untuk tetap kokoh dalam komitmennya demi memberikan manfaat bagi manusia, masyarakat dan pemerintah, bahkan di tengah tantangan yang sedang dihadapi. Dengan ketekunan disertai strategi agar lebih bijaksana dan efisien dalam menjalankan bisnis telah membantu Perusahaan memantapkan arah di tengah kesulitan ini sehingga mampu mempertahankan upaya mendukung masyarakat untuk waktu mendatang.

KOMITMEN YANG KOKOH DEMI MASA DEPAN

ITMENT FOR THE FUTURE

The industry where ITM is doing business in is to support people and their welfare by providing one important source of energy that helps driving the market and the economy. With coals utilized in different significant ways, people can have electricity, run their business and be able to live their lives.

This inspires the company to be relentless in the pursuit of benefitting the people, the society and the government, even amidst recent challenges. Real perseverance combined with a strategy to be prudent and efficient in running the business has helped us in navigating the difficult waters; therefore, able to maintain our endeavor and support the population for the years to come.

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SEKILAS TENTANG ITM

ITM AT A GLANCE



1

ITM selalu ingin bertumbuh secara berkesinambungan untuk mencapai profesionalisme serta kepedulian terhadap karyawan, masyarakat dan lingkungan. Untuk mencapai visi tersebut, ITM menanamkan Banpu Spirit dan GCG sebagai budaya Perusahaan.

ITM aspires to grow sustainably in building professionalism and responsibility towards employees, society and the environment. ITM upholds Banpu spirit and GCG as the corporate culture to achieve its vision.



TENTANG ITM
ITM AT A GLANCE

PT Indo Tambangraya Megah ("ITM") adalah perusahaan holding yang berbasis di Jakarta dan melalui anak usahanya bergerak dalam bidang produksi dan distribusi batubara dengan customer meliputi pasar domestik dan mancanegara. ITM merupakan perusahaan yang telah tercatat di Bursa Efek Indonesia (IDX: ITMG). [G4-3][G4-4] [G4-5][G4-7][G4-8]

ITM hingga kini tercatat memiliki saham mayoritas di sembilan anak perusahaan. Lima dari sembilan anak usaha tersebut mengelola hak eksploitasi dari konsesi pertambangan batubara di pulau Kalimantan. [G4-6]

Dengan pengalaman selama hampir 30 tahun dalam bidang produksi dan distribusi batubara, ITM terus membangun atas dasar keberlanjutan yang diwujudkan melalui pemenuhan ketersediaan batubara guna mendorong pertumbuhan ekonomi, praktik-praktik profesionalisme dan tata kelola perusahaan yang baik, dan nilai tambah bagi para pemangku kepentingan yang menjadi bagian penting dalam usaha kami.

SEJARAH [G4-3][G4-7]

ITM berdiri pada tahun 1987 dan melalui anak usahanya menyediakan suplai batubara ke berbagai pelanggan baik di dalam maupun di luar negeri. ITM secara resmi diakuisisi oleh Grup Banpu dari Thailand pada 2001 melalui PT Centralink Wisesa International.

Pada akhir tahun 2007, Grup Banpu menguasai 77,60% dari total saham yang telah disetor, dengan PT Sigma Buana Cemerlang memiliki 2,40% saham dan sisanya dimiliki publik. Pada tahun itu juga dilaksanakan pencatatan saham ITM di Bursa Efek Indonesia sehingga secara resmi status berubah ITM menjadi perusahaan publik terdafar.
Pada tahun 2008, Banpu Minerals (Singapore) Pte Ltd

PT Indo Tambangraya Megah ("ITM") is a holding company headquartered in Jakarta and through its subsidiaries is involved in the production and distribution of coals to serve various customers in both domestic and international markets. ITM is publicly listed in the Indonesia Stock Exchange (IDX: ITMG) [G4-3][G4-4][G4-5][G4-7][G4-8]

The Company has up to now held majority ownership at nine subsidiaries. Five out of the nine subsidiaries are given exploitation rights of coal mining concessions in Kalimantan. [G4-6]

With nearly 30 years of experience in coal production and distribution, the Company aims to continue to do business that is built on a sustainable foundation that is made possible through continuously ensuring the availability of coal to drive the economy, practicing professionalism and good governance in the company management, and providing value added to various stakeholders that have become an important part of the Company's operation.

HISTORY [G4-3][G4-7]

ITM was established in 1987 and through its subsidiaries supplies coal to various businesses and industries both within the country and abroad. In 2001 ITM officially became a part of Banpu Group from Thailand through PT Centralink Wisesa International.

By the end of 2007, Banpu Group owned 77.60% of total issued shares, PT Sigma Buana Cemerlang owned 2.40% and the remaining owned by public. That year also marked the official listing of ITM at the Indonesia Stock Exchange, therefore establishing ITM new status as a publicly listed company.



mengambil alih kepemilikan ITM dari PT Centralink Wisesa International. Dari akuisisi ini, tercatat perubahan jumlah kepemilikan saham ITM, dengan Banpu Minerals (Singapore) sebanyak 73,72% kepemilikan sedangkan sisanya sebesar 26,28% dimiliki publik.

Pada 2010, Banpu Minerals (Singapore) Pte Ltd menjual sebagian saham ITM kepada publik sehingga mengurangi porsi kepemilikan sahamnya menjadi 65,00% dan meningkatkan porsi saham publik menjadi 35,00%.

Selanjutnya tidak terdapat perubahan signifikan terkait struktur kepemilikan saham sepanjang 2015. [G4-13]

Banpu Minerals (Singapore) Pte Ltd took over the ownership of PT Centralink Wisesa International in 2008. With that takeover, there was also a change in ITM share ownership composition where Banpu Minerals (Singapore) Pte Ltd 73.72% owned, and the remaining 26.28% was owned by public.

In 2010, Banpu Minerals (Singapore) Pte Ltd sold some of ITM shares to the public reducing its ownership to 65.00% and increasing the public ownership to 35.00%.

There were no significant changes regarding share ownership structure of the company throughout 2015. [G4-13]

TENTANG ITM
ITM AT A GLANCE

KEGIATAN USAHA
Berdasarkan perubahan Anggaran Dasar terakhir dengan Akta No. 96 tertanggal 28 April 2015 yang dibuat oleh Notaris Kumala Tjahjani, SH, MH, MKn., sebagaimana disetujui oleh Surat Keputusan Menteri Hukum dan Hak Asasi Manusia No. AHU-AH.01.03-0930418 tertanggal 7 Mei 2015, maksud dan tujuan Perusahaan adalah berusaha dalam bidang pembangunan, perdagangan, pengangkutan, perbengkelan, perindustrian dan jasa. [G4-7]

VISI [G4-56]
Menjadi perusahaan energi batubara terkemuka di Indonesia dengan pertumbuhan berkesinambungan yang dicapai profesionalisme dan kepedulian terhadap karyawan, masyarakat dan lingkungan.

MISI [G4-56]
- Mengembangkan keunggulan pada semua lini operasi untuk melayani pelanggan dengan kualitas dan kuantitas produk dan jasa yang konsisten.
- Mengembangkan karyawan kompeten, sistem dan infrastruktur efisien berdasarkan budaya yang berinovasi, berintegritas, berkepedulian, dan bersinergi.
- Berinvestasi dalam bisnis energi berbasis batubara yang secara berkesinambungan memperkuat posisi ITM.
- Untuk mendorong dan berkontribusi bagi perkembangan masyarakat dengan bertindak sebagai warga ITM yang baik dan berkontribusi terhadap ekonomi dan masyarakat.

NILAI-NILAI PERUSAHAAN [G4-56]
ITM menyadari pentingnya sebuah sistem yang dapat mendukung terwujudnya budaya perusahaan yang mendorong profesionalisme dan tata kelola kegiatan operasional sehari-hari. Sebagai bentuk sinergi dengan Grup Banpu, ITM mengadopsi nilai-nilai yang dianut Grup Banpu sebagai nilai inti perusahaan sebagai referensi dalam pelaksanaan kerja dan tugas serta menjalankan kegiatan usaha dengan penuh integritas.

BANPU SPIRIT
- Inovasi
  Berpikir kreatif, cerdas dalam bertindak, berani untuk memulai, berani dan dapat menerima tantangan, proaktif, fleksibel, cakap dalam berbagai hal, mampu beradaptasi, ulet serta terus menerus melakukan pengembangan.

BUSINESS ACTIVITIES
According to ITM's Articles of Association No. 96 dated 28 April 2015 made by Notary Kumala Tjahjani, SH, MH, MKn., as approved by the Minister of Law and Human Rights No. AHU-AH.01.03-0930418 dated 7 May 2015, the objective and purpose of the Company is to do business in mining, construction, transportation, repair service, trading, industrial and service. [G4-7]

VISION [G4-56]
To become a leading coal-related energy company in Indonesia with sustainable growth through professionalism and care to our employees, the community and environment.

MISSION [G4-56]
- To develop excellence in all operations to serve our customers with consistent quality of products and services.
- To develop competent employees, an efficient system and infrastructure based on a culture of innovation, integrity, care and synergy.
- To invest in coal-related energy businesses, which will support and enhance our position.
- To promote and contribute to the development of society by acting as a good citizen and contributing to the economy and society.

CORPORATE VALUES [G4-56]
ITM recognizes of the important to implement a system that can promote the establishment of a corporate culture to foster professionalism and good governance in our daily operation. Therefore, to also synergize our company with Banpu Group, we strategically adopt the Group's corporate values as the Company cororate values to guide our people in performing their duties and conducting business with integrity.

BANPU SPIRIT
- Innovation
  Think creatively, act intelligently, dare to initiate, courageous and accepting of challenges, proactive, flexible and versatile, adaptable and resilient, developing continuously.

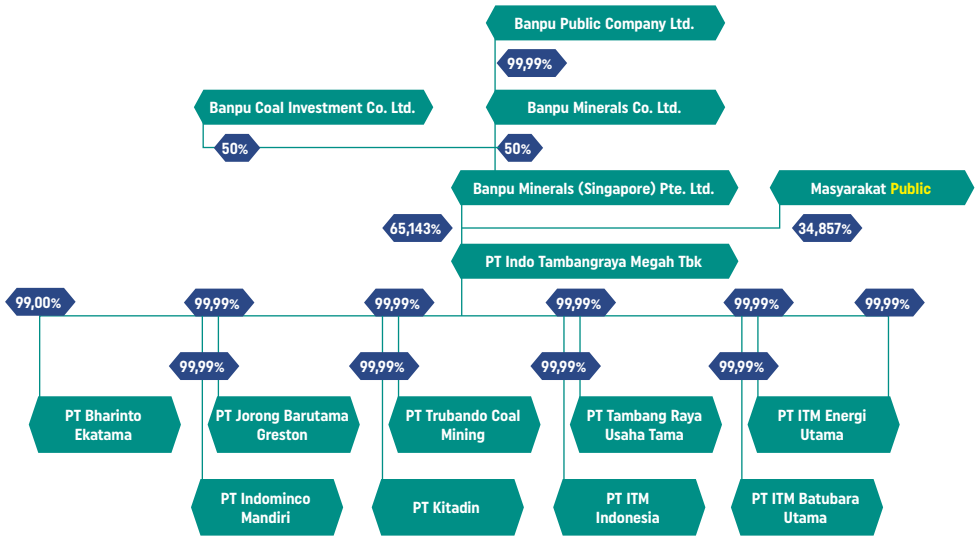
- Integritas
  Jujur, etis, dapat diandalkan, disiplin, gigih, berkomitmen, dan transparan.
- Peduli
  Terbuka dan tulus, dapat menerima dan mengakomodasi, menghargai orang lain, menghormati, hangat dan perhatian, baik dan murah hati.
- Sinergi
  Mampu bekerjasama, berpola pikir tanpa prasangka, bekerja dalam kelompok, membangun *network*, saling mendukung dan berbagi, berupaya untuk mencapai kemenangan bersama.

- Integrity
  Honest, ethical, reliable, disciplined, persistent, committed and transparent.
- Care
  Open and sincere, accept and accommodate, honor others, respectful, warm and caring, kind and generous.
- Synergy
  Able to cooperate, open-minded, can work in a team, establish networks, mutually support and share, strive for win-win situations.

ITM DALAM ANGKA ITM IN NUMBERS [G4-9]

	2014	2015	
Jumlah Warga ITM (orang)	3,063	2,739	Number of Employees (people)
Total Kewajiban dan Ekuitas (US$ juta)	1,310	1,178	Total Liabilities and Equities (US$ million)
Kewajiban (US$ juta)	426	344	Liabilities (US$ million)
Ekuitas (US$ juta)	885	835	Equity (US$ million)
Total Penjualan Bersih (US$ million)	1,943	1,590	Total Net Sales (US$ million)
Total Produk Terjual (juta ton)	29	28.2	Total Product Sold (million of tons)
Total Aset (US$ juta)	1,310	1,178	Total Assets (US$ million)

STRUKTUR KEPEMILIKAN SAHAM ITM
ITM SHARE OWNERSHIP STRUCTURE [G4-7][G4-17]



WILAYAH OPERASIONAL GRUP ITM **ITM GROUP OPERATIONAL AREAS** [G4-6] [G4-17][G4-20]

ANAK USAHA SUBSIDIARY	KEPEMILIKAN OWNERSHIP	OPERATIONAL AREAS OPERATIONAL AREAS	MULAI BEROPERASI START TO OPERATE
PT Indominco Mandiri (IMM)	99.99%	Kota Bontang, Kabupaten Kutai Kertanegara dan Kutai Timur di Provinsi Kalimantan Timur. Bontang city, Kutai Kertanegara regency and East Kutai regency in East Kalimantan province.	1997
PT Trubaindo Coal Mining (TCM)	99.99%	Kecamatan Muara Lawa, Bentian Besar, Muara Pahu dan Damai di Kabupaten Kutai Barat, Provinsi Kalimantan Timur. Muara Lawa, Bentian Besar, Muara Pahu and Damai districts in West Kutai regency, East Kalimantan province.	2005
PT Bharinto Ekatama (BEK)	99.00%	Kabupaten Kutai Barat di Provinsi Kalimantan Timur dan Kabupaten Barito Utara di Provinsi Kalimantan Tengah. West Kutai regency in East Kalimantan province and North Barito regency in Central Kalimantan province.	2012
PT Kitadin (KTD)	99.99%		
- Embalut		Desa Embalut di Kabupaten Kutai Kartanegara, Provinsi Kalimantan Timur. Embalut village in Kutai Kartanegara regency, East Kalimantan province.	1983
- Tandung Mayang		Tandung Mayang, Kabupaten Kutai Timur, Provinsi Kalimantan Timur. Tandung Mayang, East Kutai regency, East Kalimantan province.	1999-2015
PT Jorong Barutama Greston (JBG)	99.99%	Kecamatan Pelaihari dan Jorong di Kabupaten Tanah Laut, Provinsi South Kalimantan. Pelaihari and Jorong districts in Tanah Laut regency, South Kalimantan province.	1999
PT ITM Indonesia (ITMI)	99.99%		
PT Tambang Raya Usaha Tama (TRUST)	99.99%	Kabupaten Kutai Timur, Provinsi Kalimantan Timur. East Kutai regency, East Kalimantan province.	2014
PT ITM Batubara Utama (IBU)	99.99%		
PT ITM Energi Utama (IEU)	99.99%		

WILAYAH OPERASIONAL
OPERATIONAL AREAS



RANTAI PASOKAN [G4-12]

ITM didukung oleh sejumlah kontraktor dan pemasok dalam melakukan pra-tambang, pertambangan, pengiriman, dan fase pascatambang kami. Kami memastikan bahwa kontraktor dan pemasok kami bekerja sesuai dengan prosedur operasional standar ITM, yang mencakup kesehatan dan keselamatan kerja, praktik ketenagakerjaan, hak asasi manusia dan pengelolaan lingkungan Hal ini kami laksanakan sebagai perpanjangan dari tanggung jawab sosial dan prinsip praktek bisnis yang berkelanjutan dalam rantai pasokan kami. ITM melakukan evaluasi dan forum komunikasi rutin dengan para mitra kami untuk menjamin pelaksanaan dan pemantauan kinerja keberlanjutan di keseluruhan supply chain ITM

SUPPLY CHAIN [G4-12]

ITM is supported by a number of contractors and suppliers in performing our pre-mining, mining , delivery, and post-mining phase. We ensure that our contractors and suppliers work inline with our standard operational procedure, including health and safety, labor practice, human rights and environmental management as an extension of our social responsibility and sustainable business practice principle in our supply chain. We conduct routine evaluation and communication forum with our partners to ensure proper implementation and performance monitoring regarding these topics.

PENGHARGAAN
AWARDS

	Peristiwa Event	Penghargaan Award	Pemberi & Penerima Penghargaan Awarded by/to
7 APRIL	Penghargaan Tanggung Jawab Sosial Perusahaan kepada Masyarakat melalui Laporan Kegiatan Penanaman Modal (LKPM) Corporate Social Responsibility for the Community Awards Through Investment Activity Reports (LKPM)	Platinum Award (Kategori Smart), Platinum Award (Kategori Inovasi), dan Silver Award (Kategori Hijau) Platinum Award for Smart Category, Platinum Award for Innovation Category, and Silver Award for Green Category	Pemerintah Kabupaten Kutai Kertanegara, Kalimantan Timur kepada PT Kitadin Embalut Regency of Kutai Kartanegara, East Kalimantan, to PT Kitadin Embalut
18 JUNI JUNE	Pekan Lingkungan dan CSR Expo Environment Week and CSR Expo	Juara 3, "Best Booth" untuk kategori CSR The 3rd place, "Best Booth" in CSR Category	Kementerian Lingkungan Hidup kepada ITM Ministry of Environment of Indonesia to ITM.
29 JULI JULY	Penghargaan Pemberdayaan Masyarakat Berbasis Budaya dalam Rangka Peranan Perusahaan untuk Tujuan Pembangunan Milenium Keberlanjutan *(Sustainable Development Goals)* Cultural-Based Social Empowerment Award, Corporate Action to Support Sustainable Development Goals.	Platinum Award (Kategori Tujuan SDGs ke-8-Promosi Ekonomi dan Penciptaan Lapangan Kerja) untuk program peternakan ayam di desa Batalang, Kalimantan Selatan Platinum Award for Category 8th Goal of SDGs (Promoting Economic and Job Opportunity Creation) in the form of chicken farming in Batalang village, South Kalimantan.	Kementerian Koordinator Pembangunan Manusia dan Kebudayaan (PMK) dan Lembaga CFCD kepada PT Jorong Barutama Greston Coordinating Ministry of People Development and Cultural (PMK) together with CFCD to PT Jorong Barutama Greston
		Platinum Award (Kategori Tujuan SDGs ke-6-Air Bersih) untuk program program "Airku, Hidupku" di desa Benangin 5, Kalimantan Tengah Platinum Award for Category 6th Goal of SDGs (Clean Water) in the form of "Airku, Hidupku" (My Water, My Life) Program in Benangin 5 village, Central Kalimantan.	Kementerian PMK dan CFCD Kepada PT Bharinto Ekatama Coordinating Ministry of People Development and Cultural (PMK) together with CFCD to PT Bharinto Ekatama

	Peristiwa Event	Penghargaan Award	Pemberi & Penerima Penghargaan Awarded by/to
29 JULI JULY		**Platinum Award untuk Kategori Tujuan SDGs ke-6 (Air Bersih), berupa program *Water Treatment* di desa Santan Tengah, Kalimantan Timur** Platinum Award for Category 6th Goal of SDGs (Clean Water), in the form of Water Treatment in Santan Tengah village, East Kalimantan. **Platinum Award untuk Kategori Tujuan SDGs ke-12, bidang 1 (Produk Daur Ulang) berupa Daur Ulang Sabut Kelapa di desa Santan Tengah, Kalimantan Timur** Platinum Award for Category 12th Goal of, Area No.1 (Recycle Product) in the form of Coconut Fibre in Santan Tengah village, East Kalimantan **Gold Award (Kategori Tujuan SDGs ke-3, Kesehatan bidang 3) Kelas Ibu Hamil dan Menyusui di desa Suka Rahmat, Kalimantan Timur** Gold Award for Category 3rd Goal of SDGs, Health, Area No.3 (Expected Mother and Breast Feeding Class) in Suka Rahmat village, East Kalimantan.	**Kementerian PMK dan CFCD Kepada PT Indominco Mandiri** Coordinating Ministry of People Development and Cultural (PMK) together with CFCD to PT Indominco Mandiri

	Peristiwa Event	Penghargaan Award	Pemberi & Penerima Penghargaan Awarded by/to
16 NOVEMBER	IICD Corporate Governance Conference & Award ke-7 The 7th IICD Corporate Governance Conference & Award	Best-non Financial Sector, based on ASEAN CG Scorecard	Indonesia Institute for Corporate Directorship (IICD)
17-20 NOVEMBER	Q-Team Forum Konvensi Mutu Indonesia (KMI) 2015 Pontianak, Kalimantan Barat Forum of Q-Team Indonesia Quality Convention (IQC) 2015 Pontianak, West Kalimantan	Medali Emas Gold Medal	Pemberian Penghargaan kepada KOMPAK FA Joe (Tandung Mayang) Awarded to KOMPAK FA Joe (Tandung Mayang)

	Peristiwa Event	Penghargaan Award	Pemberi & Penerima Penghargaan Awarded by/to
15 DESEMBER DECEMBER			
	Malam Penghargaan SRA ke-11 pada 15 Desember 2015, di Jakarta. 11th SRA Awards and Dinner on 15 December 2015 in Jakarta.	Runner Up II untuk Laporan Keberlanjutan Terbaik Kategori Pertambangan dan Logam. Runner Up II of the Best Sustainability Report 2014 Category Mining and Metal.	National Center for Sustainability Reporting (NCSR) to ITM. National Center for Sustainability Reporting (NCSR) to ITM.
17 DESEMBER DECEMBER			
	2015 GCG Conference and CGPI di Jakarta, 17 Desember 2015. 2015 GCG Conference and CGPI in Jakarta, 17 December 2015.	Penghargaan "Indonesia Most Trusted Companies Award berdasarkan Investors and Analysts Assessment Survey". ITMG is included as one of the "Most Trusted Companies 2015 based on the Investors and Analysts Assessment Survey".	Majalah SWA dan Indonesia Institute for Corporate Governance (IICG). SWA Magazine and Indonesia Institute for Corporate Governance (IICG)

PESAN DARI DIREKSI [G4-1]

MESSAGE OF THE BOARD OF DIRECTORS

2

Dengan mempertahankan kinerja finansial yang kuat dan proses operasional yang tangguh, ITM berkeyakinan bahwa dapat memberikan nilai tambah kepada pemangku kepentingan melalui upaya pengelolaan kekayaan batubara Indonesia secara bertanggungjawab dan berkelanjutan.

By maintaining sound finances and tested operational procedures, ITM is confident in offering all stakeholders a chance to share in the bounty of Indonesia's coal resources through sustainable and responsible approaches.



Pongsak Thongampai

PESAN DARI DIREKSI
MESSAGE OF THE BOARD OF DIRECTORS

PEMANGKU KEPENTINGAN YANG TERHORMAT,

Dengan senang hati kami kembali menyampaikan Laporan Keberlanjutan ITM. Pemangku kepentingan ITM meliputi berbagai kalangan, baik di dalam maupun di luar Indonesia, oleh sebab itu mempresentasikan kepentingan mereka dalam laporan ini secara wajar dan berimbang merupakan tugas utama manajemen dan seluruh jajaran Perusahaan.

Untuk itu, ITM berusaha menerapkan standar global terbaik dalam bidang produksi, keselamatan kerja, pengelolaan lingkungan, finansial dan pengendalian internal, serta pelaporan. Standar-standar tersebut dirancang sesuai dengan kebijakan Tata Kelola Perusahaan dan Kode Etik Perusahaan. Untuk menerapkan standar-standar tersebut, termasuk standar prosedur operasional, ITM memastikan bahwa hubungan dengan semua pemangku kepentingan berjalan secara responsif dan efektif.

Secara finansial, Perusahaan memberikan respon yang baik terhadap permintaan pasar yang fluktuatif pada 2015, dengan lebih memusatkan perhatian pada kebutuhan pelanggan disamping melakukan penghematan belanja.

Secara operasional, kecelakaan kerja dengan target nihil serta kepatuhan terhadap peraturan perlindungan lingkungan merupakan standar yang mendasar. Sementara itu, manajemen melaksanakan strategi perencanaan tambang yang lebih fleksibel guna menjamin keuntungan dari setiap ton produksi batubara.

Dalam menjalin hubungan dengan pelanggan, tim pemasaran terus memperbanyak pilihan bagi pelanggan, termasuk memperbanyak pilihan dari pencampuran batubara pada 2015, sementara itu program-program kemasyarakatan dan hubungan yang baik dengan regulator, dilaksanakan sesuai dengan praktik-praktik terbaik.

DEAR STAKEHOLDERS,

It gives me great pleasure to address you and introduce another of ITM's Sustainability Reports. ITM stakeholders represent a wide range of people within Indonesia and outside of Indonesia, and the fair and balanced representation of their interests is clearly the first and foremost job of management and of the Company as a whole.

To accomplish this end, ITM is reaching toward the best in global standards: standards of production and safety, environmental standards, financial and internal control standards and reporting standards. These standards are designed to accord with the Company's GCG Policy and with the Company's Code of Conduct. To complement these standards and standard operating procedures, however, ITM seeks to ensure that all the various relationships with groups of stakeholders are responsive and effective.

Financially, the Company responded well in 2015 to fluctuating market demand with increased focus on customer needs and close attention to meeting targets for expenditure reduction.

Operationally, while a zero accident safety target and adherence to environmental protection standards remain foundational, management is engaged in a strategy of more flexible mining planning to ensure the economic viability of every ton of coal we produce.

In terms of relationship building, marketing teams continue to expand the options for customers, including by expanding the choice of blended coals in 2015, while community programs and engagement with regulators follow best practice to achieve national objectives.

Keberlanjutan bagi perusahaan pertambangan batubara bukan hanya berarti mampu memperoleh laba pada saat pasar dalam kondisi baik, tetapi juga mampu memberikan manfaat pada seluruh pemangku kepentingan walaupun pada kondisi kurang baik. Hubungan dengan pemasok, masyarakat dan karyawan, begitupula komitmen untuk mengelola dampak lingkungan, tetap berjalan efektif dan pro masa depan. Penutupan tambang di Kitadin Tanjung Mayang dilakukan sesuai dengan rencana paska tambang yang telah berjalan dengan baik.

Pasar energi batubara berperan penting bagi perekonomian. ITM senantiasa mampu melayani permintaan pasar yang merupakan landasan kuat bagi pertumbuhan. Implementasi prinsip kesetaraan bagi seluruh pemangku kepentingan akan memberikan hasil yang wajar dan berimbang bagi setiap pihak.

ITM telah berkembang baik dalam beberapa tahun terakhir dalam memenuhi komitmen keberlanjutan. Kami menghargai upaya semua pihak dalam membangun Perusahaan menjadi lebih kuat. ITM saat ini merupakan perusahaan yang percaya diri dengan komitmen yang kokoh untuk demi masa depan.

29 Februari 2016

Sustainability for a coal, or indeed any other, company does not just mean making a profit when times are good, but means fairness for all stakeholders at all points along the demand curve. Thus our relationships with suppliers, communities, employees, as well as our commitment to manage the environmental impacts of operations, remain effective and future directed. Our engagement with regulators and others concerning our adherence to the mine closure plan at Kitadin Tandung Mayang is a specific case in point.

The coal energy market is of fundamental importance to so many economies around the world, and ITM's ability to sustainably serve this market is ultimately a solid foundation. From this, our sustainable policy of fairness for all stakeholders will continue to provide each ITM stakeholder with fair and balanced returns.

ITM has developed nicely over the past several years in terms of meeting its sustainability commitments. I recognize and appreciate all the efforts of all others in building a stronger Company. ITM today is a company which is confident with a steady commitment for the future.

29 February 2016



Pongsak Thongampai

DIREKTUR UTAMA
PRESIDENT DIRECTOR

TENTANG LAPORAN INI

ABOUT THIS REPORT



3

Dalam Laporan Keberlanjutan tahun ini, ITM ingin memberikan manfaat positif kepada masyarakat di sekitar daerah operasi Perusahaan. Oleh sebab itu, dukungan dari masyarakat dan pemangku kepentingan lainnya merupakan unsur penting dalam kegiatan operasional dan keberlanjutan usaha ITM.

In this year Sustainability Report, ITM hopes to be able to distribute ample positive benefits to the local communities and to livelihood from the coal production activities. In order to do so, the support from local communities and all stakeholder become a crucial aspect in our operational and business sustainability.



TENTANG LAPORAN INI
ABOUT THIS REPORT

Sejak 2013, setiap tahun ITM menerbitkan Laporan Keberlanjutan sebagai bagian dari Laporan Tahunan Perusahaan. Laporan Keberlanjutan terakhir diterbitkan pada 2 Maret 2015. Secara khusus, laporan ke-3 ini mencakup implementasi dan kinerja berbagai kegiatan CSR ITM dan seluruh anak perusahaan selama periode 1 Januari hingga 31 Desember 2015. [G4-28][G4-29][G4-30]

PEDOMAN DAN *ASSURANCE*

Dalam mempersiapkan laporan ini, ITM menggunakan pedoman *G4 Sustainability Reporting Guidelines* dan *Mining and Metals G4 Sector Disclosures* dari *Global Reporting Initiative*. Terdapat dua opsi penyusunan laporan, yaitu *Core* atau *Comprehensive*. Laporan Keberlanjutan ITM 2015 disusun berdasarkan opsi *CORE*. [G4-32]

Daftar keseluruhan Indikator GRI G4 yang digunakan dalam laporan ini disajikan pada halaman 118 Selain itu, guna memudahkan identifikasi aspek pelaporan, kami mencantumkan indikator GRI G4 yang relevan di masing-masing halaman.

Ke depan, untuk memastikan ketepatan dan kredibilitas Laporan Keberlanjutan, Perusahaan akan mempertimbangkan audit eksternal independen pada pelaporan selanjutnya. [G4-33]

Kesesuaian pelaporan ini menurut pedoman GRI G4 telah mendapat verifikasi dari N*ational Center for Sustainability Reporting* (NCSR), seperti tercantum pada *Third Party Verification Statement* di halaman 118 [G4-33]

MENENTUKAN KONTEN LAPORAN [G4-18]

GRI G4 memberikan panduan 4 langkah dalam menentukan konten laporan, diawali dengan proses identifikasi aspek material dan batasan laporan, kemudian dilanjutkan dengan menentukan tingkat prioritas aspek-aspek tersebut sebelum kemudian memvalidasinya. Langkah terakhir adalah proses *review* setelah diterbitkannya Laporan Keberlanjutan, untuk kepentingan pelaporan periode selanjutnya.

Starting from 2013, ITM annually issues a Sustainability Report that becomes an inseparable part of the Company's Annual Report. Our most recent previous report was published on 2 March 2015. In this 3rd report, it cover the implementation and performance of various CSR-related activities of the Company and all of its subsidiaries from 1 January until 31 December 2015. [G4-28][G4-29][G4-30]

GUIDELINES AND ASSURANCE

In preparing this report, ITM uses G4 Sustainability Reporting Guidelines and Mining and Metals G4 Sector Disclosures that are developed by Global Reporting Initiative. In accordance with the guidelines, there are two options for reporting, they are Core or Comprehensive. ITM Sustainability Report 2015 is prepared according to CORE option. [G4-32]

A complete GRI G4 Indicators of this report is presented on page 118 of this report. For easy identification to relevant aspect of reporting, we have included each of GRI G4 Indicator in each related page.

For a better accuracy and credibility of our Sustainability Report, the company will consider to employ an independent external audit for the next reporting. [G4-33]

In accordance check with GRI G4 guidelines has been verified by the National Center for Sustainability Reporting (NCSR), as noted in the Third Party Verification Statement on page 118 of this report. [G4-33]

DEFINING REPORT CONTENT [G4-18]

In defining the contents of the report, GRI G4 guideline provides a 4-step process. The process starts with identifying material aspects and report boundaries, followed by deciding the level of priority of those aspects and validating them. Finally, a review needs to be conducted after publication of each Sustainability Report for next-cycle reporting.

Dari empat prinsip yang memandu proses penentuan konten laporan tersebut, prinsip pertama adalah Pelibatan Pemangku Kepentingan yang mensyaratkan ITM untuk melibatkan pemangku kepentingan dalam proses Identifikasi, Prioritasi dan Validasi aspek-aspek material agar dapat memberi tanggapan lebih atas ekspektasi dan kepentingan mereka. Proses ini dilakukan melalui Diskusi Kelompok Terarah.

Four principles guide the process to define the report content. First is Stakeholder Inclusiveness that requires ITM to involve stakeholders in the Identification, Prioritization and Validation of material aspects to be able to better respond to their reasonable expectations and interests. This process is done through Focus Group Discussion.

Prinsip kedua adalah Konteks Keberlanjutan yang memandu penyajian kinerja Perusahaan dalam konteks lebih luas, sehingga tidak hanya mencakup level individu tapi juga level sektoral, lokal, regional dan global.

Second principle is Sustainability Context. This principle guides in presenting the Company's performance in the broader context of sustainability, not only at individual level but at the sector, local, regional, or global level.

Prinsip Materialitas memandu proses pelaporan agar mencakup aspek-aspek yang merefleksikan dampak signifikan Perusahaan di bidang ekonomi, lingkungan dan sosial, atau yang mempengaruhi secara substansial proses penilaian dan pengambilan keputusan pemangku kepentingan.

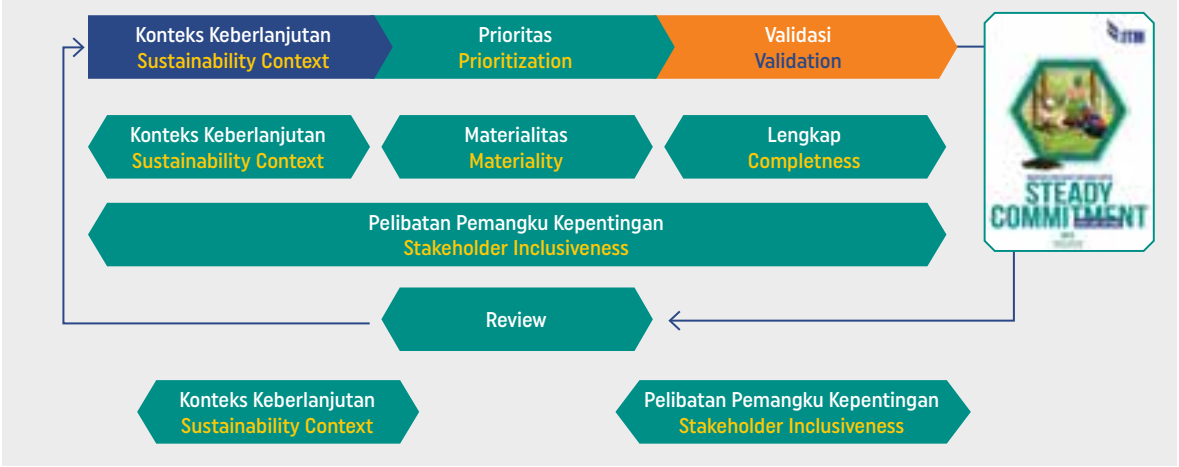
Materiality principle guides the reporting to cover Aspects that reflect the Company's significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders.

Terakhir, prinsip Kelengkapan mensyaratkan laporan agar memiliki kecukupan dari segi ruang lingkup, batasan dan waktu, serta memiliki metode yang wajar dan sesuai dalam pengumpulan informasi.

Lastly, Completeness principle expects the report to be sufficient in the dimensions of scope, boundary and time, as well as requires a reasonable and appropriate method of collecting information.

MENENTUKAN KONTEN LAPORAN

DETERMINING REPORT CONTENT



IDENTIFIKASI ASPEK-ASPEK MATERIAL DAN BATASAN LAPORAN [G4-18]

Proses persiapan laporan telah di mulai sejak tahun 2014 dengan menyelenggarakan rapat dan lokakarya formal internal guna melatih dan melengkapi para personel yang akan terlibat dalam pengumpulan data dan materi serta persiapan lainnya.

Untuk mengukur tingkat materialitas, ITM mengundang partisipasi pemangku kepentingan internal dalam Diskusi Grup Terarah formal. Di samping itu, untuk pemangku kepentingan ITM lainnya seperti pemegang saham, warga ITM, Pemerintah/Regulator, vendor, pelanggan, masyarakat sekitar lokasi tambang dan media massa dilakukan melalui metode kuesioner.

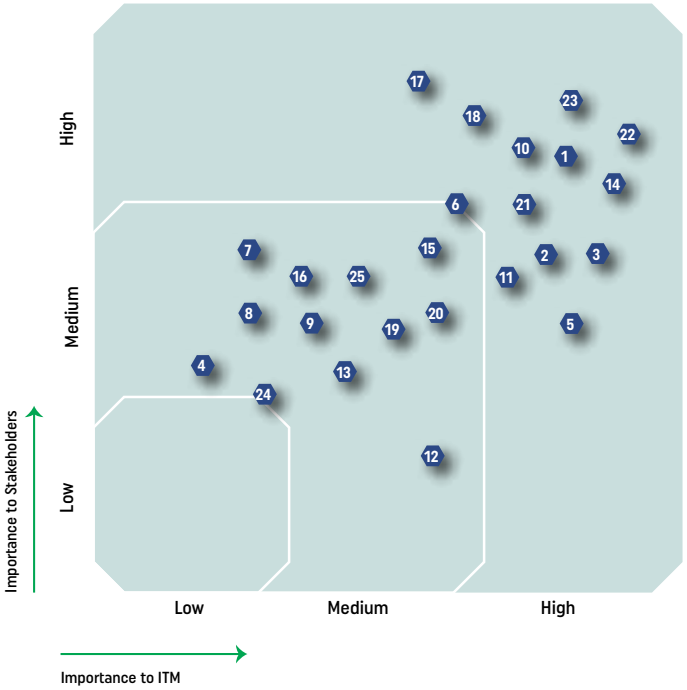
IDENTIFYING MATERIAL ASPECTS AND REPORT BOUNDARIES [G4-18]

Report development process has been commenced since in 2014 with the formal internal meetings and workshops in order to equip related personnel to be involved in the collection of data and material, as well as other related report preparation activities.

To measure the materiality level, ITM invited participation from related stakeholders in a formal Focus Group Discussion. Furthermore, for other ITM stakeholders including shareholders, employees, Government/Regulator, vendors, customers, community around mining area and mass media is done by questionnaire method.

MATRIKS ASPEK PENTING

MATRIX OF MATERIAL ASPECTS



1	Pertumbuhan Ekonomi	Economic Growth
2	Upah Minimum Regional	Regional Minimum Wage
3	Pemberdayaan Masyarakat	Community Empowerment
4	Pemasok Lokal	Local Suppliers
5	Pembangunan Infrastruktur untuk Masyarakat	Construction of Infrastructure for Public
6	Efisiensi dan Konservasi Energi	Energy Efficiency and Conservation
7	Pengelolaan Air	Water Management
8	Pengelolaan Keanekaragaman Hayati	Biodiversity Management
9	Mitigasi Emisi GHG	Mitigation of GHG Emissions
10	Pengelolaan Limbah	Waste Management
11	*Assessment* Pemasok Terkait Isu Lingkungan	Assessment of the Environmental Issues Related Suppliers
12	Tambang Skala Kecil	Small-Scale Mining
13	*Resettlement*	Resettlement
14	Program Paska-tambang	Mine Closure Program
15	Kesiapan Tanggap Darurat Masyarakat Lokal	Local Community Emergency Response Readiness
16	Donasi/Sumbangan untuk Masyarakat	Donation / Contribution to Society
17	Peningkatan Kondisi Kehidupan Masyarakat	Improved Living Conditions Community
18	Kepatuhan Regulasi	Regulatory Compliance
19	Mekanisme Penyelesaian Perselisihan Perburuhan	Labour Dispute Resolution Mechanism
20	Keberagaman dan Kesetaraan Peluang	Diversity and Equal Opportunity
21	Ketenagakerjaan	Employment
22	Kesehatan dan Keselamatan	Health and Safety
23	Pendidikan dan Pelatihan	Education and Training
24	Assessment Pemasok Terkait Isu Labor	Assessment Supplier of Labor-Related Issues
25	Dialog dengan Masyarakat Lokal	Dialogue With Local Communities

BOUNDARY LAPORAN REPORT BOUNDARIES

KATEGORI & ASPEK MATERIAL [G4-17][G4-19][G4-20][G4-21]	INDIKATOR PELAPORAN REPORTED INDICATORS	BOUNDARY BOUNDARY		CATEGORY & MATERIAL ASPECTS [G4-17][G4-19][G4-20][G4-21]
		ITM & ANAK PERUSAHAAN ITM & SUBSIDIARIES	PEMASOK, KONTRAKTOR DAN PIHAK EKSTERNAL LAINNYA SUPPLIERS, CONTRACTOR AND OTHER EXTERNAL PARTIES	
EKONOMI				ECONOMIC
Kinerja Ekonomi	G4-EC1	✓		Economic Performance
Kehadiran Pasar	G4-EC5	✓		Market Presence
Dampak Ekonomi Tak Langsung	G4-EC7; G4-EC8	✓	✓	Indirect Economic Impact
LINGKUNGAN				ENVIRONMENT
Bahan-bahan		✓	✓	Material
Energi	G4-EN3; G4-EN5 G4-EN6	✓	✓	Energy
Air	G4-EN8; G4-EN9	✓	✓	Water
Keanekaragaman Hayati	G4-EN13; G4-EN14	✓		Biodoversity
Emisi	G4-EN15; G4-EN16; G4-EN19; G4-EN21	✓	✓	Emission
Effluent & Limbah	G4-EN22; G4-EN23	✓	✓	Effluent & Waste
Kepatuhan	G4-EN29	✓	✓	Compliance
Keseluruhan	G4-EN31	✓	✓	Overall
Penilaian Praktik Lingkungan Pemasok	G4-EN32	✓	✓	Supplier Environmental Assessment
SOSIAL – PRAKTIK KETENAGAKERJAAN				SOCIAL – LABOR PRACTICE
Ketenagakerjaan	G4-LA1	✓	✓	Employement
Kesehatan & Keselamatan Kerja	G4-LA6; G4-LA7;	✓	✓	Occupational Health & Safety
Pelatihan dan Pendidikan	G4-LA9; G4-LA11	✓	✓	Training & Development
SOSIAL – HAK ASASI MANUSIA				SOCIAL – HUMAN RIGHTS
Non Diskriminasi	G4-HR3	✓	✓	Non-Discrimination
SOSIAL – MASYARAKAT				SOCIAL – SOCIETY
Komunitas Lokal	G4-SO1	✓	✓	Local Community
Anti Korupsi	G4-SO3, G4-SO4			Anti Corruption
SOSIAL - TANGGUNG JAWAB PRODUK				SOCIAL – PRODUCT RESPONSIBILITY
Pelabelan Produk dan Jasa	G4-PR5	✓		Products and Services Labeling

*) Catatan: ITM & Anak Perusahaan mencakup seluruh anak perusahaan ITM yang tercantum dalam data area operasional perusahaan dan daftar anak perusahaan pada halaman 10 laporan ini.
Note: ITM & Subsidiaries including all ITM subsidiaries as describe in our operational areas and list of subsidiaries on page 10 of this report

PERUBAHAN SIGNIFIKAN DALAM PELAPORAN

Dibandingkan laporan tahun lalu, tidak terdapat perubahan signifikan dalam hal prinsip perbandingan data; struktur organisasi, kepemilikan saham atau wilayah operasional Perusahaan; maupun penyajian ulang Laporan Keberlanjutan ini. Untuk itu, tidak terdapat penyajian ulang atas data pelaporan tahun sebelumnya. [G4-22][G4-23]

Corporate Secretary [G4-31]
PT Indo Tambangraya Megah Tbk
Pondok Indah Office Tower III, Lt. 3
Jl. Sultan Iskandar Muda Kav. V-TA, Pondok Indah
Jakarta 12310, Indonesia
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SIGNIFICANT CHANGES IN THE REPORTING

Compared to the previous year report, there has been no significant changing in data comparability principles; any changes in organizational structure, shareholding or operational areas of the Company; or restatements in this Sustainability Report. Accordingly, there is no restatement from our previous report in this report. [G4-22][G4-23]

Corporate Secretary [G4-31]
PT Indo Tambangraya Megah Tbk
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KERANGKA KEBERLANJUTAN

SUSTAINABILITY FRAMEWORK



4

Strategi keberlanjutan ITM bertumpu pada aspirasi dan berkontribusi positif kepada internal dan eksternal. Guna mencapai hal itu, ITM merancang sistem dan mekanisme yang mendukung dan memungkinkan kami membangun dan mencapai sasaran berkelanjutan dan merupakan fondasi ITM untuk mewujudkan keberlanjutan.

ITM sustainability strategy lays upon the aspiration and urge to contribute positively to both internal and external stakeholders. Therefore, ITM designed a system and mechanism that support and allow us to build and reach the target for a more sustainable future.



KERANGKA KEBERLANJUTAN ITM
SUSTAINABILITY FRAMEWORK OF ITM

Landasan upaya keberlanjutan ITM bertumpu pada aspirasi untuk menyelenggarakan kegiatan usaha yang memberi kontribusi secara terus-menerus yang tidak hanya menguntungkan bagi internal organisasi tapi juga bagi para pemangku kepentingan yang menjadi bagian dari keseluruhan sistem pendukung Perusahaan.

The company's sustainability efforts of ITM lays upon the aspiration to establish a business that keep contributing in ways that are not only beneficial to the internal organization but also to various stakeholders that become a part of the Company's supporting system.

Untuk mencapai cita-cita tersebut, sistem atau mekanisme dalam melakukan berbagai aktivitas yang dilakukan secara berkelanjutan dan ditinjau secara rutin oleh Perusahaan atau bekerjasama dengan berbagai pemangku kepentingan.

To achieve that goal, ITM implements a system and conducts a variety of activities that are maintained and reviewed regularly by the Company or in cooperation with related stakeholders.

Lebih lanjut, agar dapat mencapai implementasi yang efektif, Perusahaan mencoba secara spesifik mengidentifikasi para pemangku kepentingan yang nyata dan terdekat, lalu bekerja sama dengan mereka dalam menganalisa seberapa penting topik-topik keberlanjutan yang akan dikembangkan.

Moreover, in order to have effective implementation, the Company tries to specifically identify our real and immediate stakeholders and cooperate with them to capture levels of importance of various sustainability topics that we wish to work on.

Secara khusus, dalam proses identifikasi pemangku kepentingan, Perusahaan mempertimbangkan beberapa aspek, termasuk di antaranya dampak potensial yang mungkin dialami dan ditimbulkan oleh kegiatan dan produk-produk Perusahaan. Aspek lainnya yang dipertimbangkan adalah kemampuan pemangku kepentingan dalam mempengaruhi pencapaian sasaran Perusahaan.

Especially in identifying stakeholders, the Company consider several aspects, including their potential impacts that they might experience because of our Company's activities and products. Other aspects that the Company considers are the stakeholders' ability to influence the outcome of our organization.

Setelah proses identifikasi selesai, Perusahaan mencoba mengenali ekspektasi mereka terkait kegiatan usaha agar dapat mengakomodir lebih baik segala kebutuhan mereka melalui inisiatif-inisiatif keberlanjutan.

After identification process, the Company tries to understand stakeholders' expectations in relation to the business to better accommodate their needs in the form of sustainability initiatives.

Melalui perencanaan dan identifikasi yang baik, Perusahaan dapat membuat tabel matriks yang menunjukkan ekspektasi pemangku kepentingan yang nyata dan wajar serta menentukan tingkat prioritasnya agar dapat menciptakan target program sesuai ekspektasi dan kepentingan para pemangku kepentingan.

With careful planning and proper identification, the Company is able to create a matrix that can spot real and reasonable expectations of the stakeholders and to assign priority in terms of targeted responses to our stakeholders' expectations and interests.

DAFTAR EKSPEKTASI PARA PEMANGKU KEPENTINGAN LIST OF STAKEHOLDERS' EXPECTATIONS

KELOMPOK PEMANGKU KEPENTINGAN STAKEHOLDER GROUPS [G4-24]	BASIS IDENTIFIKASI BASIS OF IDENTIFICATION [G4-25]	METODE PELIBATAN ENGAGEMENT METHOD [G4-26]	FREKUENSI KETERLIBATAN ENGAGEMENT FREQUENCY	EKSPEKTASI YANG HARUS DIPENUHI EXPECTATIONS TO FULFILL [G4-27]
Pelanggan Customers	Tanggung Jawab; Pengaruh, Ketergantungan Responsibility; Influence, Dependency	• Manajemen Keluhan Pelanggan • Customer Service Center • Customer Complaints Management • Customer Service Center	Bila perlu As deemed necessary	1. Konsistensi kualitas produk. 2. Pengapalan yang aman dan penggunaan yang sesuai. 3. Pengiriman tepat waktu. 1. Consistency of product quality. 2. Secure shipment and usage. 3. Timely delivery.

DAFTAR EKSPEKTASI PARA PEMANGKU KEPENTINGAN LIST OF STAKEHOLDERS' EXPECTATIONS

KELOMPOK PEMANGKU KEPENTINGAN STAKEHOLDER GROUPS [G4-24]	BASIS IDENTIFIKASI BASIS OF IDENTIFICATION [G4-25]	METODE PELIBATAN ENGAGEMENT METHOD [G4-26]	FREKUENSI KETERLIBATAN ENGAGEMENT FREQUENCY	EKSPEKTASI YANG HARUS DIPENUHI EXPECTATIONS TO FULFILL [G4-27]
Pemegang Saham dan Investor Shareholders and Investors	Tanggung Jawab; Pengaruh, Ketergantungan Responsibility; Influence, Dependency	• Kunjungan Investor • Rapat Umum Pemegang Saham • Investor Visits • General Meeting of Shareholders	Minimal setahun sekali At least once a year	1. Keamanan investasi dan tingkat pengembalian investasi melalui peningkatan kinerja. 2. Pemenuhan hak-hak pemegang saham. 3. Pembayaran dividen. 4. Pengungkapan informasi terkait isu-isu material dan kejelasan rencana pengembangan usaha. 5. Menghargai hak-hak pemegang saham sesuai hukum, peraturan dan Anggaran Dasar. 1. Safety of investment and return on investment through the performance enhancement 2. Fulfillment of shareholders' rights. 3. Dividend payment. 4. Information disclosure on material issues and clarity of business development plan. 5. Respect for shareholders' rights in accordance with the laws, regulations, and articles of association.
Warga ITM ITM's Citizen	Tanggung Jawab; Pengaruh, Proksimitas, Perwakilan Responsibility; Influence, Proximity, Representation	• Serikat Pekerja • Forum komunikasi Manajemen & warga ITM • Labor unions • Management & ITM's Citizen communication forum	Triwulan Quarterly	1. Kejelasan hak dan kewajiban. 2. Kejelasan evaluasi kompetensi, jenjang karir dan kaitan antara remunerasi dan kinerja. 3. Perlakukan adil dan setara dalam perencanaan karir dan remunerasi. 4. Jaminan kesejahteraan warga ITM. 5. Tempat kerja yang aman. 1. Clarity of rights and obligations. 2. Clarity regarding competence evaluation, career path, and relationship between remuneration and performance. 3. Fair and equal treatment in career planning and remuneration. 4. Assurance of ITM's Citizen welfare. 5. Convenient workplace.
Pemerintah/ Regulator Government/ Regulators	Tanggung Jawab; Pengaruh, Proksimitas, Perwakilan Responsibility; Influence, Proximity, Representation	• Rapat-rapat • Kunjungan site • Bipartite meetings • Site visit	Bila perlu As deemed necessary	1. Hubungan yang harmonis dan konstruktif dengan regulator berdasarkan kejujuran dan integritas. 2. Kepatuhan pada peraturan dan perundangan. 3. Kontribusi positif pada masyarakat sekitar. 1. Harmonious and constructive relationship with regulators, based on honesty and integrity 2. Compliance with rules and regulations. 3. Positive contribution to the surrounding communities.

KERANGKA KEBERLANJUTAN ITM
SUSTAINABILITY FRAMEWORK OF ITM

DAFTAR EKSPEKTASI PARA PEMANGKU KEPENTINGAN LIST OF STAKEHOLDERS' EXPECTATIONS

KELOMPOK PEMANGKU KEPENTINGAN STAKEHOLDER GROUPS [G4-24]	BASIS IDENTIFIKASI BASIS OF IDENTIFICATION [G4-25]	METODE PELIBATAN ENGAGEMENT METHOD [G4-26]	FREKUENSI KETERLIBATAN ENGAGEMENT FREQUENCY	EKSPEKTASI YANG HARUS DIPENUHI EXPECTATIONS TO FULFILL [G4-27]
Partner Usaha (vendor, pemasok, agen) Business Partners (vendors, suppliers, agents)	Pengaruh, Proksimitas, Ketergantungan Influence, Proximity, Dependency	• Pertemuan regular • Sosialisasi kebijakan • Regular meetings • Policy disseminations	Minimal setahun sekali At least once a year	1. Proses pengadaan barang yang wajar dan transparan 2. Seleksi dan evaluasi kandidat mitra bisnis yang obyektif. 3. Prosedur administrasi yang akurat tapi sederhana. 4. Pembayaran produk dan jasa yang tepat waktu 5. Hubungan yang saling menguntungkan. 1. Fair and transparent procurement processes 2. Objective selection and evaluation of candidates for business partnership. 3. Accurate yet simple administrative procedures for procurement. 4. Timely payment for products and services 5. Mutually beneficial relationship.
Media	Pengaruh Influence	• Siaran pers • Pertemuan media • Jumpa pers • Press releases • Media gatherings • Press conferences	Bila perlu As deemed necessary	1. Akurasi pelaporan. 2. Aliran informasi terkini. 3. Penyampaian informasi yang tepat waktu. 4. Kondisi operasional yang transparan. 1. Accuracy of reporting. 2. Updated stream of information. 3. Timely submission of information. 4. Transparency of operational conditions.
Publik dan Komunitas Public and Community	Pengaruh, Proksimitas, Influence Proximity	• Kegiatan filantrofis • Program pengembangan masyarakat • Philanthropic activities • Community development programs	Bila perlu As deemed necessary	1. Hubungan harmonis dengan publik. 2. Minimalisasi dampak operasional terhadap lingkungan dan masyarakat. 3. Keterlibatan dalam upaya-upaya pelestarian lingkungan. 4. Kontribusi positif pada aspek ekonomi, sosial dan lingkungan komunitas sekitar. 1. Harmonious relationship with the public. 2. Minimization of operational impacts on the environment and the society. 3. Involvement in environmental conservation 4. Positive contribution to the economic, social, and environmental aspects of the surrounding communities.

SUARA PEMANGKU KEPENTINGAN SEBAGAI FOKUS KEBERLANJUTAN ITM

Suara, kepentingan dan kepedulian para pemangku kepentingan merupakan hal penting bagi keberlanjutan usaha kami. ITM sangat menghargai hubungan baik dan solid yang terbangun dengan masing-masing kelompok pemangku kepentingan. Kami menganggap serius apa yang menjadi kepentingan dan kepedulian mereka. Untuk itu, ITM menyusun strategi, fokus dan target keberlanjutan sesuai proses keterlibatan pemangku kepentingan. [G4-18]

TAKING THE VOICES OF OUR STAKEHOLDERS AS ITM SUSTAINABILITY FOCUS

The voice, interest and concerns of our stakeholder is important for our sustainability. We highly value our good and solid relationship with each of the stakeholder groups. We took their interest and concern very seriously. Accordingly, ITM shaped its sustainability strategy, focus, and target setting based on the stakeholder engagement process. [G4-18]

FOKUS KEBERLANJUTAN ITM
ITM SUSTAINABILITY FOCUS



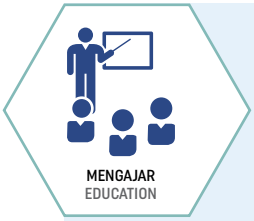
ITM untuk Kepatuhan
- CSR adalah melampaui kepatuhan
- Standar minimalnya adalah dengan mematuhi semua peraturan
- *Departemen compliance* harus sepenuhnya melakukan pembaruan terhadap peraturan-peraturan, melaksanakan pemeriksaan internal atas semua kegiatan terhadap peraturan yang ada, melaksanakan evaluasi terhadap pembanding berdasarkan regulasi yang semakin ketat secara global.

ITM for Compliance
- CSR is about beyond compliance
- The minimum standard is to comply to all regulations
- The compliance department should be fully updated on existing regulations, performing internal checks on all activities against the existing regulations, performing evaluation against benchmark based on trends of tighter regulations globally.



ITM untuk Keanekaragaman Hayati
Program ini mencakup
- Kegiatan untuk menumbuhkan dan melestarikan spesies lokal yang terancam punah.
- Penanaman kembali melebihi kepatuhan hukum
- Menanam tumbuhan sumber makanan bagi flora lokal.
- Pelaksanaan "ITM for Biodiversity" termasuk membangun kerjasama dengan LSM yang menangani masalah lingkungan seperti WWF, WALHI, Greeneration dll.

ITM for Biodiversity
The program includes
- Activities to cultivate and preserve endangered local species.
- Replanting beyond legal compliance
- Planting source of food for local flora.
- The implementation of ITM for Biodiversity includes establishing collaboration with NGOs that deal with environmental problems such as WWF, WALHI, Greeneration etc.



ITM untuk Pendidikan
- Melanjutkan program "ITM for Education" yang sedang berlangsung. Tapi mensinergikan fokus terhadap lingkup yang lebih luas. Perhatian perusahaan dapat dioptimalkan jika fokus pendidikan tidak hanya ditargetkan untuk masyarakat.
- Pendidikan termasuk pembentukan budaya perusahaan yang kuat serta keterampilan teknis dari warga internal ITM.
- Peningkatkan kemampuan pemasok serta bahkan pelanggan juga diperlukan
- Peningkatan pendidikan formal untuk komunitas Ring 1.
- Fokus terhadap perbaikan pendidikan dasar dan SMK di dalam komunitas Ring 1.
- Menyeimbangkan antara sumbangan infrastruktur dan perbaikan *soft skill.*
- Menyelaraskan dukungan terhadap dukungan sekolah kejuruan bersamaan dengan menciptakan ketersediaan tenaga kerja terampil untuk mengisi posisi perusahaan.
- Menyelaraskan dukungan sekolah pendidikan awal dengan kebutuhan-kebutuhan keluarga lokal warga ITM akan pendidikan yang berkualitas.

ITM for Education
- Continuing the ITM for Education initiatives already ongoing. But synergizing the focus towards a more broader scope. Company's interest can be optimized if education focus is not only targeted to the community.
- Education includes forming a strong corporate culture as well as technical skill of IMT's internal employees.
- Also needed is to increase the capabilities of suppliers as well as even the customers.
- Whereas in the area of improving formal education of RIng 1 Community.
- Focusing towards early education and vocational school improvements within the community Ring 1.
- Balancing between infrastructure donation and soft skill improvements.
- Align the support of vocational school support with creating available skilled workforce to fill company's position.
- Align the support of early education school with the need of employees' local family need for quality educations.



ITM untuk Pemberdayaan
- Menggabungkan bantuan infrastruktur dengan program mentoring (pengembangan *soft skill*) dalam satu tema program.
- Melanjutkan Program tema tersebut sampai masyarakat mampu secara mandiri mempertahankan berjalannya program tersebut.
- Dengan menyediakan pembinaan *soft skill*, anggota yang dipilih dari masyarakat dapat dipercayakan untuk mengelola program.
- Meningkatkan keterlibatan warga ITM dalam pembinaan *soft skill* (pelatihan kejuruan, dll.).
- Memberikan Program tambahan untuk pemberdayaan perempuan lokal dengan tujuan kemandirian ekonomi perempuan.
- Bekerjasama dengan pakar pendidikan kejuruan dan lembaga lain seperti lembaga keuangan untuk melancarkan pembiayaan yang *feasible* untuk pertumbuhan masyarakat lokal
- Membangun sistem insentif bagi warga ITM untuk mengikuti program relawan pembangunan masyarakat.

ITM for Empowerment
- Combining infrastructure donation with mentoring program (soft skill development) under one program theme.
- Continue the same program theme until community is able to independently sustain the program.
- Through providing soft skill mentoring selected members of community entrusted to manage the program.
- Increase ITM's Citizen involvement in the soft skill mentoring (vocational training, etc).
- Provide additional program for local women empowerement to target economic independence of women.
- Seek collaboration with vocational education expert and other institutions such as finance institution to allow feasible financing for local community to grow.
- Establish incentive system for ITM's Citizen to join the community development volunteer program.

TATA KELOLA PERUSAHAAN YANG BAIK

GOOD CORPORATE GOVERNANCE



5

Kami telah menerapkan prinsip GCG dalam proses kerja dan pengambilan keputusan serta menjadikan nilai-nilai inti perusahaan sebagai karakter warga ITM sehingga mendukung upaya keberlanjutan Perusahaan.

We have implemented GCG Principles in our work and decision making process and also internalized the Company's core values as character of ITM people to support the Company's sustainability efforts.



TATA KELOLA PERUSAHAAN YANG BAIK

GOOD CORPORATE GOVERNANCE

Sejalan dengan upaya mencapai target keberlanjutan, pelaksanaan praktik-praktik Tata Kelola Perusahaan yang Baik atau *Good Corporate Governance* ("GCG") di seluruh operasional Perusahaan dan dalam interaksi dengan pemangku kepentingan telah menjadi bagian penting dari proses tersebut. Dalam upaya menjadi salah satu Perusahaan yang terbaik dalam menerapkan GCG, ITM terus membangun komitmen kuat yang lebih kuat terhadap transparansi, akuntabilitas, responsibilitas, independensi dan kesetaraan & kewajaran, yang menjadi dasar-dasar keberlanjutan usaha ITM. [G4-15][G4-56]

In line with our efforts to achieve sustainability targets, the internalization of Good Corporate Governance ("GCG") practices throughout the Company's operation and during interaction with various stakeholders has become an important part of the process. Furthermore, ITM is aiming to become one of the best GCG Company, hence, we are building a stronger commitment towards transparency, accountability, responsibility, independency and fairness, which we believe are the basic foundation of our sustainability. [G4-15][G4-56]

Untuk mencapai tujuan tersebut, ITM telah membangun struktur tata kelola Perusahaan, yang dapat menanamkan prinsip GCG dalam praktik sehari-hari dan dengan telah tercakupnya prinsip GCG tersebut dengan dua nilai perusahaan, yaitu integritas dan kepedulian, Perusahaan dapat lebih mudah melakukan proses internalisasi nilai-nilai perusahaan dalam keseharian dan dapat menjadi karakter warga ITM, sehingga dapat mewujudkan kerangka yang kokoh dalam penerapan GCG yang efektif dan mendukung upaya keberlanjutan Perusahaan.

With that in mind, ITM has created proper governance structure within the organization, incorporated those GCG principles into everyday practices and with the interlocking of GCG principles with two of the four corporate values, namely integrity and care, it is easier for the Company in its internalization which need to be the character of all ITM people, in order to have a strong framework for effective GCG implementation that eventually can support the Company's sustainability efforts.

Secara khusus, lima prinsip yang memandu implementasi GCG adalah: [G4-56]

- Transparansi menuntut pengungkapan informasi relevan terkait kegiatan Perusahaan, termasuk di antaranya posisi keuangan, kepada pemegang saham dan publik secara reguler dan tepat waktu untuk mendukung proses penilaian dan pengambilan keputusan yang lebih baik.
- Akuntabilitas mensyaratkan seluruh Organ Perusahaan untuk menjalankan seluruh tugas dan tanggung jawab.
- Tanggung Jawab mewajibkan kepatuhan terhadap Anggaran Dasar Perusahaan, peraturan dan perundangan yang berlaku dan prinsip-prinsip GCG, serta memberi manfaat bagi masyarakat.
- Independensi mengharuskan Perusahaan agar tidak memiliki benturan kepentingan dengan semua pemegang saham dan pemangku kepentingan, demi objektivitas dan independensi dalam membuat keputusan perusahaan.
- Kewajaran menuntut Perusahaan agar memberikan perlakuan setara kepada semua pemangku kepentingan, sesuai peraturan dan perundangan yang berlaku dan Anggaran Dasar Perusahaan.

In particular, the five principles that guide our implementation of GCG are: [G4-56]

- Transparency principle that asks for disclosure of any relevant information on Company activities, including financial position, to the shareholders and public in a regular and timely manner for better assessment and decision making.
- Accountability principle that requires all Corporate Organs to perform its duties and responsibilities accordingly.
- Responsibility principle that requires compliance to the Company's Articles of Association, any applicable rules and regulations and GCG principles, while also being beneficial to the society.
- Independency principle that requires the Company to have no conflict of interests with all shareholders and stakeholders, for objectivity and independence in making corporate decisions.
- Fairness principle that asks the Company to give fair treatments to all stakeholders, according to applicable rules and regulations and the Company's Articles of Association.

Sebagai langkah implementasi yang kongkrit, prinsip-prinsip ini kemudian diinternalisasikan dalam prosedur operasional harian serta dalam berbagai tugas dan tanggung jawab warga ITM di tiap struktur jabatan. Upaya ini kemudian ditegakkan melalui aturan internal, antara lain Anggaran Dasar Perusahaan,

Further, for a more tangible implementation, ITM translates these principles into the details of daily operation procedures and various duties and responsibilities that are assumed by ITM people at various levels of corporate positions. This effort is, then, enforced through internal

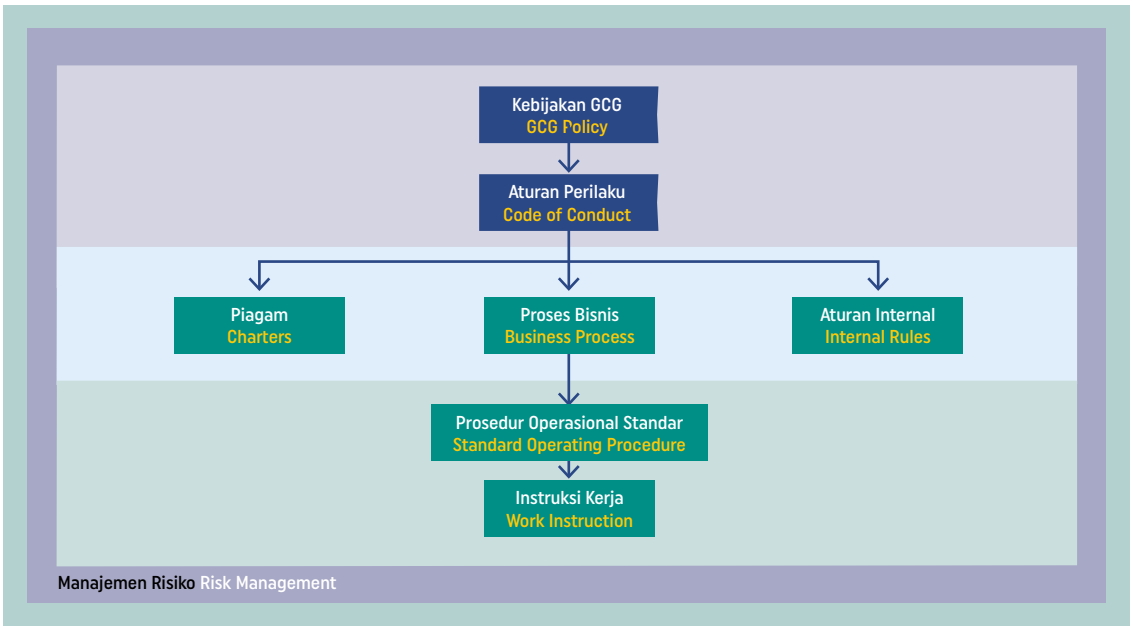


Kebijakan GCG, dan Aturan Perilaku, agar dapat mendukung praktik kepatuhan dan akuntabilitas. Selain itu, proses internalisasi nilai-nilai perusahaan secara terus-menerus oleh warga ITM telah menciptakan budaya perusahaan yang kuat yang selaras dengan implementasi GCG Perusahaan. Melalui Banpu Spirit yang mendorong pelaksanaan aspek Inovasi, Integritas, Peduli dan Sinergi, semua pihak dalam organisasi dapat fokus memberikan yang terbaik dalam mematuhi prinsip-prinsip GCG, baik dalam rangka memberikan manfaat bagi perusahaan atau dalam melakukan kegiatan yang mendukung organisasi. [G4-56]

rules, such as the Company's Articles of Association, GCG Policy and Code of Conduct, in order to promote compliance and accountability. In addition, ongoing internalization process of corporate values by ITM people has created a strong corporate culture that is in line with ITM's GCG implementation. With Banpu Spirit that promotes Innovation, Integrity, Care and Synergy aspects, all people within the organization can focus on giving their best with compliance to GCG, either in order to generate benefits for our Company or in conducting any activities that support the organization. [G4-56]

STRUKTUR KEBIJAKAN TATA KELOLA

STRUCTURE OF GCG POLICY



TATA KELOLA PERUSAHAAN YANG BAIK
GOOD CORPORATE GOVERNANCE

ITM MENDAPAT PENGHARGAAN BEST COMPANY FOR CORPORATE GOVERNANCE PERFORMANCE IN THE NON-FINANCIAL CATEGORY 2015 BERDASARKAN ASEAN CG SCORECARD
ITM AWARDED AS BEST COMPANY FOR CORPORATE GOVERNANCE PERFORMANCE IN THE NON-FINANCIAL CATEGORY 2015 BASED ON ASEAN CG SCORECARD



Komitmen dan upaya terus-menerus dalam meningkatkan pelaksanaan GCG di ITM telah diakui oleh *Indonesian Institute for Corporate Directorship* (IICD). Tahun ini, ITM dianugerahi sebagai *Best Company for Corporate Governance Performance in the Non-Financial Sector Category* berdasarkan ASEAN CG Scorecard dalam *7th* IICD *Corporate Governance Conference & Award,* yang digelar di Jakarta, November 2015. Dalam acara tersebut, IICD juga mengumumkan bahwa ITM masuk dalam peringkat Top 10 dari Top 50 Perusahaan Publik Terbuka di Indonesia berdasarkan ASEAN CG Scorecard.

IICD adalah sebuah organisasi non-profit yang ditunjuk oleh Otoritas Jasa Keuangan (OJK) untuk melakukan evaluasi kinerja tata kelola perusahaan pada 100 perusahaan terbuka dengan nilai kapitalisasi terbesar di Indonesia, baik perusahaan swasta maupun Badan Usaha Milik Negara (BUMN), dimana ITM menjadi bagian dari salah satu perusahaan tersebut.

Our commitment and unremitting efforts in improving the implementation of GCG in ITM has been acknowledged by the Indonesian Institute for Corporate Directorship (IICD). This year ITM was awarded as the Best Company for Corporate Governance Performance in the Non-Financial Sector Category based on the ASEAN CG Scorecard in the 7th IICD Corporate Governance Conference & Award, which was held in Jakarta, November 2015. In that event ITM was rank in the Top 10 of 50 Public Listed Company in Indonesia based on ASEAN CG Scorecard.

IICD is a non-profit organization appointed by the Financial Services Authority (OJK) to conduct corporate governance performance evaluation to 100 listed companies with largest capitalization value in Indonesia, both private and state-owned companies, in which ITM is one of those companies.

STRUKTUR TATA KELOLA & PENGELOLAAN KEBERLANJUTAN [G4-34]

Struktur Perusahaan ITM terdiri dari Rapat Umum Pemegang Saham ("RUPS"), Dewan Komisaris dan Direksi. Bersama-sama maupun berdasarkan jabatan individual, masing-masing pihak mengemban berbagai peran dan tanggung jawab, termasuk dalam mengelola dan mengawasi pelaksanaan GCG secara menyeluruh.

GCG STRUCTURE & MANAGING SUSTAINABILITY [G4-34]

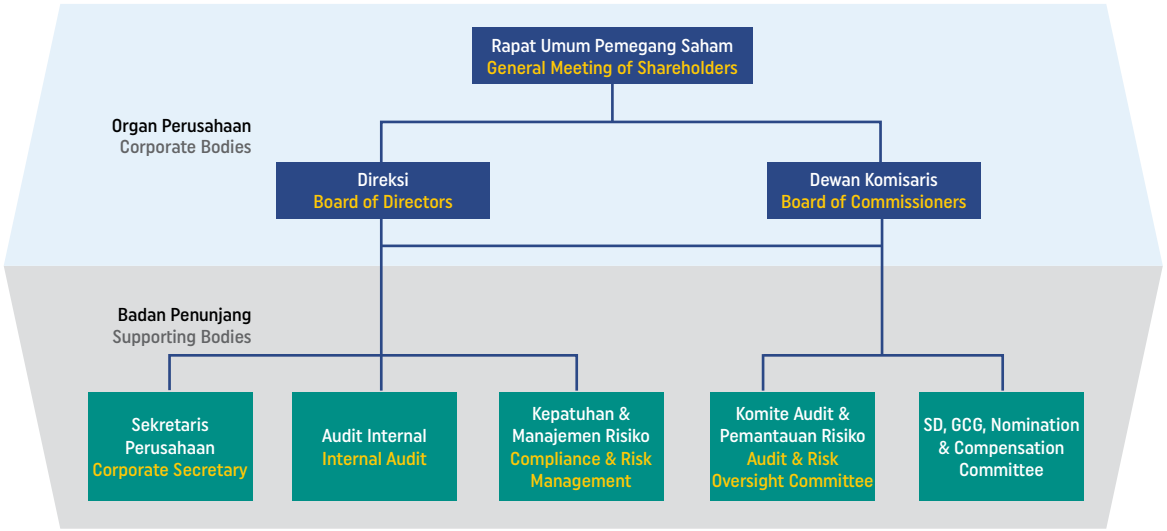
The GCG Structure of ITM consists of the General Meeting of Shareholders ("GMS"), the Board of Commissioners and the Board of Directors. Together or in each individual position, they assume various roles and responsibilities, includes managing and supervising the implementation of GCG from top to bottom.

MENANAMKAN KEBERLANJUTAN DALAM DNA PERUSAHAAN & STRUKTUR TATA KELOLA
EMBEDDING SUSTAINABILITY INTO ITM CORPORATE DNA & GOVERNANCE STRUCTURE

Tahun ini, Komite GCG, Nomination and Compensation Committee (GCGNCC) ITM diperluas fungsinya melalui penambahan aspek pembangunan berkelanjutan. Untuk itu, sejak semester kedua 2015, Komite GCGNCC berubah nama menjadi Komite Sustainable Development (SD), GCG, Nomination and Compensation (SDGNCC). Peran baru SDGNCC ini bertujuan membantu Dewan Komisaris dalam menjalankan peran pengawasan, khususnya memastikan agar ITM menjalankan dan mengelola operasional sesuai dengan prinsip-prinsip Pembangunan Berkelanjutan dan Tata Kelola Perusahaan yang Baik. Selanjutnya, piagam komite ini diperbarui guna memastikan implementasi prinsip dan praktik Pembangunan Berkelanjutan dan GCG yang konsisten di dalam pengoperasian dan pengelolaan Perusahaan, meninjau dan membuat rekomendasi atas proses mitigasi risiko yang berkaitan dengan isu-isu reputasi, sosial dan keberlanjutan usaha.

This year, the GCG, Nomination and Compensation Committee (GCGNCC) ITM expanded its functions through the addition of aspects of sustainable development. Therefore, since the second half of 2015, the Committee changed its name GCGNCC Committee to Sustainable Development (SD), GCG, Nomination and Compensation (SDGNCC). The aim of this new role of SDGNCC is to assist the BOD in carrying out their supervisory role, in particular to ensure that ITM operates and manages its operations in accordance with the principles of Sustainable Development and Good Corporate Governance. Furthermore, the committee charter is updated to ensure implementation of the principles and practices of Sustainable Development and GCG consistently in the operation and management of the Company, reviewing and making recommendations on the risk mitigation processes related to issues of reputation, social and business sustainability.

STRUKTUR TATA KELOLA PERUSAHAAN DI ITM
ITM'S CORPORATE GOVERNANCE STRUCTURE



TATA KELOLA PERUSAHAAN YANG BAIK
GOOD CORPORATE GOVERNANCE

Rapat Umum Pemegang Saham

Rapat Umum Pemegang Saham merupakan Organ Perusahaan yang menjadi badan pengambil keputusan tertinggi.

Sesuai Undang-Undang Perseroan Terbatas, ITM dapat menyelenggarakan dua jenis RUPS: Rapat Umum Pemegang Saham Tahunan ("RUPST") dan Rapat Pemegang Saham Luar Biasa ("RUPSLB"). RUPST diadakan setahun sekali, paling lambat enam bulan setelah penutupan tahun buku Perusahaan, dengan tujuan untuk menyetujui Laporan Tahunan Perusahaan, yang termasuk di antaranya Laporan Keuangan Perusahaan dan Laporan Pengawasan Dewan Komisaris. Sementara itu, RUPSLB diselenggarakan bila perlu.

Dewan Komisaris

Dewan Komisaris ITM melakukan fungsi pengawasan atas pengelolaan Perusahaan oleh Direksi. Untuk itu, Dewan Komisaris juga memberikan saran dan rekomendasi kepada Direksi terkait hal-hal yang sejalan dengan kepentingan dan tujuan Perusahaan. Oleh karenanya, Dewan Komisaris tidak berpartisipasi dalam pengambilan keputusan operasional perusahaan.

Komposisi Dewan Komisaris ITM terdiri dari Komisaris Utama dan sejumlah Komisaris yang dipilih berdasarkan pengalaman dan kompetensi mereka. Proses pengangkatan atau pemberhentian Dewan Komisaris diputuskan dalam RUPST. Anggota Dewan Komisaris menjabat selama tiga tahun, terhitung sampai penutupan RUPST tahun ketiga setelah tanggal pengangkatan, dan boleh diangkat kembali oleh RUPST, terkecuali dalam pengangkatan kembali Komisaris Independen sesuai peraturan yang berlaku.

Per 31 Desember 2015, Dewan Komisaris ITM terdiri dari lima anggota, yang awalnya 6 anggota (salah satunya meninggal pada 25 Desember 2015), dimana dua di antaranya merupakan Komisaris Independen. Masa jabatan anggota Dewan Komisaris saat ini akan berakhir pada penutupan RUPST tahun 2016, mengacu pada tanggal pengangkatan per 28 Maret 2013.

General Meeting of Shareholders

The General Meeting of Shareholders is an element of Corporate Organs that serves as the highest decision-making body.

As stipulated by Indonesian Company Law, ITM may conduct two types of GMS: Annual General Meeting of Shareholders ("AGMS") and Extraordinary Meeting of Shareholders ("EGMS"). AGMS is required to be held once a year, no later than six months after the closing of the Company's fiscal year, with the purpose to approve the Company's Annual Report which includes, among others, the Company's Financial Statement and Supervisory Report of the Board of Commissioners. Meanwhile, EGMS is to be held as needed.

Board of Commissioners

The Board of Commissioners of ITM performs supervisory function of the management of the Company by the Board of Directors. For that reason, they are also to provide suggestions and recommendations to the Board of Directors on various matters according to the Company's interests and objectives. Thus, the Board of Commissioners shall not participate in the operational decision-making.

The composition of the Board of Commissioners of ITM shall consist of a President Commissioner and a number of Commissioners that are chosen based on their experience and expertise. Their appointment or termination is decided at the AGMS. Each member serves for a period of three years, up until the closing of the third AGMS after their date of appointment, and is eligible for reappointment by AGMS, with exception for reappointment of Independent Commissioner that needs to comply with the regulations.

As of December 31, 2015, the ITM Board of Commissioners consists of five members, that was originally had six members (one of whom deceased on December 25, 2015), where two of whom are Independent Commissioners. The term of office of Board of Commissioners will now expire at the close of the AGMS 2016, referring to the date of appointment per March 28, 2013.

KOMPOSISI DEWAN KOMISARIS ITM PER 31 DESEMBER 2015
COMPOSITION OF ITM'S BOARD OF COMMISSIONERS AS OF 31 DECEMBER 2015

NAMA NAME	POSISI POSITION
Ibrahim Yusuf	Presiden Komisaris & Independen President Commissioner & Independent
Somruedee Chaimongkol	Komisaris Commissioner
Somyot Ruchirawat	Komisaris Commissioner
Rudijanto Boentoro	Komisaris Commissioner
Ir. Lukmanul Hakim, MM*	Komisaris Commissioner
Prof. Dr. Djisman S. Simandjuntak	Komisaris Independen Independent Commissioner

*) Meninggal pada 25 Desember 2015. Deceased on 25 December 2015.

Seluruh tugas dan tanggung jawab Dewan Komisaris ditetapkan dalam Anggaran Dasar Perusahaan dan Piagam Dewan Komisaris. Dalam melaksanakan segala tugas dan tanggung jawabnya, Dewan Komisaris dibantu oleh Audit & Risk Oversight Committee dan SD, GCG, Nomination and Compensation Committee (SDGNCC), yang dibentuk oleh dan melapor langsung kepada Dewan Komisaris.

All duties and responsibilities of the Board of Commissioners are specified in the Company's Articles of Association and the Board of Commissioners' Charter. In performing their duties and responsibilities, the Board of Commissioners receives assistance from the Audit & Risk Oversight Committee and the SD, GCG, Nomination and Compensation Committee (SDGNCC), both of which are established by and report directly to the Board of Commissioners.

Direksi

Berdasarkan Anggaran Dasar Perusahaan, Direksi bertanggung jawab atas manajemen Perusahaan demi kepentingan dan sesuai dengan maksud dan tujuan Perusahaan. Direksi mewakili Perusahaan di dalam atau di luar pengadilan terkait segala hal dan peristiwa hukum, kecuali sebagaimana diatur dalam undang-undang dan peraturan yang berlaku, Anggaran Dasar Perusahaan, dan/atau keputusan RUPS.

Anggota Direksi terdiri dari Presiden Direktur dan sejumlah Direktur lainnya yang dipilih berdasarkan pengalaman dan keahlian mereka. Penunjukan atau pemberhentian anggota Direksi diputuskan dalam Rapat Umum Pemegang Saham Tahunan. Anggota Direksi menjabat selama tiga tahun sampai penutupan RUPST tahun ketiga setelah tanggal pengangkatan, dan dapat diangkat kembali oleh RUPST.

Per 31 Desember 2015, Direksi ITM terdiri dari enam anggota, termasuk seorang Direktur Independen. Masa jabatan anggota Direksi saat ini akan berakhir pada penutupan RUPST tahun 2016, mengacu pada tanggal pengangkatan per 28 Maret 2013.

Board of Directors

Pursuant to the Company's Articles of Association, the Board of Directors is responsible for the Company's management for the for the best interest of, and in accordance with the purpose and objectives of the Company. They are to legally and directly represent the Company in or out of the court of law in all matters and events, with certain exceptions as stipulated in the prevailing laws and regulations, the Company's Articles of Association, and/or GMS resolutions.

The Board of Directors shall consist of a President Director and a number of Directors that are chosen based on their experience and expertise. Their appointment or termination is decided at the Annual General Meeting of Shareholders. Each member serves for a period of three years, up until the closing of the third AGMS after their date of appointment, and is eligible for reappointment by AGMS.

As of 31 December 2015, the Board of Directors of ITM consists of six members, including an Independent Director. The term of office for the current members is effective until the closing of the AGMS in 2016, after their appointment on 28 March 2013.

TATA KELOLA PERUSAHAAN YANG BAIK
GOOD CORPORATE GOVERNANCE

KOMPOSISI DIREKSI ITM PER 31 DESEMBER 2015
COMPOSITION OF ITM'S BOARD OF DIRECTORS AS OF 31 DECEMBER 2015

NAMA NAME	**POSISI** POSITION
Pongsak Thongampai	President Director President Director
Edward Manurung	Independent Director Independent Director
Leksono Poeranto	Director Director
A.H. Bramantya Putra	Director Director
Jusnan Ruslan*	Director Director
Stephanus Demo Wawin*	Director Director

* Diangkat pada 31 Maret 2015 Appointed on 31 March, 2015

Di samping tindakan yang dilakukan sesuai dengan Undang-Undang, tujuan dan anggaran dasar serta keputusan rapat pemegang saham, Direksi dengan ini menetapkan bahwa pertimbangan dan persetujuan terhadap hal-hal berikut ini merupakan wewenang, tugas dan tanggung jawab Direksi.

- Mengembangkan kebijakan, strategi bisnis, rencana bisnis dan anggaran tahunan Perusahaan;
- Kinerja dan operasional bulanan dan triwulan Perusahaan dimana kinerja dibandingkan dengan rencana, anggaran dan outlook bisnis dengan periode tahun anggaran berikutnya;
- Investasi Perusahaan dalam proyek senilai kurang dari Rp150 miliar;
- Penyesuaian rencana operasional tahunan, dengan jumlah total kurang dari 5% dari total administrasi yang disetujui;
- Rencana strategis masing-masing unit bisnis;
- Menentukan dividen interim dan proses pembayaran untuk disetujui Dewan Komisaris;
- Penggunaan modal investasi;
- Menyetujui anggaran tambahan modal untuk item baru sampai dengan Rp4 miliar;
- Menghapus bukukan aset.

Dalam melaksanakan tugas dan tanggung jawabnya, setiap anggota Direksi bertindak sesuai fungsi dan jabatannya, namun bertanggung jawab atas pengelolaan Perusahaan secara kolektif.

In addition to any other action taken in compliance with the laws, the Company's objectives and articles of association as well as the resolutions of the General Meeting of Shareholders, in managing the business of the Company, Board of Directors hereby stipulate that the consideration and approval of the following matters shall be vested under the authority, duty and responsibility of the Board of Directors.

- Develop the Company's policies, business strategies, business plans and annual budget;
- The Company's monthly and quarterly performance and operation in which performance is compared with the plan, budget and business outlook of the following period of the budget year;
- The Company's investment in a project worth less than Rp150 billion;
- Adjustment of annual operation plan, whose total amount is less than 5% of total approved administration;
- Strategic plan of each business unit;
- Calculate the interim dividend and payment for the BOC approval;
- Use of capital investment;
- Approve additional capital budget of new item up to Rp4 billion;
- Assets write off.

In performing their duties and responsibilities, each member of the BOD shall act in accordance with their function and title. However, all of them are collectively responsible with the management of the Company.



PENGEMBANGAN PROFESIONAL

ITM mendorong adanya partisipasi dalam program-program yang dapat meningkatkan kompetensi anggota Dewan Komisaris dan Direksi di bidang pengelolaan organisasi dan tata kelola yang baik. Selain itu, Perusahaan juga selalu antusias dalam memberikan kontribusi dalam seminar atau kuliah yang dapat memfasilitasi proses berbagi pengetahuan dalam konteks akademik atau publik.

Pada 2015, anggota Dewan Komisaris dan Direksi berpartisipasi dalam program-program berikut:

PROFESSIONAL DEVELOPMENT

ITM encourages participation in programs that can improve the competencies of the members of BOC and BOD in the areas of organizational management and good governance. Moreover, our Company is also passionate and always looks forward to contributing in any seminar or lecture that facilitates knowledge sharing to participants in academic or public settings.

In 2015, members of our BOC and BOD have participated in the following programs:

Nama Name	**Acara** Event	**Peran** Role
Prof. DR. Djisman S. Simandjuntak	Conference "Achieving Inclusive Economic Growth in the New Normal Era"	Panel Speaker
	Proses Finalisasi Rancangan Peraturan Otoritas Jasa Keuangan (RPOJK) dan Rancangan Surat Edaran Otoritas Jasa Keuangan (RSEOJK) tentang Penerapan Pedoman Tata Kelola Emiten atau Perusahaan Publik	Speaker
	Seminar Corporate Secretary 2015	Panel Speaker
	CG Training OJK, Batch 3 Class A	Speaker
	CG Training OJK, Batch 4 Class B	Speaker
	Media Training for Corporate Spokespersons	Participant

TATA KELOLA PERUSAHAAN YANG BAIK
GOOD CORPORATE GOVERNANCE

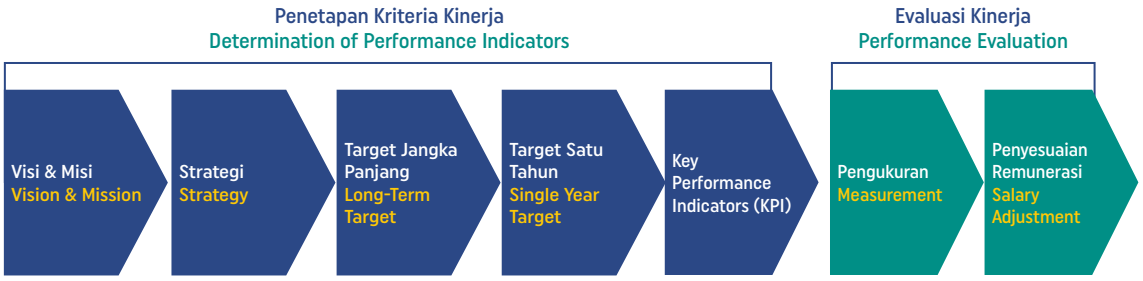
Peserta Participant	**Acara** Event	**Keterangan** Remarks
Edward Manurung	*5Tth Annual Corporate Treasury & CFO Summit*	*Panelist*
	Merrill Lynch Conference 2015	*Speaker*
	2nd CFO Innovation Indonesia Forum	*Panelist*
	Citi Corporate Sales and Structuring Annual Seminar 2015	*Participant*
	Merrill Lynch Non Deal Roadshow	*Speaker*
	CFO Indonesia	*Speaker*
	Goldman Sachs Non Deal Roadshow	*Speaker*
	Morgan Stanley Fourteenth Annual Asia Pacific Summit	*Speaker*
A.H. Bramantya Putra	*Media Training for Corporate Spokespersons*	*Participant*
Stephanus Demo Wawin	*Media Training for Corporate Spokespersons*	*Participant*
	Professional Directorship Program by IICD	*Participant*
Jusnan Ruslan	*Professional Directorship Program by IICD*	*Participant*

EVALUASI KINERJA DIREKSI

ITM secara rutin mengadakan evaluasi kinerja Direksi berdasarkan serangkaian kriteria. Proses evaluasi ini menjadi penting terutama terkait penentuan arah strategis Perusahaan dan pencapaian target dan tujuan yang ditetapkan sebelumnya, serta dalam meningkatkan kapasitas pribadi masing-masing anggota Direksi.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS

ITM regularly holds performance evaluation of the Board of Directors following a series of criteria. Such evaluation is important especially in relation with ensuring the strategic direction of the Company and the achievement of previously-set targets and goals, as well as in improving the personal capacity of each member of the Board of Directors.



MANAJEMEN RISIKO [G4-14]

Untuk memastikan perlindungan terhadap potensi ancaman dan gangguan terhadap bisnis dan operasional Perusahaan, ITM menyertakan sistem manajemen risiko dalam implementasi GCG. Untuk itu, kerangka sistem manajemen ITM dibangun guna memberi langkah-langkah jelas atas pencegahan dan mitigasi risiko serta proses penilaian sehingga dapat memonitor risiko secara reguler.

Secara khusus, Kebijakan & Pedoman Manajemen Risiko ITM mengadopsi kerangka ISO 31000, salah satu standar yang diakui secara internasional, agar dapat mencapai implementasi Proses Manajemen Risiko yang lebih baik dan efektif. [G4-DMA]

Terdapat 2 proses dalam Kerangka Manajemen Risiko ITM. Proses strategis mencakup berbagai aspek, di antaranya mandat dan komitmen, perencanaan dan organisasi, kapabilitas dan kompetensi serta proses evaluasi dan perbaikan. Sementara itu, proses di level operasional mencakup implementasi tindakan, termasuk membangun konteks, penilaian risiko (identifikasi, analisis dan evaluasi), risk treatment, konsultasi dan komunikasi, serta pemantauan dan review berkala.

Agar dapat mencapai implementasi manajemen risiko yang efektif, ITM mendelegasikan berbagai tugas dan tanggung jawab kepada Risk Manager, Risk Coordinator dan Risk Owner di level departemen dan struktur jabatan. Selain itu, Unit Manajemen Risiko mengadakan lokakarya secara reguler untuk memperkenalkan dan mengomunikasikan konsep dan praktik manajemen risiko kepada Risk Coordinator yang melaksanakan fungsi operasional dan pendukung.

Berdasarkan analisa dan evaluasi profil risiko sepanjang 2015, terdapat beberapa risiko dengan prioritas tingkat tinggi dan sangat tinggi yang dipantau ketat oleh manajemen ITM. Beberapa risiko tersebut adalah:

1. Risiko Harga Komoditas
   Keterangan: Dampak perubahan dan ketidakpastian harga komoditas pada margin operasi perusahaan
   Mitigasi risiko:
   - Melakukan monitoring berkala, melalui Komite Manajemen Risiko Komoditas, untuk membahas strategi lindung nilai terhadap harga kontrak penjualan
   - Melakukan mekanisme swap batubara, minyak dan gas untuk mengatasi fluktuasi harga

RISK MANAGEMENT [G4-14]

To ensure protection against any potential threats and disruption to our Company's business and operation, ITM has included a risk management system within GCG implementation. The framework of ITM's management system provides clear preventive and mitigation measures and assessment process that can monitor risks in a regular basis.

In particular, ITM's Risk Management Policy & Manual adopts ISO 31000 framework, one of the internationally recognized standards, for better and more effective Risk Management Process. [G4-DMA]

ITM's Risk Management Framework allows two processes. Strategic process covers aspects, such as mandate and commitment, planning and organizing, capability and competence as well as evaluation and improvement process. Meanwhile, on the operational level, it allows for the implementation of actions, including establishing context, risk assessment (identification, analysis and evaluation), risk treatment, consultation and communication, as well as periodic monitoring and review.

For effective risk management implementation, ITM assigns duties and responsibilities to Risk Manager, Risk Coordinator and Risk Owner at various departments and work levels. In addition, Risk Management Unit conducts regular workshops to introduce and communicate risk management concepts and practices to Risk Coordinators, who are carrying out both operational and support functions.

Based on analysis and evaluation of risk profile within 2015, there are some priority risks with high and very high level that being closely monitored by ITM management. Some of the risks are:

1. Commodity Price Risk
   Description: Impacts of change and uncertainty in commodity prices on the company's operating margin
   Risk mitigation:
   - Conducting periodic monitoring, through Commodity Risk Management Committee, to discuss hedging strategies against sales contract price
   - Employing swap mechanism of coal, oil and gas to mitigate price fluctuations

- Pengoptimalan kontrak penjualan menggunakan harga tetap
- Menjaga kualitas produk, termasuk melalui blending batubara untuk menjaga harga jual yang sesuai

2. Risiko Komersial
Keterangan: Dampak dari kendala dalam penjualan dan pemasaran produk batubara pada pendapatan Perusahaan
Mitigasi risiko:
- Diversifikasi penjualan produk batubara terutama untuk pasar di Asia Selatan dan Asia Tenggara
- Meningkatkan kualitas produk melalui blending batubara demi memenuhi spesifikasi pasar
- Pengoptimalan kontrak penjualan jangka panjang untuk mempertahankan pangsa pasar

3. Risiko Sosial dan Masyarakat
Keterangan: Masalah dan gangguan sosial dari masyarakat di sekitar wilayah operasi yang dapat mempengaruhi operasional Perusahaan
Mitigasi risiko:
- Menetapkan tim penyelesaian sengketa tanah yang terdiri dari para pemangku kepentingan, yaitu pemerintah daerah, perusahaan lain dan wakil masyarakat
- Program-program *Community Development* sebagai bagian dari Corporate Social Responsibility (CSR)
- Meningkatkan fungsi keamanan di wilayah operasional melalui koordinasi dengan pihak terkait
- Meningkatkan komunikasi intensif dengan masyarakat setempat, termasuk media lokal dan pemangku kepentingan lainnya

4. Risiko Perencanaan dan Teknis
Keterangan: Ketidakcukupan proses teknis dan perencanaan dapat mempengaruhi pencapaian target produksi tahunan.

Mitigasi risiko:
- Meningkatkan akurasi perencanaan melalui percepatan kegiatan pengeboran untuk meningkatkan nilai cadangan batubara
- Mengevaluasi dan meninjau desain teknis stabilitas lereng dan kegiatan monitoring berkala demi memastikan operasional pertambangan berjalan dengan baik

- Optimizing sales contract by using fixed price sales reference
- Maintaining the quality of products, including through coal blending to keep acceptable selling price to consumers

2. Commercial Risk
Description: Impacts of constraints in the sales and marketing of coal products on the Company's earnings
Risk mitigation:

- Diversifying sales of coal products mainly to markets in South Asia and Southeast Asia
- Improving product quality through coal blending in order to meet specifications required by the market
- Optimizing sales contracts with long-term basis to maintain market share

3. Social and Community Risk
Description: Social problems and disruptions from community around the operation area that may impact the Company's operations
Risk mitigation:
- Establishing land dispute resolution team that consists of stakeholders from the local governmental bodies, other companies and community representatives
- Implementing Community Development programs as a part of Corporate Social Responsibility (CSR)
- Improving security functions at operational area through coordination with related parties
- Increasing intensive communication with local community, including local media and other stakeholders

4. Planning and Technical Risk
Description: Insufficient technical and planning process that may impact the achievement of annual production target.

Risk mitigation:
- Improving planning accuracy through acceleration of drilling activities to increase the value of coal reserves
- Evaluating and reviewing technical design of slope stability and periodic monitoring activities to ensure smooth mining operations

5. Risiko Rantai Pasokan
Keterangan: Masalah yang timbul selama proses rantai pasokan dan pengiriman batubara dari finished coal (FC) hingga pengiriman dapat berdampak pada biaya tambahan dan waktu serta hubungan dengan konsumen

Mitigasi risiko:
- Menetapkan fungsi koordinasi rantai pasokan *(Short Term Supply Chain)* untuk memastikan proses pengiriman batubara secara baik dan efektif dari tambang ke kapal
- Meningkatkan keandalan layanan terminal utama di Terminal Batubara Bontang melalui mengurangi risiko rusak alat dan gagal sistem dan mempersiapkan alternatif pengiriman batubara melalui mekanisme pemuatan di laut, dan mengarahkan kapal ke pelabuhan afiliasi dan swasta

6. Risiko Persediaan dan Kualitas Produk
Keterangan: Proses manajemen persediaan batubara yang tidak benar, termasuk manajemen kualitas batubara, dapat berdampak pada biaya penanganan dan lingkungan serta pada kepuasan pelanggan.

Mitigasi risiko:
- Implementasi standar ISO 17025-2005 untuk memastikan kualitas batubara
- Memastikan Laboratorium Batubara beroperasi secara akurat dan cepat dalam menguji batubara sebelum dikirim
- Memastikan keselarasan antara rencana produksi dan rencana penjualan
- Melakukan manajemen persediaan dari ROM, *Mine Stock Yard* dan Pelabuhan Stock Yard di sepanjang rantai pasokan batubara

7. Risiko Fasilitas dan Infrastruktur
Keterangan: Rusaknya dan tidak memadainya sarana dan prasarana utama yang mendukung kegiatan operasional dapat meningkatkan biaya produksi dan mencegah pencapaian target produksi tahunan
Mitigasi risiko:
- Melakukan pemeliharaan sarana dan prasarana secara rutin dan intensif
- Memastikan ketersediaan suku cadang penting, termasuk dengan mempercepat proses pengadaan
- Mengadakan proyek yang dapat meningkatkan kualitas dan keandalan fasilitas utama dan infrastruktur jalan

5. Supply Chain Risk
Description: Failure during supply chain process and coal product delivery from finished coal (FC) to shipment may impact on additional costs and time as well as relationships with consumers

Risk mitigation:
- Establishing a coordination function of supply chain (Short Term Supply Chain) to ensure smooth and effective coal product delivery process from mine to vessel
- Improving the reliability of main terminal services at Bontang Coal Terminal (BoCT) through reducing failure risk of equipment and systems and prepare alternatives for the shipment of coal through a mechanism for loading at sea (transshipment), and redirecting ships to affiliates and private port

6. Inventory and Product Quality Risk
Description: Improper coal inventory management processes, including quality management of coal products might have an impact on the incremental of handling cost and environment as well as on customer satisfaction.

Risk mitigation:
- Implementing ISO 17025-2005 standard to ensure coal quality
- Ensuring Coal Laboratory to operate accurately and quickly to test all coal products before delivery
- Ensuring alignment between production plan and sales plan
- Conducting inventory management from ROM, Mine Stock Yard and Port Stock Yard along coal supply chain

7. Facilities and Infrastructure Risk
Description: Failure and inadequacy of facilities and major infrastructure to support operational activities may increase production costs and prevent annual production target achievement
Risk mitigation:
- Conducting regular and intensive maintenance of facilities and infrastructure
- Ensuring availability of critical spare parts, including by speeding up procurement process
- Establishing projects that can improve the quality and reliability of major facilities and road infrastructure

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8. Risiko Kepatuhan Terhadap Peraturan
   Keterangan: Tidak mematuhi peraturan dan perundangan yang berlaku di Indonesia dapat berdampak pada reputasi, hubungan dengan regulator dan masalah hukum

   Mitigasi risiko:
   - Memastikan kepatuhan terhadap peraturan di tingkat daerah, regional, dan nasional, termasuk pemenuhan berbagai kewajiban dan reklamasi pascatambang melalui rehabilitasi dan revegetasi
   - Melakukan monitoring peraturan baru dan review peraturan secara berkala
   - Meninjau dan mengevaluasi aspek hukum dari setiap kegiatan yang dilakukan dan memastikan bahwa semua kegiatan telah sesuai rekomendasi fungsi *Legal* dan *Compliance*

ASOSIASI [G4-16]

Hingga akhir 2015, ITM terdaftar sebagai anggota aktif dan berpartisipasi aktif dalam berbagai asosiasi industri, termasuk Asosiasi Emiten Indonesia dan Asosiasi Pertambangan Batubara Indonesia, agar dapat berkolaborasi lebih baik dengan Pemerintah dan berbagai pemangku kepentingan mengenai isu-isu yang berkaitan dengan industri batubara.

ETIKA BISNIS & INTEGRITAS

Demi menerapkan pencegahan lebih baik terhadap kemungkinan terjadinya fraud atau tindak kriminal dalam organisasi, Direksi dan Dewan Komisaris berkomitmen melakukan bisnis dengan integritas dan independensi. ITM secara khusus memasukkan aspek-aspek berikut ke dalam penerapan GCG: [G4-56]

- Informasi Orang Dalam
  ITM melarang penyalahgunaan informasi material yang terkait kegiatan usaha Perusahaan untuk kepentingan pribadi warga ITM, keluarga mereka atau pihak ketiga lainnya.
- Kerahasiaan
  Seluruh warga ITM harus menjaga informasi rahasia perusahaan, terutama informasi internal yang dapat mempengaruhi kegiatan usaha atau harga saham Perusahaan.

8. Regulatory Compliance Risk
   Description: Failure to comply with prevailing regulations and legislation in Indonesia may impact on reputation, relationship with the regulator and legal issues.

   Risk mitigation:
   - Ensuring compliance with regulations at the local, regional, and national levels, including the fulfillment of obligations and post-mining reclamation through rehabilitation and revegetation.
   - Monitoring new regulations and conducting periodic regulatory reviews
   - Reviewing and evaluating legal aspects of any activity undertaken and ensuring that all activities are in accordance with recommendations from the Legal and Compliance function

ASSOCIATION [G4-16]

Up to the end of 2015, ITM is registered as an active member and participated actively in various industry associations, including Indonesian Public Companies Association and the Indonesian Coal Mining Association (Asosiasi Pertambangan Batubara Indonesia), to better collaborate with the Government and stakeholders regarding issues that are related to various aspects of coal industry.

BUSINESS ETHICS & INTEGRITY

For better prevention against any possible fraud or crime within the organization, the Board of Directors and the Board of Commissioners are to commit themselves to conducting business with integrity and independency. ITM has specifically included the following aspects into the GCG implementation: [G4-56]

- Insider Information
  ITM prohibits any abuse of material information related to the Company's business for personal benefit of all employees, their family or any other third parties.

- Confidentiality
  All employees shall keep classified corporate information strictly confidential, especially any internal information that may affect the business of the Company or the share price.



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- Trading Rules
  Direksi/Dewan Komisaris dilarang melakukan perdagangan saham Perusahaan selama periode 30 (tiga puluh) hari sebelum pengungkapan publik jika informasi yang diungkap berasal dari tahun laporan keuangan, misalnya yang terkait dengan operasional, laporan keuangan atau Laporan Tahunan. Jika informasi yang diungkap terkait dengan aksi korporasi, seperti akuisisi/penjualan aset, transaksi terkait, pelaksanaan/ pembatalan *joint venture,* peningkatan/pengurangan modal, penerbitan efek baru, pembelian kembali saham, pembayaran atau tidak membayar dividen, atau insiden yang mempengaruhi harga saham Perusahaan, maka Direksi/Dewan Komisaris dilarang melakukan perdagangan saham Perusahaan sejak mereka mengetahui informasi hingga hari Perusahaan mengungkapkan informasi kepada publik.

  Setiap Anggota Direksi/ Dewan Komisaris diwajibkan untuk melaporkan transaksi pribadi atas saham Perusahaan dalam 3 hari setelah terjadinya transaksi dimaksud.

- Praktik Anti Korupsi
  Seluruh warga ITM harus menahan diri dan dilarang menerima gratifikasi atau mengambil keuntungan pribadi dari relasi bisnis Perusahaan dengan pihak ketiga.
- Konflik Kepentingan
  Potensi konflik kepentingan antara Perusahaan dan anggota Direksi diminimalkan melalui kewajiban pengungkapan informasi kepada regulator dan publik. Selain itu, ITM mencegah konflik kepentingan lebih lanjut melalui pelarangan afiliasi Direktur Independen menjadi Direktur di perusahaan lain. Jika ada anggota Dewan Komisaris/Direksi dengan potensi konflik kepentingan yang terkait dengan suatu masalah, anggota tersebut akan diminta meninggalkan rapat jika masalah ini sedang dibahas.

- Trading Rules
  BOD/BOC shall refrain from trading the Company's shares within 30 (thirty) days prior to any public disclosure if that information is from financial year report, such as those related to operation, financial statements or Annual Report. If the information is related to any corporate action, such as acquisition/ disposal of assets, related transaction, joint venture/ cancellation of joint venture, capital increase/capital reduction, issuance of new securities, repurchase of own shares, payment or nonpayment of dividends, or incidents that affect the Company's share price, then BOD/BOC shall refrain from trading the Company's shares from the time they know about the information to the day the Company discloses the information to public.

  Any members of the Board of Directors/ Board of Commissioners is required to report their dealings in Company's share within 3 (three) business days after such trading.

- Anti-corruption practice
  All employees shall refrain and be prohibited from receiving gratification or taking personal advantages from the Company's business relations with third parties.
- Conflict of Interest
  Potential conflicts of interest between the Company and members of the Board of Directors are minimized by the fulfillment of the obligation to disclose information to regulators and the public. In addition, ITM prevents any further conflict of interest through prohibiting affiliation of our Independent Director from being a Director of another company. If there is any member of BOC/BOD with potential conflict of interest related to a certain matter, the member shall be required to leave a meeting if the matter is being discussed during the meeting.

Selain itu, Komite Audit dan Pemantauan Risiko Departemen bersama Internal Audit secara rutin meninjau, memantau, dan mengevaluasi pelaksanaan dari seluruh prinsip-prinsip di atas dalam kegiatan operasional sehari-hari. Sepanjang tahun 2015, Departemen Internal Audit telah melaksanakan 20 aktivitas audit sebagaimana yang telah direncanakan dalam Rencana Audit Tahunan. Ruang lingkup yang diaudit mencakup proses-proses bisnis ITM (termasuk fungsi-fungsi pendukungnya di Kantor Pusat), beserta seluruh anak-anak perusahaan (termasuk kegiatan operasional tambang dan pelabuhan). Seluruh aktivitas audit dilakukan dengan menggunakan pendekatan audit berbasis risiko, yang juga mencakup risiko terhadap korupsi dan *fraud*. [G4-SO3]

On top of that, Audit & Risk Oversight Committee with Internal Audit Unit regularly review, monitor, and evaluate the implementation of those principles mentioned above in our day-to-day operations. Throughout 2015, Internal Audit Unit has conducted 20 audit activities in accordance with the Annual Audit Plan. The scope of areas audited comprise of ITM business processes (including supporting and overhead functions at head office) and all of its subsidiaries (including mining and port operations). All audit activities were conducted using a risk-based audit approach, which also takes into account the risk of corruption and fraud. [G4-SO3]

MENJAGA ETIKA DAN INTEGRITAS MELALUI MEKANISME WHISTLEBLOWING
SAFEGUARDING ETHICS AND INTEGRITY THROUGH WHISTLEBLOWING MECHANISM

Sejak 2011, mekanisme *whistleblowing* ITM diciptakan untuk melindungi bisnis dan operasional dari resiko fraud, korupsi, dan perbuatan melanggar lain yang dapat merugikan integritas bisnis dan reputasi ITM melalui fasilitas on-line yang dapat diakses di www.iwbcitmg.com. Kebijakan dan prosedur anti-korupsi dan mekanisme *whistleblowing* ITM secara rutin disosialisasikan kepada seluruh karyawan dan mitra bisnis di berbagai acara dan kesempatan. [G4-SO4]

ITM memastikan bahwa mekanisme dan saluran *whistleblowing* dapat mengakomodasi pemangku kepentingan internal dan eksternal untuk menyerahkan laporan mereka secara anonim, termasuk laporan pelanggaran secara anonim, dimana karyawan atau mitra bisnis dapat dengan yakin menyampaikan laporan mengenai pelanggaran hukum dan etika yang mereka ketahui, sehingga laporan dapat diselidiki dan ditindaklanjuti secara independen. Jika pelanggaran dapat dibuktikan, maka tindakan perbaikan yang tepat akan dilaksanakan. Kepentingan pihak pelapor akan senantiasa dijaga setiap saat. Untuk mendukung sistem ini, ITM telah mengembangkan berbagai saluran yang berbeda seperti PO BOX untuk memberi kesempatan pelaporan secara *offline*.

Selama tahun pelaporan 2015, ITM menerima total 10 laporan yang kemudian ditangani oleh Ombudsman dan Komite Investigasi, sesuai dengan prosedur yang berlaku. Berikut adalah rincian dari seluruh laporan tersebut :

Since 2011, ITM whistleblowing mechanism established to safeguard business and operation from risk of fraud, coruption, and other wrong-doing which can harm business integrity and ITM reputation through the on-line facility assessable at www.iwbcitmg.com . Socialization of ITM's policy and procedure of anti-corruption and whistleblowing mechanism were routinely socialized to all employees and business partners at various events and opportunities. [G4-SO4]

We ensure that whistleblowing mechanism and channels can accommodate both internal and external stakeholders to anonymously submit their reports of any concerns, including anonymous wrongdoing reports, which employees or business partners may, in confidence, raise about legal and ethical violation that they are aware of, and have the concerns independently investigated and followed up. If the wrongdoing is proven, appropriate remedial action will be taken. The whistleblower's interest will be safeguarded at all times. In order to support this system, ITM has developed different channel such as PO BOX to encourage offline reports.

During 2015, ITM had received a total of 10 reports which have been handled by the Ombudsman and the Investigation Committee in accordance with set procedures. Below are the breakdown of the reports:

ITEM	DESKRIPSI DESCRIPTION	ITEM
Total laporan yang diterima	10	Total Reports received
Jumlah laporan yang diselidiki	4	Number of Reports investigated
Jumlah laporan yang telah selesai terinvestigasi	1	Number of investigated-report has been completed
Jumlah laporan untuk perbaikan manajemen	5	Number of reports for management improvement

TATA KELOLA PERUSAHAAN YANG BAIK
GOOD CORPORATE GOVERNANCE

CG DAY 2015 UBAH POLA PIKIR, UBAH HIDUP
CG DAY 2015 CHANGE MINDSET, CHANGE LIFE

CG Day diadakan secara teratur sebagai bagian dari upaya komunikasi internal dan kampanye untuk menanamkan integritas dan prinsip-prinsip Tata Kelola Perusahaan yang Baik kepada masing-masing karyawan ITM. Setiap tahunnya, CG Day memiliki tema berbeda.

Melanjutkan tema CG Day tahun sebelumnya yaitu Anti Korupsi, CG Day tahun ini mengusung tema "Ubah Pola Pikir, Ubah Hidup", ITM mengundang pembicara untuk memberikan wawasan dan memotivasi seluruh karyawan ITM, termasuk karyawan di lokasi tambang melalui konferensi video langsung. Tema ini dipilih terkait berbagai perubahan dan transformasi di ITM di area IT dan kemanan informasi. Melalui CG Day tahun ini, ITM ingin menginspirasi seluruh karyawan untuk melihat bahwa perubahan dalam bisnis apapun, termasuk pertambangan, tidak bisa dihindari dan merupakan bagian integral dari perjalanan ITM dalam keberlanjutan.

CG Day is held regularly as a part of our internal communication effort and campaign to instill integrity and the principles of Good Corporate Governance to all of ITM's employee. Every CG Day will take on a different theme.

Following last year's CG Day theme of Anti-Corruption, in this year CG Day with the theme "Change Mindset, Change Life", ITM invited speakers to provide insight and to motivate all ITM employees, including our on-site employees through live video conference. The theme was chosen as it is related with changes in the IT area and information security. Through this year CG Day, ITM wants to inspire all of our people to see that change in any business, including mining, is inevitable and an integral part ITM journey of sustainability.



KOMPETISI CG IN MY DEPARTMENT
CG MY DEPARTMENT COMPETITION

Selain dari sesi seminar, dalam rangka meningkatkan partisipasi karyawan, Kompetisi *CG in My Department* diadakan bagi seluruh karyawan di masing-masing fungsi agar mereka dapat berbagi seluruh aktivitas pelaksanaan di departemen mereka yang merefleksikan implementasi praktik-praktik GCG, terutama dalam interaksinya dengan pemangku kepentingan.

Aside from the seminar session, in order to heighten employees participation, CG in My Department Competition was conducted to invite all employees of each function to share any activities in their department that has demonstrated good practices of GCG in their department, in particularly when dealing with their stakeholders.

KEBERLANJUTAN & PRIORITAS STRATEGIS CSR

Telah menjadi komitmen ITM untuk mengadopsi standar dan prinsip-prinsip internasional dalam upaya menilai risiko dan meningkatkan dampak positif dari kegiatan komersial yang ITM lakukan terhadap aspek lingkungan, dan pengembangan sosial dan ekonomi. Untuk itu, kebijakan dan kegiatan usaha ITM mengacu terhadap berbagai sistem manajemen dan standar internasional, yaitu Sistem Manajemen Mutu ISO 9001, Sistem Manajemen Lingkungan ISO 14001, Sistem Manajemen Kesehatan Keselamatan Kerja OHSAS 18001, dan terakhir Pedoman Tanggung Jawab Sosial Perusahaan ISO 26000. Lebih jauh, demi dapat mengintegrasikan sepenuhnya standar ISO 26000 dalam organisasi, ITM telah menetapkan *blue print* dan *milestone* penting untuk 5 tahun ke depan. [G4-15]

SUSTAINABILITY & CSR STRATEGIC PRIORITIES

It has been ITM's commitment to adopt the international standards and international principles to assess risks and enhance the positive impacts of our commercial activities on the environment, and on social and economic development. Our policy and business activity has been implementing international standard including various international management systems and standards throughout our operations, namely Quality Management System ISO 9001, Environment Management System ISO 14001, Occupational Health and Safety Management System OHSAS 18001, and our latest adoption of Corporate Social Responsibility Guidance for Implementation ISO 26000. In order to fully embrace ISO 26000 into organization, we have established implementation blue print and key milestones for 5 years onward. [G4-15]

VOIS - VOICE OF STAKEHOLDERS

Sebagai pendekatan pertama Perusahaan dalam menerapkan ISO 26000 di ITM, tahun ini ITM mendirikan sebuah pusat pengaduan yang dilengkapi kebijakan dan prosedur lebih jelas, yang dinamakan VoiS (Voice of Stakeholders). Pusat pengaduan terintegrasi ini menjadi wadah bagi pemangku kepentingan (misalnya karyawan, customer, pemasok, pemegang saham, masyarakat publik, dsb.) dapat menyuarakan keprihatinan dan/atau keluhan mereka sehingga ITM dapat merespon secara cepat dan efektif sesuai Prinsip-prinsip GCG dan menghindari masalah-masalah yang lebih serius. Manfaat lainnya dari fasilitas ini adalah Perusahaan dapat mengadministrasikan seluruh pengaduan yang diterima secara sistematik dan transparan serta memiliki database untuk penyelesaian pengaduan.

VoiS adalah sistem yang dikembangkan dan dikelola secara internal oleh ITM untuk menyelesaikan keluhan-keluhan berdasarkan Kebijakan & Prosedur Penanganan Keluhan ITM. Melalui VoiS, pemangku kepentingan dapat mengungkapkan ketidakpuasan atas suatu tindakan atau tidak adanya suatu tindakan, tentang standar/ kekurangan layanan atau meminta tindakan perbaikan di tujuh bidang inti ISO 26000, yaitu: Tata Kelola Organisasi, Hak Asasi Manusia, Praktik Ketenagakerjaan, Lingkungan, Praktik Operasional yang Adil, Isu Konsumen, dan Keterlibatan dan Pengembangan Masyarakat.

Seluruh pemangku kepentingan, termasuk warga ITM, pelanggan, mitra dagang/kreditur, kontraktor, agen/pemasok, konsultan, vendor, Pemerintah, masyarakat dan pihak-pihak lain yang berkaitan dengan bisnis perusahaan dapat menggunakan VoiS dan mengirimkan atau memantau laporan mereka melalui situs VoIS di www.voisitmg.com, yang dapat diakses melalui berbagai perangkat, seperti komputer dan mobile devices yang menggunakan Android, iOS, dan Blackberry. Administrator VoIS adalah Komite Grievance yang bertanggung jawab untuk mengelola laporan yang diterima dan memastikan tindak lanjut yang diperlukan untuk menyelesaikan laporan pengaduan

Kami telah melengkapi mekanisme VoiS dengan kebijakan, prosedur dan fasilitas yang sesuai. Sebagai langkah pertama, mekanisme VoiS diluncurkan bagi para pemangku kepentingan internal (warga ITM) pada 10 Desember 2015. Implementasi internal ini akan ditinjau dan dievaluasi setelah 3 bulan implementasi internal. Kami menargetkan untuk meluncurkan mekanisme VoIS bagi pemangku kepentingan eksternal sebelum akhir 2016.

As our first approach in implementing ISO 26000 in ITM, this year ITM established an integrated grievance center equipped with a clearer policy and procedure that named as VoiS (Voice of Stakeholders). This integrated grievance center is a channel where stakeholders (e.g. employee, customers, suppliers, shareholders, general public etc.) can voice their concerns and/or complaints and ITM can resolve those complaints as early and effectively as possible based on GCG Principles and avoid any undue escalation. The other benefits from this facility are the Company could administer all received grievances in a systematic and transparent manner and have data base on the grievances settlement.

VoiS is a system which is developed and maintained internally by ITM for resolving grievances based on ITM's Grievance Handling Policy & Procedure. Through VoiS, stakeholders can expresses any dissatisfaction about an action or lack of action, about the standard of service/ deficiency of service or ask for remedial action in the area of ISO 26000 seven core subjects, which are: Organizational Governance, Human Rights, Labor Practices, The Environment, Fair Operating Practices, Consumer Issues, and Community Involvement and Development.

All stakeholders, including employees, customers, trading partner/ creditors, contractors, agents/ suppliers, consultants, vendors, Government, community and other parties relating to company business can use VoiS and submit or monitor their report and its progress through VoIS website at www.voisitmg.com, which can be accessed through various devices, such as computers and also mobile devices that are using Android, iOS, and Blackberry. The administrator of VoiS is the Grievance Committee who is responsible to administer the reports received and ensure necessary and follow-ups to resolve the grievance reports.

We have equipped the VoiS mechanism with the appropriate policy, procedure and facilities. As the first step, the VoiS mechanism was launched for internal stakeholders (employees) on 10 December 2015. This internal implementation will be reviewed and evaluate following this first phase of internal implementation. We aim to launch VoiS mechanism for our external stakeholders before the end of 2016.

SDM

PEOPLE



6

Warga ITM adalah penggerak penting dari keberlanjutan Perusahaan. Pekerja keras yang kreatif dan inovatif yang menghasilkan produk dan layanan, bersama-sama Perusahaan melalui segala tantangan dalam merealisasikan semua target. ITM berkomitmen untuk menjadi Pemberi Kerja Pilihan di mana SDM dapat mengejar impian mereka dan berkembang bersama Perusahaan.

ITM's citizens are the engine of the Company's sustainability. The hard working, creative and innovative talents behind our products and services who stand with this Company through challenges in pursuing of targets. ITM is committed to be an Employer of Choice where our people can pursue their dreams and grow with us.


TRUST
TRUST
TRUST

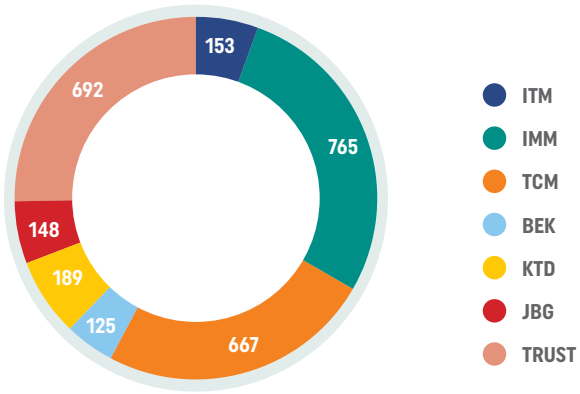
PROFIL KARYAWAN [G4-10]

Per Desember 2015, ITM mempekerjakan total 2.739 warga ITM di berbagai lokasi di Indonesia.

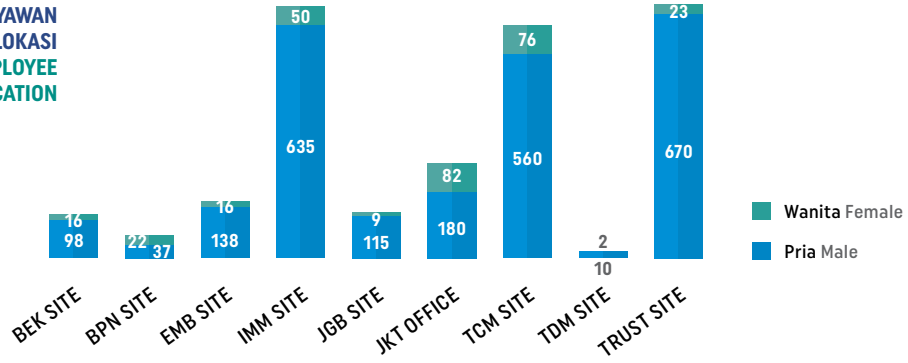
EMPLOYEE PROFILE [G4-10]

As of December 2015, ITM employs a total 2,739 people working at various locations in Indonesia.

TOTAL KARYAWAN BERDASARKAN ANAK PERUSAHAAN
TOTAL EMPLOYEE NUMBER BY SUBSIDIARY

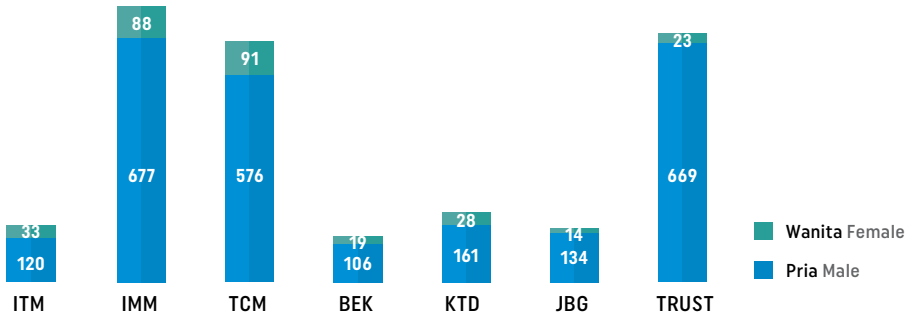


TOTAL KARYAWAN BERDASARKAN LOKASI
TOTAL EMPLOYEE NUMBER BY LOCATION

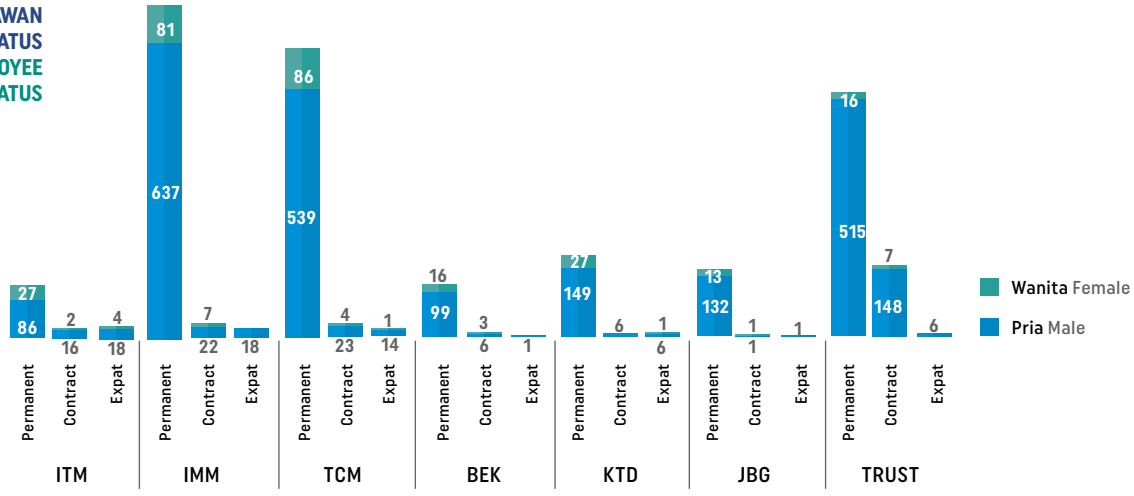




TOTAL KARYAWAN BERDASARKAN GENDER
TOTAL EMPLOYEE NUMBER BY GENDER



TOTAL KARYAWAN BERDASARKAN STATUS
TOTAL EMPLOYEE NUMBER BY STATUS



TOTAL WARGA ITM PER KELOMPOK USIA ITM'S CITIZEN BY AGE GROUP

ANAK PERUSAHAAN SUBSIDIARY	18-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60=<	JUMLAH TOTAL
ITM	-	1	31	28	30	24	17	9	10	3	153
IMM	-	25	91	128	139	180	131	63	7	1	765
TCM	-	37	110	169	172	87	61	23	6	2	667
BEK	-	10	31	45	16	11	6	5	-	1	125
KTD	-	10	41	38	31	31	23	14	1	-	189
JBG	-	1	11	36	32	39	21	6	1	1	148
TRUST	1	47	135	218	171	85	29	6	-	-	692
Total	1	131	450	662	591	457	288	126	25	8	2,739

TOTAL WARGA ITM PER LATAR BELAKANG PENDIDIKAN ITM'S CITIZEN BY EDUCATIONAL BACKGROUND

ANAK PERUSAHAAN SUBSIDIARY	SD ELEMENTARY SCHOOL	SMP JUNIOR HIGH SCHOOL	SMA SENIOR HIGH SCHOOL	D3 DIPLOMA	S1 BACHELOR DEGREE	S2 MASTER DEGREE	S3 DOCTORATE	JUMLAH TOTAL
ITM	2	1	6	15	103	22	4	153
IMM	24	30	432	69	193	17	-	765
TCM	72	48	297	61	179	9	1	667
BEK	3	8	37	11	63	3	-	125
KTD	8	16	91	13	58	3	-	189
JBG	8	17	55	9	54	5	-	148
TRUST	11	37	535	41	68	-	-	692
Total	128	157	1,453	219	718	59	5	2,739

BUDAYA BERAGAM DAN INKLUSIF

Afiliasi dengan Grup Banpu yang berbasis di Thailand dan memiliki operasional bisnis tersebar di berbagai lokasi di seluruh Indonesia menyebabkan ITM memiliki perbedaan budaya, lokasi geografis dan kelompok etnis, dimana hal ini merupakan kesempatan yang dapat dikembangkan menjadi keuntungan perusahaan dalam jangka panjang.

Mempertimbangkan aspek ini, ITM mempersiapkan sistem sumber daya manusia (SDM) yang dapat mengelola manusia dengan cara-cara terbaik yang mempertimbangkan pengoptimalan bakat, mengatur sistem berbagi pengetahuan perusahaan, pemberian manfaat karyawan yang sesuai dan membuka kesempatan lebih bagi semua pihak yang terlibat dalam bisnis, terlepas latar belakang budaya, sosial atau geografis mereka. [G4-DMA]

A DIVERSE AND INCLUSIVE CULTURE

Affiliation with Thailand-based Banpu Group and having business operations that are spread at various locations around Indonesia have allowed the Company to experience a mix of various cultures, geographical locations and people, an opportunity that might be developed into an advantage for the company in the long run.

With this in mind, ITM carefully prepares a human resources system that can best manage our people with consideration of optimizing talents, managing our corporate knowledge sharing, offering proper benefits and opening more opportunities to everyone involved in business, regardless of their cultural, social or geographical background. [G4-DMA]

Sistem ini menggabungkan dan mengadopsi berbagai kebijakan, standar dan pedoman agar dapat menghasilkan praktik-praktik supervisi yang relevan terkait pengembangan karir, proses berbagi dan pengoptimalan pengetahuan, serta pengaturan otoritas yang jelas di masing-masing departemen/bagian.

The system incorporates and adopts various policies, standards and guidelines to provide relevant and applicable practices of supervision of staff, career development, knowledge sharing and optimization, as well as setting a clear authority in each department/section.

Sistem ini juga mencoba untuk mengatasi hambatan geografis agar ada komunikasi yang efektif dan implementasi sistem sumber daya manusia yang sama antara Kantor Pusat di Jakarta dan kantor-kantor operasional di lokasi terjauh. Ada jalur komando yang jelas untuk memastikan alur tugas dan tanggung jawab.

It also tries to overcome geographical barriers in order that there can be an effective communication and identical implementation of human resources practice between our Headquarters in Jakarta and offices at the farthest operational locations. There is a clear chain of command that will ensure best streaming down of roles and responsibilities.

Selain itu, demi mendukung pengelolan SDM dan kegiatan SDM antar daerah, ITM juga mengembangkan Sistem Informasi Sumber Daya Manusia berbasis web untuk mengakomodasi manajemen SDM. Sistem ini mencatat data yang diperlukan, melakukan analisis dan menyusun laporan pelaksanaan manajemen SDM dan dapat diakses oleh personil ITM di semua lokasi operasional.

In addition, to support HR management and HR activities across region, ITM also develops a web-based Human Resources Information System to accommodate Human Capital management. The system will record necessary data, conduct analysis and compile reports of the implementation of HR management and accessible by ITM personnel in all operational locations.

Konsisten dengan praktik keberlanjutan Perusahaan, ITM juga bekerja sama dengan vendor dalam memastikan praktik ketenagakerjaan di seluruh rantai pasokan. ITM memastikan agar pemasok dan vendor yang mendukung kebutuhan perusahaan juga mematuhi praktik ketenagakerjaan yang berlaku dan prinsip-prinsip hak asasi manusia yang ITM yakini dalam pemberian lapangan kerja yang aman dan layak kepada tenaga kerja mereka tanpa diskriminasi suku, agama, ras dan kelompok sosial, serta gender.

Consistent with our sustainability practices, ITM also works together with vendors to ensure the establishment of best employment practices throughout the supply chain. ITM ensures that the suppliers and vendors that work to support our company's requirements also comply with applicable labor practices and human rights principles that ITM believes, in order to provide safe and proper employment to their workforce without any discrimination against ethnicity, religion, race and social group, as well as gender.

Selama periode pelaporan ini, ITM tidak pernah menerima laporan mengenai adanya diskriminasi di wilayah kerja Perusahaan. [G4-HR3]

Throughout the reporting period, there were no reports of discrimination in the workplace received by ITM. [G4-HR3]

MENARIK BAKAT BARU

Perusahaan memiliki keinginan untuk dapat menciptakan lingkungan kerja yang memungkinkan pertumbuhan dan pengembangan setiap warga ITM di semua wilayah operasional. Hal ini menjadi sesuatu yang ITM terus lakukan untuk mencapai perusahaan kelas dunia yang membutuhkan tenaga kerja dan tim yang memiliki kualitas terbaik dalam berbagai aspek yang dapat mendukung operasi bisnis Perusahaan secara keseluruhan. [G4-DMA]

ATTRACTING NEW TALENTS

It is the Company's best intention to create a working environment that allows for growth and development of every employee in all operational areas. This promise is something that ITM continues to maintain as our company understands that in striving to become a world-class company the effort requires a workforce and a that possess the best and varied qualities to support our overall business operation. [G4-DMA]

Usaha tersebut harus dipertahankan melalui proses yang komplementer dan komprehensif sehingga dapat mendukung pemilihan kandidat terbaik seraya terus mengembangkan dan membekali SDM agar dapat mendukung perusahaan secara lebih baik dalam jangka panjang.

This effort is maintained through a comprehensive and complementary process that can select best candidates while also continuously developing and equipping them to better support our company in the long run.

Berbagai proses ITM jalankan dalam proses rekrutmen, termasuk pengumuman lowongan kerja di media massa. Selain itu, dalam upaya menarik lulusan baru dari institusi pendidikan, ITM bekerja sama dengan sejumlah perguruan tinggi terkemuka di Indonesia dan mempersiapkan mereka menjadi pemimpin masa depan. Hal ini terutama dilakukan melalui sebuah program yang dinamakan Geologist and Engineer Trainee (GET).

In recruiting new employees, there are various processes that we employ, including job vacancy announcements in the mass media. Moreover, to be able to attract potential new graduates directly from academic institutions, ITM works with a number of Indonesia's leading universities to attract the students and prepare them to become future corporate leaders. This is particularly done through a program that called Geologist and Engineer Trainee (GET).

Selain menerima beasiswa melalui kemitraan ITM dengan beberapa universitas negeri terkait, para mahasiswa mengikuti program pengembangan dimana mereka ditempatkan selama dua bulan di Jakarta dan 10 bulan di site untuk pelatihan lapangan. Para peserta ini diberi tugas proyek dan secara rutin dinilai oleh mentor agar dapat mengembangkan potensi mereka.

In addition to receiving scholarships through ITM collaborative partnerships with several state universities in Indonesia, these students participated in a development program, whereby they spent two months in Jakarta and 10 months for on-the-job training. They were given project assignments and regularly assessed by mentors.

Pelamar kerja yang memenuhi syarat untuk menjadi karyawan ITM, yang sebagian besar berasal dari daerah tempat ITM dan anak perusahaan kami beroperasi, akan melalui serangkaian proses sebelum diterima sebagai calon karyawan ITM. Bila semua persyaratan dan kriteria seleksi terpenuhi, ITM mengutamakan calon karyawan ITM dari daerah setempat. Pendekatan ini mendukung perekrutan tenaga kerja lokal ini juga diterapkan dalam promosi karyawan ITM menjadi manajer senior.

Eligible applicants for future ITM employees, mostly coming from the areas where ITM and our subsidiaries operate, will then be processed accordingly prior to being accepted as prospective employees. Should all the requirements and selection criteria be met, ITM prioritizes the enrollment of prospective employees from that local areas. This approach to encourage local employment is also applied in the promotion of ITM's employee to senior managers.

Sebelum mereka diterima sebagai karyawan tetap, karyawan baru harus menjalani pelatihan dasar dan berpartisipasi dalam program orientasi bagi warga ITM baru.

Before they are subsequently accepted as permanent staff, new employees must undergo basic training and participate in certain induction programs to be new ITM Citizens. ITM's Citizen.

Pada 2015, ITM merekrut total 225 karyawan baru dengan tingkat *turnover* sebesar 2,2% dikarenakan berbagai alasan, termasuk 23 karyawan memasuki masa pensiun, 59 karyawan lainnya mengajukan pengunduran diri sukarela dan 5 karyawan meninggal. *Turnover* dalam jumlah besar terjadi di PT Kitadin Tandung Mayang akibat aktivitas penutupan tambang pada tahun tersebut. [G4-LA1]

In 2015, ITM recruited a total 225 new employee and had a 2.2% turnover rate due to various reasons, which include a total of 23 employee entering their retirement period, 59 others submitted their voluntary resignation and 5 employee passed away. A significant number of turnover occurred in PT Kitadin Tandung Mayang due to mine closure activity during the year. [G4-LA1]

PENGUNDURAN DIRI SUKARELA DAN PEMBERHENTIAN WARGA ITM PADA 2015
VOLUNTARY AND INVOLUNTARY RESIGNATION IN 2015

PENJELASAN	TOTAL	DESCRIPTION
Mengundurkan Diri	64	Resign
Pensiun	23	Pension
Meninggal Dunia	5	Passed Away
Masa Kontrak Berakhir	51	End of Contract
Tutup Tambang	402	Mine Closure
Tidak Layak bekerja Karena Masalah Kesehatan	1	Unfit to Work due to Health Condition
Pelanggaran	3	Wrongdoing
Total	**549**	**Total**

PELATIHAN & PENGEMBANGAN

Setelah menyelesaikan proses rekrutmen, sistem manajemen SDM di ITM berlanjut dengan proses monitoring dan pengembangan warga ITM untuk mencapai tingkat kompetensi yang dapat mendukung kinerja organisasi.

Proses selanjutnya dilakukan melalui pelatihan formal, pelatihan di kelas, sesi belajar mandiri (termasuk *e-learning),* berbagi pengetahuan dan pelatihan *on-the-job.* Pelatihan formal fokus pada peningkatan berbagai keterampilan teknis dan non-teknis, termasuk keterampilan manajerial, keterampilan operasional, perilaku, dan lain-lain.

Secara khusus, rencana pengembangan kompetensi bagi manajer senior akan mencakup kepemimpinan dan kewirausahaan, sementara rencana pengembangan kompetensi untuk manajer menengah berfokus pada pengetahuan profesional dan manajemen SDM.

Partisipasi dalam pengembangan kompetensi juga menjadi indikator yang akan digunakan dalam Penilaian Kinerja oleh para supervisor di setiap unit kerja.

Dalam melaksanakan program pelatihan dan pengembangan teknis, ITM memiliki *Technical Training Roadmap* yang digunakan sebagai pedoman dalam melaksanakan pelatihan untuk pembekalan aspek teknis dimulai dari pembuatan modul training yang sesuai dengan proses bisnis perusahaan.

TRAINING & DEVELOPMENT

After completing the recruitment process, ITM human resources management system continues with the process of monitoring and developing ITM Citizens in the process of monitoring and developing ITM's Citizen in order to achieve the level of competence that is needed to support the organization's performance.

This next process is conducted through a set of activities, e.g. formal training, in-class training, self-learning (including e-learning), knowledge sharing sessions and on-the-job training. Formal training focusses on improving various technical and non-technical skills, including managerial skills, operational skills and behavior.

In particular, competence development plans for senior managers include leadership and entrepreneurship, while competence development plans for middle managers focus on professional knowledge and people management.

Participation in competence development activities are indicators used in Performance Assessment by supervisors in each work unit.

In conducting all training and development programs, ITM has a Technical Training Roadmap to be used as a guideline for implementing technical training starting from the development module according to the company's business processes.

Pada 2015, ITM menyelenggarakan 348 pelatihan, 212 pelatihan in-house dan 136 pelatihan eksternal serta program sertifikasi, yang diikuti oleh 1.202 karyawan dengan rata-rata jam pelatihan bagi karyawan pria adalah 20 jam per tahun dan rata-rata jam pelatihan bagi karyawan wanita adalah 19 jam per tahun. Data selengkapnya dapat dilihat di bawah ini. [G4-LA9]

In 2015, ITM conducted 348 training programs, 212 of which were in-house and 136 were external and certification. All In total, the training was attended by a total of 1,202 participants with average hours of training for male employees in 2015 at 20 hours per year, while for female employees it was 19 per year. The details are provided below. [G4-LA9]

PARTISIPASI DALAM PROGRAM PENGEMBANGAN PADA 2015 PARTICIPATION IN DEVELOPMENT PROGRAMS IN 2015

METODE METHOD	JUMLAH PESERTA NUMBER OF PARTICIPANTS	JUMLAH HARI PELATIHAN NUMBER OF TRAINING DAYS	PERSENTASE DARI TOTAL PESERTA PERCENTAGE OF TOTAL PARTICIPANTS
Seminar	11	19	1%
Lokakarya/Workshop	259	57	18%
Training	1,093	5,263	79%
Sertifikasi/Certification	21	801	2%
Total	1,384	6,140	100%

PERUSAHAAN COMPANY	JUMLAH PESERTA TOTAL PARTICIPANTS		JUMLAH JAM TOTAL HOURS		TOTAL EMP.		JAM RATA-RATA / WARGA ITM AVERAGE HOURS / ITM's Citizen		JAM RATA-RATA / PESERTA AVERAGE HOURS / PARTICIPANTS	
	WANITA FEMALE	PRIA MALE	WANITA FEMALE	PRIA MALE	WANITA FEMALE	PRIA MALE	WANITA FEMALE	PRIA MALE	WANITA FEMALE	PRIA MALE
BEK	8	70	360	4168	19	106	19	39	45	60
ITM	25	73	1128	2216	33	120	34	18	45	30
IMM	50	347	1272	12720	88	677	14	19	25	37
JBG	9	59	280	2272	14	134	20	17	31	39
KTD	14	76	376	2408	28	161	13	15	27	32
TRUST	14	230	416	12120	23	669	18	18	30	53
TCM	36	191	1408	7976	91	576	15	14	39	42
	156	1046	5,240	43,880	296	2,443	19	20	35	42

Selain menyediakan program pelatihan dan sertifikasi, ITM juga mendukung warga ITM yang ingin mengejar pendidikan yang lebih tinggi, dengan mempertimbangkan kinerja pekerjaan, latar belakang pendidikan serta kemungkinan perkembangan masa depannya.

On top of providing training and certification programs, ITM also sITM Citizens who want to pursue further education, with consideration to their work performance, educational background and possible future growth.

Secara total, ITM mengeluarkan dana sebesar US$646.434 untuk semua kegiatan pengembangan kompetensi di tahun 2015.

In total, ITM spent US$646,434 for all competence development programs in 2015.

PROGRAM	TOTAL ANGGARAN AMOUNT OF BUDGET	TOTAL BIAYA AMOUNT OF EXPENSE	PERSENTASE DARI TOTAL ANGGARAN PERCENTAGE OF TOTAL BUDGET	PROGRAM
Pendidikan Lanjutan	272,076	69,930	22%	Further Study
Outside Training	305,890	176,765	25%	Outside Training
In-house Training	650,812	399,738	53%	In-house Training
Total	**1,228,778**	**646,433**	**100%**	**Total**



Rata-rata jam pelatihan adalah 18 jam per karyawan per tahun
Average of Training Hours is 18 hours per employee per year

Jumlah peserta pelatihan
Total training participants are

1.202 karyawan employees

Total Investasi untuk Karyawan Training & Development Program mencapai
Total Investment for Employees Training & Development Programs reached

USD646,434

Lebih lanjut, ITM menjamin kesetaraan peluang bagi semua karyawan untuk mengejar pengembangan karir. ITM melakukan penilaian kinerja berkala untuk terhadap 2.376 karyawan pria dan 282 karyawan wanita atau 89% karyawan pria dan 11% karyawan wanita di tahun 2015. Total 228 karyawan dipromosikan ke tingkat jabatan yang berbeda/lebih tinggi dan 417 karyawan dirotasi. [G4-LA11]

Furthermore, ITM guarantees equal opportunities for all employees to pursue career development. In 2015, ITM appraised the performance of 2,376 male and 282 female employees, in a breakdown of 89% to 11% of total, respectively. From the appraisal, a total of employees 228 were promoted to different/higher work level and 417 employees were being rotated. [G4-LA11]

Secara khusus dalam melakukan penilaian, keputusan didasarkan kepada data kompetensi dan kriteria ITM yang sudah ditetapkan sebelumnya. Penilaian Kinerja Karyawan ITM mempersyaratkan karyawan untuk menetapkan target setiap individu agar sejalan dengan Tujuan Strategis ITM. Tujuan ini ditentukan dengan menjalankan kriteria SMART *(Specific, Measurable, Achievable, Realistic, Time-bound)* serta menjalankannya secara transparan dan dipertanggungjawabkan.

Particularly for performance appraisals, decisions reached are based on competence data and ITM's predetermined criteria. Employee Performance appraisal in ITM asks employees to set individual targets to be aligned with ITM's Strategic Objectives. These objectives are determined by applying SMART (Specific, Measurable, Achievable, Realistic, Time-bound) criteria and conducted in a transparent and accountable way.

Penilaian kinerja dijalankan secara periodik oleh masing-masing karyawan dan juga oleh supervisor langsung maupun tidak langsung. Hasil dari penilaian kinerja dan kompetensi akan digunakan dalam perencanaan dan implementasi program pengembangan pegawai, rotasi, mutasi dan promosi.

Performance appraisals are carried out periodically by the employees individually, as well as by direct and indirect supervisors. Results from assessments on performance and competence are used for planning and implementation of employees' development programs, rotations, transfers and promotions.

Untuk lebih memotivasi karyawan dalam upaya mereka mencapai visi dan misi Perusahaan, ITM memberi penghargaan kepada karyawan yang telah mencapai kriteria tertentu. Achievement Award diberikan setiap tahun kepada karyawan yang memperkenalkan upaya inovasi dan peningkatan, melalui kompetisi tahunan KOMPAK (Kelompok Peningkatan Aktivitas Kerja), dan kepada karyawan yang telah memenuhi standar 5S *(Seiri, Seiton, Seiso, Seiketsu* dan *Shitsuke*—Terorganisir, Rapi, Teratur, Bersih & Disiplin). Sementara itu, *Employee of the Year Award* diberikan kepada karyawan berdasarkan kriteria penilaian yang telah ditentukan. Terakhir, *Service Award* diberikan kepada karyawan yang memiliki masa kerja kontinyu selama 8, 16, 24, dan 32 tahun.

To further motivate employees in their effort to achieve the vision and mission of the Company, ITM presents awards to employees with certain criteria. The awards are given under three categories. Achievement Award is presented every year to employees who have introduced their innovation and improvement efforts, through Improved Activity Working Group (KOMPAK) competition held once a year, and to employees who have fulfilled 5S (Seiri, Seiton, Seiso, Seiketsu & Shitsuke—Organized, Tidy, Neat, Clean & Disciplined) standards. Meanwhile, Employee of the Year Award is given to one employee per year based on predetermined assessment criteria. Lastly, ITM's Service Award is given to employees who have successfully completed consecutively service year of 8, 16, 24, and 32 years.

KESEJAHTERAAN, KESEHATAN & KESELAMATAN

Kesejahteraan Warga Perusahaan

ITM memberikan paket remunerasi yang setara kepada seluruh karyawan sesuai dengan peraturan dan perundangan ketenagakerjaan dan industri yang berlaku. Aspek yang dipertimbangkan dalam paket remunerasi karyawan, termasuk jam kerja, jabatan, kinerja keuangan Perusahaan, kondisi ekonomi dan standar remunerasi karyawan yang berlaku. Aspek lain yang juga dipertimbangkan dalam remunerasi karyawan adalah kompetensi dan kinerja karyawan ITM. [G4-DMA]

Komponen kompensasi karyawan termasuk di antaranya:

1. Gaji Pokok
2. Insentif
3. Tunjangan Perjalanan Bisnis
4. Bantuan Perumahan
5. Bantuan Transportasi, Kredit Mobil
6. Makanan
7. Tunjangan Jabatan
8. Tunjangan Hari Raya (THR)
9. Tunjangan Cuti Panjang
10. Tunjangan Relokasi
11. Bonus Tahunan (tergantung Kinerja Perusahaan)
12. Tunjangan Medis - Rawat Inap dan Rawat Jalan
13. Bantuan kacamata bagi karyawan dan keluarga
14. Bantuan Pernikahan
15. Bantuan masa berkabung
16. Asuransi Jiwa (Kematian, Kecelakaan Kerja)
17. Penghargaan Masa Kerja

Dalam hal remunerasi, ITM tidak membedakan atas dasar gender. Pada tahun 2015, rasio remunerasi antara karyawan level jabatan tertinggi dan karyawan level jabatan terendah adalah 1:80, sedangkan rasio karyawan pria dan wanita di level manajemen senior adalah 1:1,6, dan rasio antara karyawan pria dan wanita di level jabatan terendah adalah 1:1,3. [G4-EC5]

WELFARE, HEALTH& SAFETY

Corporate Citizen's Welfare

ITM provides fair remuneration package to all employees compliant to applicable existing industrial and employment rules and regulations. Aspects considered in employee remunerations packages include working hours, work position, financial performance of the Company, economic conditions and applicable remuneration standard. Other aspects that also considered in employee's remuneration is employee's competencies and performance. [G4-DMA]

The components of employee's compensation are:

1. Basic Salary
2. Incentive
3. Business Trip Allowances
4. Housing Assistance
5. Transportation Assistance, Car Loan
6. Meal Assistance
7. Position Allowance
8. THR
9. Long Leave Allowance
10. Relocation Allowance
11. Annual Bonus (depends or Company's Performance)
12. Medical – Inpatient and Outpatient
13. Eyeglasses Assistance for Employee and Family
14. Wedding Assistance
15. Bereavement Assistance
16. Life Insurance (Normal Death, Occupational Accident)
17. Service Award

In terms of workforce remuneration, ITM does not differentiate on the basis of gender. In 2015, the remuneration ratio of the highest level employees to the lowest level employees is 1:80, while the ratio for male to female employees at senior management level is 1:1.6, and for male to female employees at the lowest level was 1:1.3. [G4-EC5]

Karyawan tetap ITM berhak atas cuti tahunan, termasuk hak istirahat lapangan di beberapa wilayah operasional bagi karyawan yang telah bekerja selama jangka waktu tertentu.

ITM's permanent employees are entitled to have an annual leave, including field breaks in some operational locations for employees who have worked consecutively for a particular length of time.

Karyawan wanita boleh mengambil cuti haid dan cuti melahirkan dan berhak kembali ke posisi kerja sebelumnya. Pada 2015, total 22 karyawan wanita mengambil hak cuti hamil.

Female employees are allowed to take monthly leave and maternity leave. Upon their return they are guaranteed their original positions. In 2015, a total of 22 female employees took their maternity leave.

Jaminan yang sama juga diberikan kepada karyawan yang telah bekerja selama jangka waktu tertentu untuk melakukan ibadah haji atau ziarah keagamaan. Selama ibadah haji, mereka tetap mendapatkan hak-hak mereka sebagai karyawan.

The same guarantee is also given to employees, who have worked for a certain length of time, to perform Hajj or similar religious pilgrimages. During the pilgrimage, they continue receiving their rights as employees.



Rata-rata upah minimum untuk karyawan baru di tingkat bawah (sarjana) adalah

RP. 4.583.000,46%

lebih tinggi daripada rata-rata standar upah minimum nasional dan

50% lebih tinggi dari standar upah minimum nasional di sektor pertambangan [G4-EC5]

The average minimum standard entry level (bachelor degree) wage in ITM is

RP. 4,583,000, 46%

higher than the average National Minimum Wage standard and

50% higher than the National Mining Sector Wage Standard [G4-EC5]

Jumlah remunerasi dan imbalan kerja tahun 2015 adalah
Total remuneration and employee benefits of 2015 was **US$61.056.269**

KETERIKATAN KARYAWAN [G4-11]

Hubungan kerja di ITM ditandai dengan saling menghormati antar warga ITM akan keseimbangan antara pemenuhan hak dan pelaksanaan kewajiban. Komunikasi intensif dan keterlibatan dua pihak, yaitu manajemen Perusahaan dan warga ITM, yang diwakili oleh serikat buruh, dalam forum bipartit terus dipertahankan karena menjadi hal penting dalam pencapaian target bisnis ITM.

ITM mendukung karyawannya untuk berpartisipasi dalam serikat pekerja dan menjalankan komunikasi yang rutin dengan serikat pekerja melalui forum bipartit. Hubungan yang saling mendukung antara manajemen dan warga ITM juga diwujudkan dalam Perjanjian Kerja Bersama (PKB) yang secara berkala ditinjau dan diperbarui agar mencerminkan standar terbaru yang berlaku di pasar.

EMPLOYEE ENGAGEMENT [G4-11]

ITM establishes relationships based based on mutual respect with its employees, providing a balance of fulfillment of employees' rights and the execution of obligations. Intensive communication and involvementin the bipartite forum, between the Company's management and ITM's citizen as represented by labor unions, are of equal importance in achieving ITM's business targets.

ITM encourages employees to participate in labor unions and maintain regular communication with these labor unions through bipartite forums. A mutually supportive relationship between ITM management and its employees is manifested in Collective Labor Agreement (CLA) that regularly reviewed and updated to reflects the latest prevailing standards in the labor market.

PKB dan Peraturan Perusahaan (PP) mencakup antara lain hal-hal yang berhubungan dengan ketenagakerjaan:

- Hak dan kewajiban dari Perusahaan dan karyawan, termasuk: hubungan kerja, syarat dan kondisi kerja, dan peraturan perusahaan.
- Penyelesaian perbedaan pendapat, penyampaian pendapat dan prosedur musyawarah.
- Pemutusan kerja dan insentif pensiun.
- Skala remunerasi dan tunjangan.

Sehubungan dengan kebebasan berserikat, ITM menjamin hak karyawan untuk berpartisipasi dalam organisasi karyawan atau serikat pekerja di dalam struktur perusahaan, termasuk kebebasan untuk menjadi pemimpin serikat pekerja tersebut, sesuai UU No 21/2000 tentang Serikat Pekerja/Serikat Buruh. Jaminan ini juga diatur dalam PKB dan PP di Bab dan Pasal yang mengatur "Kedudukan Serikat Pekerja".

Memberikan pelayanan kepada karyawan yang mendekati usia pensiun, ITM mendistribusikan program pensiun bagi warga ITM tetap melalui program Jaminan Hari Tua Jamsostek (JHT), dengan kontribusi ITM sebesar 3,7% dari total biaya dan setiap karyawan memberikan kontribusi sebesar 2%. Selain itu, pensiun karyawan akan menerima dua kali pesangon, bonus dan tunjangan kompensasi.

Selain itu, ITM juga memberikan pelatihan kewirausahaan bagi karyawan mendekati masa pensiun, di mana mantan karyawan ITM yang memiliki bisnis mereka sendiri diundang sebagai fasilitator tamu, untuk memperlengkapi karir paska pensiun mereka.

Terakhir, ITM memiliki Rencana Pensiun Dini, yang diatur dalam Perjanjian Kerja (PKB atau PP) di bawah terminologi 'pensiun khusus'. Seorang warga ITM dapat mengajukan pensiun khusus jika mereka telah bekerja selama setidaknya 10 tahun untuk ITM dan telah mencapai usia setidaknya 40 tahun, atau telah bekerja selama 20 tahun untuk Grup ITM.

The PKBs and PPs cover among others the following labor-related issues:

- Rights and obligations of both the Company and employees, including: work relations, terms and conditions of employment, and company rules.
- Dispute settlement, delivery of opinions and deliberation procedures.
- Employment termination and retirement incentives.
- Remuneration scales and work benefits.

In relation with the freedom of association, ITM guarantees the right of its employees to associate in the form of an employee organization or labor union within the Company's structure, including the freedom to become the leaders of such labor unions, as stipulated by Law No. 21/2000 on Labor/Trade Unions. This guarantee is also stipulated in each of the PKBs and PPs referred to above, in the Sections and Articles that govern "Labor Union Status".

Providing care to employees approaching their retirement age, ITM provides a pension plan for our permanent staff through Jamsostek's retirement plan (JHT) program, with ITM contributing 3.7% of the total costs and each employee contributing 2%. In addition, retiring employees will receive two times severance pay, gratuities and compensation benefits.

In addition, ITM also provides entrepreneurship training for employees nearing retirement, in which former ITM employees who have their own businesses are invited as guest facilitators, in order to equip them for a post-retirement career.

Lastly, ITM has an Early Retirement Plan, which is regulated in the Labor Agreement (PKB or PP) under the terminology of 'special retirement'. An employee may propose this special retirement if they have worked for at least 10 years for ITM and have reached at least 40 years of age, or have worked for 20 years for ITM group.

SERIKAT PEKERJA DI ITM LABOUR UNIONS IN ITM [G4-11]	JUMLAH ANGGOTA TOTAL MEMBER
Pengurus Unit Kerja Federasi Serikat Pekerja Kimia, Energi, Pertambangan, Minyak Gas Bumi dan Umum (PUK FSP KEP) PT Kitadin (Embalut) PT Kitadin (Embalut) Chemical, Energy, Mining, Oil and Gas, and General Labor Union Federation Work Unit Organizer (PUK FSP KEP)	146
Serikat Pekerja Kitadin Tandung Mayang (SPKTM) Kitadin Tandung Mayang Labor Union (SPKTM)	-
Federasi Pertambangan dan Energi – Serikat Buruh Sejahtera Indonesia (PK FPE SBSI) PT Kitadin (Tandung Mayang) Mining and Energy Federation - PT Kitadin (Tandung Mayang) Sejahtera Indonesia Labor Union (PK FPE SBSI)	-
Serikat Pekerja Keadilan PT Kitadin (Tandung Mayang) PT Kitadin (Tandung Mayang) Keadilan Labor Union	-
Pengurus Komisariat Serikat Buruh Sejahtera Indonesia (PK SBSI) PT Indominco Mandiri PT Indominco Mandiri Sejahtera Indonesia Labor Union Commissariat Organizer (PK SBSI)	417
Serikat Pekerja Indominco Mandiri (SPIM) Indominco Mandiri Labor Union (SPIM)	177
Pengurus Unit Kerja, Serikat Pekerja Kimia, Energi dan Pertambangan Serikat Pekerja Seluruh Indonesia (PUK SP KEP SPSI) PT Jorong Barutama Greston PT Jorong Barutama Greston Work Unit Organizer, Chemical, Energy and Mining, Seluruh Indonesia Labor Union (PUK SP KEP SPSI)	110
Serikat Pekerja PT Trubaindo Coal Mining PT Trubaindo Coal Mining Labor Union	
TOTAL	850

Sebanyak 2.158 responden atau 74% karyawan berpartisipasi dalam Employee Engagement Survey ITM tahun 2015. Survei ini menilai 3 (tiga) aspek keterlibatan karyawan, termasuk *Say* (menyampaikan hal-hal positif tentang perusahaan), *Stay* (dengan organisasi) dan *Strive* (melakukan lebih dari yang diharapkan).

Dalam survei yang dikoordinasikan oleh perusahaan konsultan Aon Hewitt, ITM mempertahankan hasil positif di tahun 2015 dengan skor 83% atau masuk kategori Top Kuartil, hasil yang secara signifikan lebih tinggi dibandingkan dengan survei skor pada 2013 dari 54%.

Dari survei tersebut, ITM juga menerima masukan karyawan yang Perusahaan perlu tingkatkan, termasuk komunikasi dan peluang karir.

Selanjutnya, ITM melibatkan karyawan di Focus Group Discussion (FGD) untuk mendapatkan hasil kualitatif yang lebih rinci agar dapat menangkap aspek yang dapat meningkatkan keterlibatan karyawan di masa depan.

A total 2,158 respondents or 74% employees participated in ITM's Employee Engagement Survey in 2015. The survey assesses 3 (three) aspects of employee engagement, including Say (positive things about the company), Stay (with the organization) and Strive (to go above and beyond).

In the survey coordinated by Aon Hewitt consulting firm, ITM maintained a positive result in 2015 with 83% score or within the category of Top Quartile, a significantly higher result compared to survey score in 2013 of 54%.

From the survey, ITM also received feedbacks from employees that the Company needs to improve, including communication and career opportunity.

Further, ITM engages employees in Focus Group Discussions (FGD) to get a more detail qualitative results in order to be able to better capture aspects that will enhance employees' engagement in the future.

BUDAYA PERUSAHAAN

Untuk memastikan pelaksanaan praktik-praktik usaha terbaik yang sejalan dengan visi, misi, nilai-nilai dan target Perusahaan di seluruh operasional, ITM membangun budaya perusahaan yang akan memandu seluruh karyawan dalam menjalankan peran dan tanggung jawab mereka serta dalam menjaga hubungan dengan pihak internal dan eksternal dalam kegiatan bisnis sehari-hari.

Hal ini dilakukan dengan mengadopsi nilai-nilai Banpu sebagai budaya perusahaan yaitu Banpu Spirit yang berlandaskan pada empat pilar Inovasi, Integritas, Peduli dan Sinergi. Melalui penerapan Banpu Spirit di semua aspek operasional perusahaan, diharapkan menginternalisasikan spirit secara kontinyu berinovasi menjaga integritas dalam melaksanakan pekerjaan yang terkait pelanggan dan berbagai pihak dengan penuh kepedulian, dan mampu bersinergi dengan pihak terkait demi kepentingan Perusahaan, dan sebagainya.

CORPORATE CULTURE

To ensure implementation of best practices that are in line with the Company's vision, missions, values and targets in all operations, ITM establishes a corporate culture that will guide all ITM's employees in performing their roles and responsibilities as well as in maintaining relationships with internal and external parties during daily business activities.

This is done through adopting the corporate values of Banpu called Banpu Spirit, founded upon the four pillars of Innovation, Integrity, Care and Synergy. With Banpu Spirit implemented in all aspects of our company's operations, citizen are expected to internalize the spirit through continuously being innovative, maintaining integrity in performing their works, relating with customers and various stakeholders with care and being able to synergize with related parties for the Company's best interests, among others.

BANPU SPIRIT

INOVATIF
Berpikir kreatif, cerdas dalam bertindak, berani untuk memulai, berani dan dapat menerima tantangan, proaktif, fleksibel, cakap dalam berbagai hal, mampu beradaptasi, ulet serta terus menerus melakukan pengembangan.

INTEGRITAS
Jujur, etis, dapat diandalkan, disiplin, gigih, berkomitmen, dan transparan.

PEDULI
Terbuka dan tulus, dapat menerima dan mengakomodasi, menghargai orang lain, menghormati, hangat dan perhatian, baik dan murah hati.

SINERGI
Mampu bekerjasama, berpola pikir tanpa prasangka, bekerja dalam kelompok,membangun network, saling mendukung dan berbagi, berupaya untuk mencapai kemenangan bersama.

INNOVATIVE
Think out of the box, act intelligently, dare to initiate, courageous and challenging, proactive, flexible and versatile, adaptive and resilient, continuously developing.

INTEGRITY
Honest, ethical, reliable, disciplined, persistent, committed, transparent.

CARE
Open and sincere, accepting and accommodating, honoring others, respectful, warm and solicitous, kind and generous.

SYNERGY
Cooperative, fair-minded, teamwork, networking, supportive and sharing, strive for win-win.

Banpu Spirit dikomunikasikan dengan memanfaatkan berbagai media dan pelatihan, salah satunya program pelatihan Banpu Spirit *role model*. Implementasi program *role model* ini dilakukan oleh manajemen ITM tertinggi hingga seluruh warga ITM. Survey Banpu Spirit dilakukan setiap tahun untuk melihat tingkat penerapan nilai-nilai Banpu Spirit.

Banpu Spirit is communicated within ITM through various media and training, of which one of them is Banpu Spirit Role Model. This role model implementation is done by ITM top management and all employees. Banpu Spirit survey is done every year to capture the application of Banpu Spirit Value.

Hasil dari Survey Banpu Spirit yang dijalankan ITM pada tahun 2015 menunjukkan hasil implementasi Banpu Spirit aktivitas warga ITM yang baik dengan skor sirvey 79,50%, sedikit menurun dari skor tahun sebelumnya yaitu 79,89% tetapi membuktikan bahwa Banpu Spirit telah tertanam dalam keseharian warga ITM.

Result of Banpu Spirit Survey that was performed in ITM in 2015 showed good implementation of Banpu Spirit with a 79.50% survey score, slightly down compared to the previous year's 79.89%, but nevertheless showing that Banpu Spirit is embedded in the daily activities of ITM.

Dalam survey yang di koordinasikan oleh Aon Hewitt Consulting Firm, 2.158 responden atau 74% dari seluruh karyawan ITM berpartisipasi dalam survey baik secara *online* maupun *offline*.

In the survey that was coordinated by Aon Hewitt consulting firm, a total 2,158 respondents or 74% of all ITM employees participated in the survey that was conducted both online and offline.

Setelah menerima umpan balik dari survey tersebut , ITM menjalankan *Focus Group Discussion* (FGD) dan program tindak lanjut untuk meningkatkan internalisasi Banpu Spirit dalam perusahaan.

Upon receiving feedbacks from the survey, ITM held Focus Group Discussions (FGD) and conducted follow-up programs to improve Banpu Spirit internalization within the Company.

Kesehatan & Keselamatan Kerja

Salah satu aspek yang sangat penting dalam pengelolaan Perusahaan ITM adalah implementasi Program Kesehatan & Keselamatan Kerja (K3) di semua kegiatan usaha ITM, yang mencakup dalam kegiatan internal dan dalam hubungan eksternal dengan berbagai pemangku kepentingan.

K3 dianggap sangat penting terutama karena karakter usaha ITM yang membutuhkan karyawan bekerja di daerah-daerah yang mungkin berbahaya atau memiliki risiko terhadap kesehatan dan keselamatan manusia. Terdapat sekitar 70% karyawan ITM yang saat ini bekerja di daerah dengan potensi risiko terhadap kesehatan dan keselamatan. Oleh karena itu, ITM secara ketat mengimplementasikan program-program K3 yang dapat mengurangi atau menghilangkan risiko terjadinya kecelakaan dan penyakit akibat kerja. [G4-LA7]

Occupational Health & Safety

One very important aspect in the management of our Company is the implementation of the Occupational Health & Safety (OHS) program in all level of ITM's business, which includes within our internal activities and in external relationship with various stakeholders.

OHS is considered very important especially because the nature of our business requires people to work in areas that are considered harmful or possessing risks to the health and safety of people. We have approximately 70% of ITM employees currently working in areas with potential risks to their health and safety. Therefore, ITM rigorously implements OHS programs that can mitigate or eliminate risks of accidents and occupational disease. [G4-LA7]

SDM
PEOPLE

Saat ini ITM memiliki 2.739 karyawan yang peduli akan kegiatan dan program K3, dimana untuk memantau implementasinya dibantu oleh petugas K3, pengawas operasional, dan pengawas teknis pada masing-masing bagian atau Departemen yang bergabung kedalam Komite Kesehatan dan Keselamatan Kerja. Komite K3 adalah sarana bagi manajemen dan semua perwakilan departemen untuk mengembangkan, menerapkan dan mengevaluasi program-program K3 secara berkelanjutan.

Guna terlaksananya program K3 yang terintegrasi di seluruh site, ITM telah menjalankan Sistem Manajemen K3 baik yang bertaraf International melalui OHSAS 18001:2007, dan nasional melalui Sistem Manajemen K3 pertambangan yang wajib dilaksanakan di seluruh perusahaan tambang di Indonesia, baik pemilik ijin pertambangan maupun perusahaan jasa pertambangan melalui PERMEN ESDM No.38 Tahun 2014 tentang Penerapan Sistem Manajemen Keselamatan Pertambangan Mineral dan Batubara, guna terciptanya kepatuhan terhadap Keputusan Menteri Energi dan Sumber Daya Mineral No.555K/26.PE/1995 tentang Kesehatan dan Keselamatan Kerja Pertambangan. Selain peraturan yang mengikat dari Pemerintah, ITM juga menerbitkan peraturan yang terkait dengan Kesehatan dan Keselamatan Kerja melalui Perjanjian Kerja Bersama (PKB) dan Peraturan Perusahaan (PP) agar terciptanya pemahaman yang sama antara perusahaan dan warga ITM. [G4-DMA]

Didalam mencapai budaya K3, ITM menggunakan kerangka yang terdiri dari tiga pilar. Pilar pertama adalah organisasi, pilar kedua adalah manusia dan perilaku, dan pilar ketiga adalah alat dan proses.

Untuk pilar organisasi, perusahaan berkomitmen untuk selalu menjaga terlaksananya Sistem Manajemen K3 yang ada, antara lain *OHS Policy, QSE Management System, Contractor Management System, dan Online Incident Report.* Pilar manusia, ITM memastikan SDM yang ada yang kompeten dan kapabel dalam menjalankan tugasnya melalui pemograman pemenuhan kompetensi, pelatihan, kepedulian dan kepemimpinan K3. GAP Competency, Pelatihan, Kepedulian dan sifat kepemimpinan terhadap K3.

Currently we have 2,739 employees who remain attentive to OHS activities and the top program of K3, which is a monitoring program assisted by OHS officers, operational supervisors and technical supervisors at each section department, as well as the Occupational Health and Safety Committee. OHS committee are place for management and department to develop, implement, and evaluate OHS program in sustainability.

To provide a framework and to guide our implementation in in all levels of the organization, ITM has adopted the international standards OHSAS 18001, and from The company also adheres to national mine management OHS guidelines, as is the case across Indonesia for mining permit owners or mining service companies, contained in Minister of Energy and Mineral Resources Regulation No. 38 of 2014 about the Implementation of Occupational Health and Safety of Mineral and Coal Mining Management System, as well as to Minister of Energy and Mineral Resources Decision No. 555K/26/M.PE/1995 about Mining Occupational Health and Safety. Other than the binding regulations from the government, ITM also issues regulation regarding Occupational Health and Safety as stipulated in the Labor Agreement in order to provide a clear understanding between ITM and the employees.
[G4-DMA]

Our framework follows three pillars of OHS. The first pillar is organization, the second is people and behaviour, and the third pillar is equipment and process.

At the Organization pillar, ITM forms a system and a structure that will enforce the implementation, of existing OHS system, i.e. OHS Policy, QSE Management System, Contractor Management System, and Online Incident Report. The People pillar, ITM ensures the existing human resource are competent and capable in carrying the task through fulfillment of programming competency, training, awareness and OHS Leadership. GAP Competency, Training, Awareness and Leadership towards OHS.

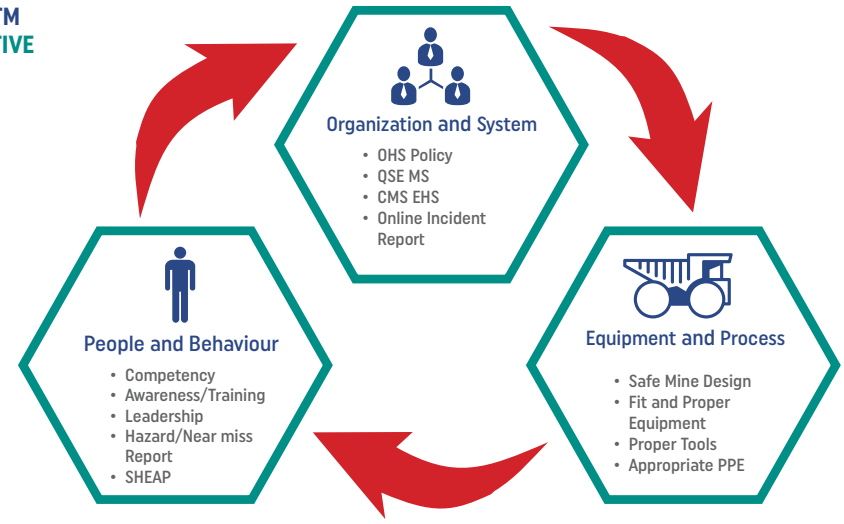
Sedangkan untuk perilaku, ITM menerapkan sistem K3 melalui Laporan bahaya dan hampir celaka yang disebut dengan AWAS (Amati, Waspadai, dan Segera laporkan), SHE-AP *(Safety Health Environmental Acountability Program)* yang artinya tanggung gugat terhadap pengawas, dan pengakuan terhadap sistem-sistem K3 yang berjalan selama ini *(recognition).*

While for the pillar in Behavior, ITM implements its OHS system through AWAS program (Hazard/Near-Miss Report), SHEAP (Safety Health Environmental Acountability Program) which means overseer accountability, and recognition for all OHS systems being implemented.

Pilar peralatan dan proses, ITM memastikan sarana, prasarana, instalasi, dan peralatan dalam kondisi layak dan laik pakai sehingga menjamin berjalannya kegiatan operasional yang aman.

In the equipment and process pillar, ITM ensures that the facilities, installations, and tools are in good and working order so that the operational activities will run safely.

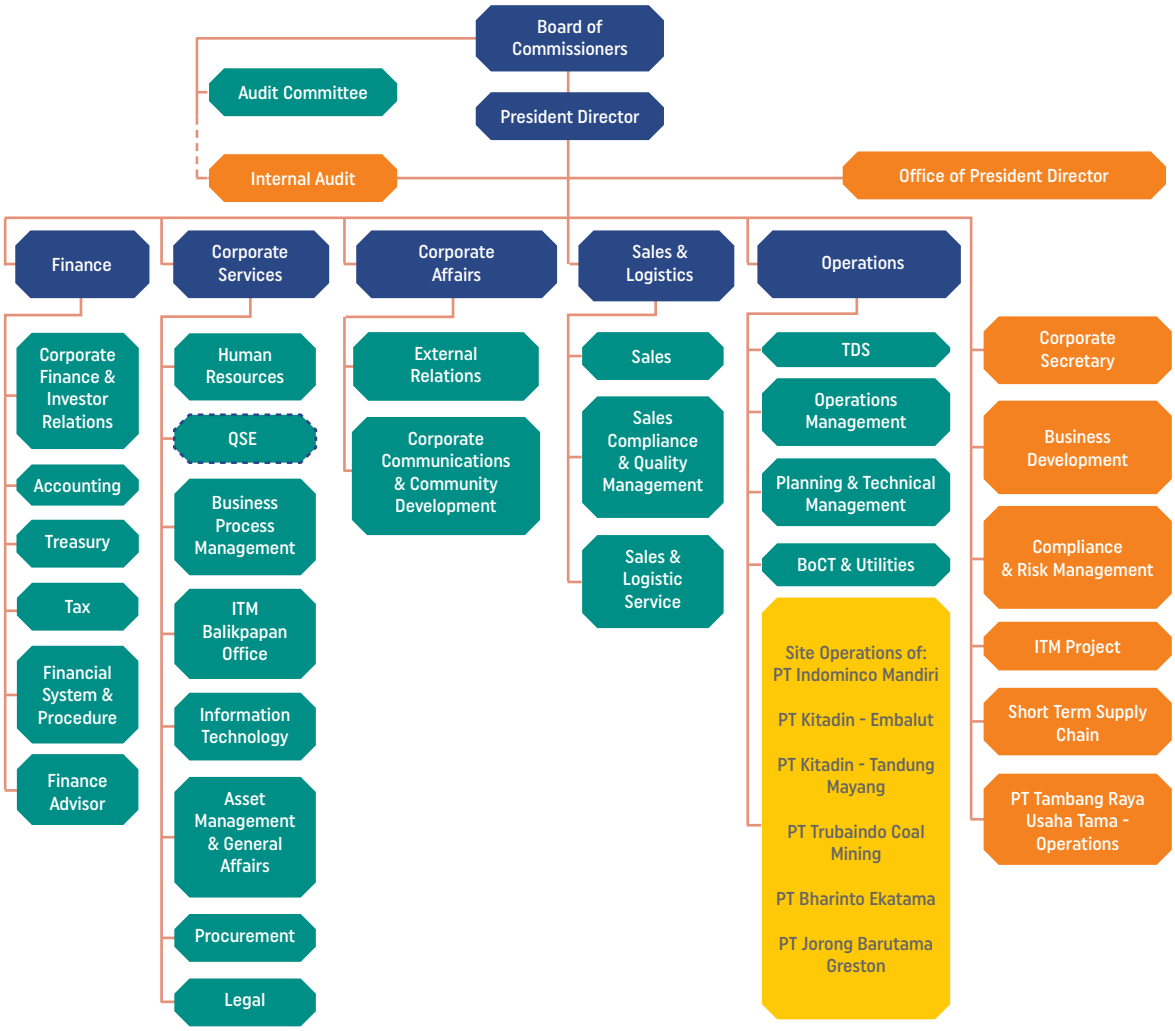
PERSPEKTIF SAFETY CULTURE ITM
ITM SAFETY CULTURE PERSPECTIVE



Implementasi K3 diberlakukan di seluruh tingkatan organisasi dan dipimpin melalui keteladanan. Agar terjadi pengelolaan dan evaluasi pelaksanaan K3 secara efektif, ITM membentuk Departemen Quality, Safety and Environment (QSE) dan menciptakan struktur matriks organisasi agar K3 menjadi bagian dari tanggung jawab individu seluruh karyawan ITM, tanpa kecuali.

OHS implementation is enforced from top to bottom and led by example. To enable effective management and evaluation of OHS implementation, ITM has established the Quality, Safety and Environment (QSE) Department and created a matrix organizational structure in order that OHS can be a part of individual responsibility of all ITM people, without exception.

STRUKTUR K3 ITM OHS STRUCTURE IN ITM



IMPLEMENTASI K3 PADA 2015

Pada 2015, program K3 terus dilaksanakan di seluruh wilayah operasional kerja ITM.

Program-program K3 yang bertujuan mengurangi/menghapus jumlah kecelakaan yang berakibat pada jumlah waktu hilang, di antaranya:

1. Inspeksi K3
2. Pertemuan Komite K3
3. Akuntabilitas K3
4. Kampanye/Promosi K3
5. Pemasangan/penambahan rambu
6. Pengadaan APD dan alat keselamatan
7. Identifikasi bahaya, penilaian risiko dan pengendalian
8. Pelatihan dan Pendidikan K3
9. Simulasi keadaan darurat
10. Pencegahan dan penyelidikan kecelakaan

IMPLEMENTATION OHS IN 2015

OHS programs in 2015 continued to be implemented at all operational ITM work areas.

Programs under OHS category that aimed to reduce/eliminate accidents that result in loss-time were including:

1. OHS inspection
2. OHS Committee meetings
3. OHS Accountability
4. OHS campaigns/promotions
5. Installation/addition of signs
6. Procurement of protective gear and safety tools
7. Identification of dangers, risk assessment and control
8. OHS-related training and education
9. Emergency situation simulation
10. Prevention and investigation of accidents

11. Pengembangan dan pemeliharaan Sistem Manajemen K3
12. Audit Sistem Manajemen K3

Program-program untuk menjaga dan memonitor kesehatan karyawan:
1. Pemeriksaan kesehatan untuk karyawan baru
2. Pemeriksaan kesehatan untuk seluruh karyawan
3. Pemeriksaan kesehatan khusus
4. Pengelolaan higiene dan sanitasi
5. Pengelolaan ergonomis
6. Pengelolaan makanan dan nutrisi karyawan
7. Diagnosis dan pemeriksaan penyakit akibat kerja
8. Pemantauan lingkungan kerja

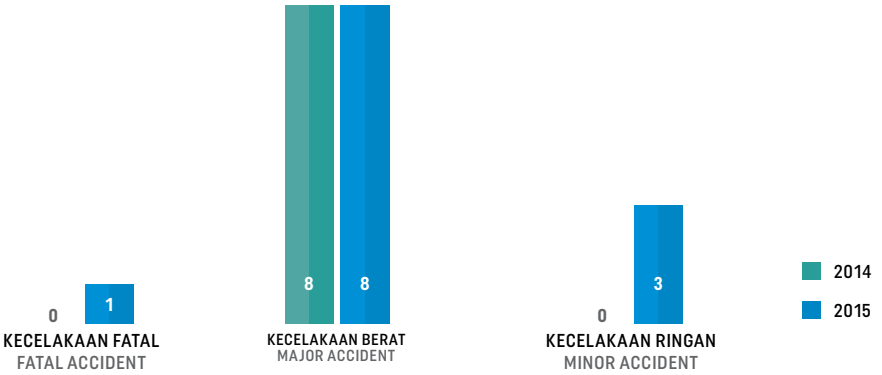
Dengan implementasi program K3 secara ketat dan terfokus di setiap wilayah operasional, ITM berharap jumlah insiden kesehatan dan keselamatan dapat dikurangi, atau bahkan dihilangkan sama sekali.

11. Development and maintenance of OHS Management System
12. OHS Management System audit

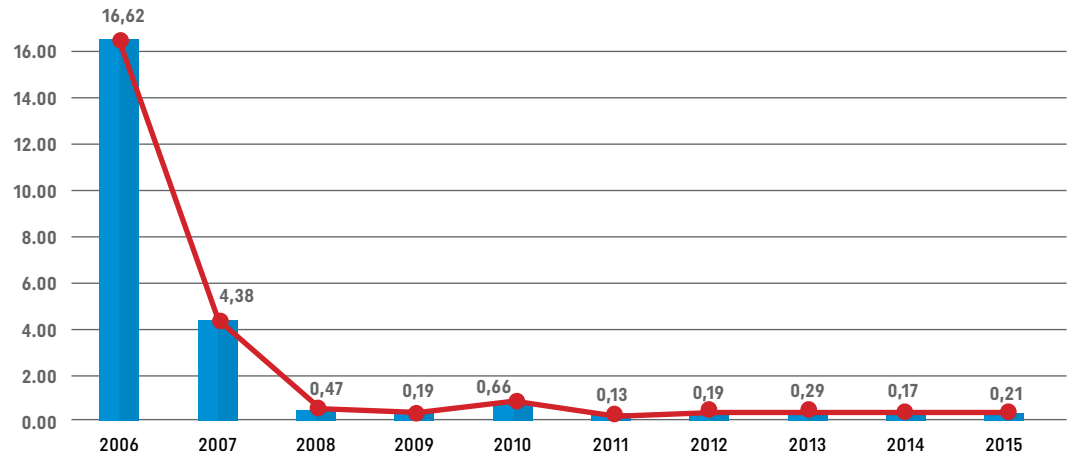
Programs to maintain and monitor employees' health:
1. Medical check-up for new employees
2. Medical check-up for all employees
3. Specific medical check-up
4. Hygiene and sanitation management
5. Ergonomics management
6. Employees' food & nutrition management
7. Diagnosis and examination of occupational diseases
8. Workplace monitoring

With rigorous and targeted implementation of OHS programs in each operational area, ITM expects that the number of health and safety incidents can be reduced, or even eliminated completely.

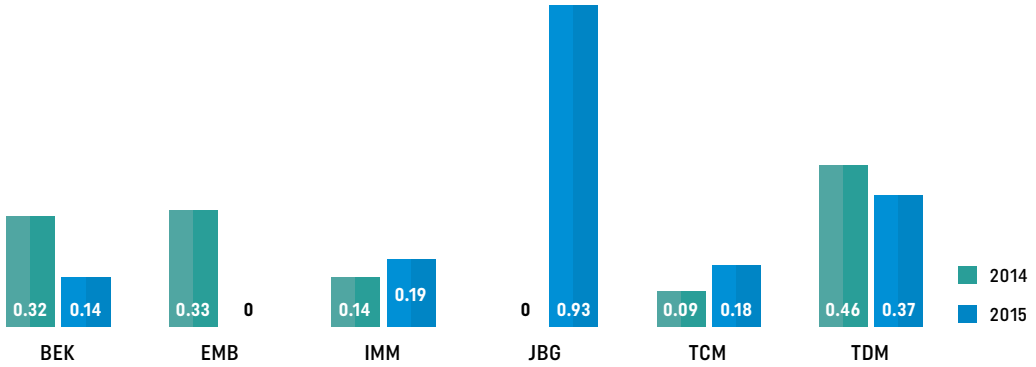
KECELAKAAN TAMBANG MINING-RELATED ACCIDENTS [G4-LA6]



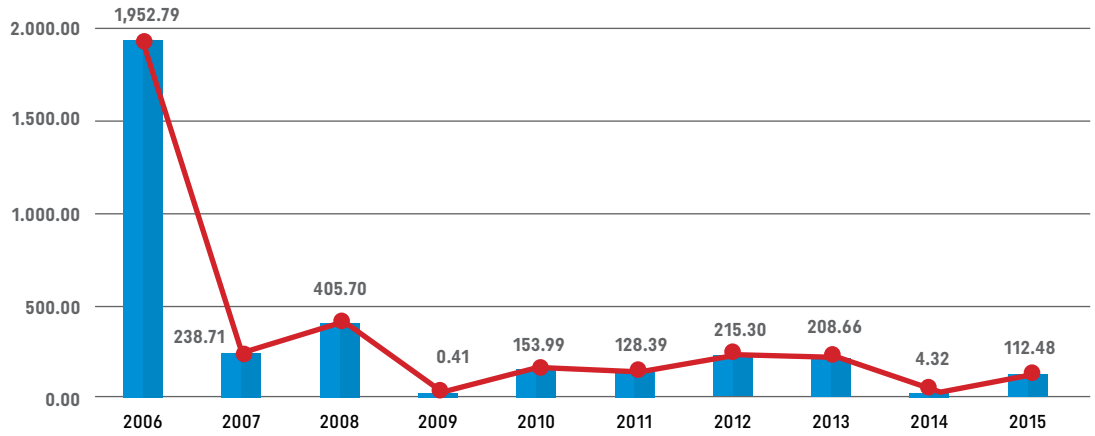
TINGKAT KECELAKAAN KERJA (IFR) ITM BERDASARKAN KEPUTUSAN MENTERI NO. 555K [G4-LA6]
ITM INJURY FREQUENCY RATE BASED ON MINISTERIAL DECISION NO. 555K



IFR PER LOKASI TAMBANG BERDASARKAN KEPUTUSAN MENTERI NO. 555K [G4-LA6]
IFR PER SITE BASED ON MINISTERIAL DECISION NO. 555K [G4-LA6]



TINGKAT KEPARAHAN KECELAKAAN KERJA (ISR) ITM PER TAHUN BERDASARKAN KEPUTUSAN MENTERI NO. 555K [G4-LA6]
ITM INJURY SEVERITY RATE (ISR) BASED ON MINISTERIAL DECREE NO. 555K [G4-LA6]



JUMLAH JAM KERJA TANPA KEJADIAN BERAKIBAT FATAL BERDASARKAN KEPUTUSAN MENTERI NO. 555K [G4-LA6]
TOTAL MAN-HOURS WITHOUT FATAL INCIDENT BASED ON MINISTRIAL DECISION NO. 555K [G4-LA6]

ANAK PERUSAHAAN SUBSIDIARY	END OF 2015 END OF 2015	SEJAK SINCE
BEK	19,658,249	Mar-12
EBM	20,494,843	Apr-06
IMM	215,156,420	Nov-06
JBG	26,073,085	Des Dec-07
TCM	14,624,513	Mei May-15
TDM	45,483,128	Jan-98

PENGHARGAAN K3 2014 OHS AWARD 2014

ANAK PERUSAHAAN SUBSIDIARY	PENGHARGAAN KECELAKAAN NIHIL ZERO ACCIDENT AWARD (PERIODE/PERIOD)	PENGHARGAAN K3 PERTAMBANGAN MINE SAFETY AWARDS
BEK	01 Jan 2012 - 31 Des Dec 2014	Utama Silver
EMB	Jan 2010 - Nov 2014	-
IMM	01 Sep 2012 - 31 Des Dec 2014	Utama Silver
JBG	-	Pratama Bronze
TCM	01 Mei May 2013 - 30 Nov 2014	Pratama Bronze
TDM	19 Agst Aug 2014 - 31 Dec 2014	Pratama Bronze

K3 di Rantai Pemasok

ITM memperluas implementasi K3 di sepanjang rantai pasokan. Hal ini menjadi sebuah praktik yang ingin ITM pastikan karena sesuai dengan keyakinan Perusahaan bahwa upaya komprehensif dan saling melengkapi dari semua pihak terkait akan mendukung keberlanjutan ITM.

Sebagai aturan umum, ITM memilih kontraktor dengan hati-hati berdasarkan upaya yang telah atau akan mereka bangun dalam menciptakan lingkungan kerja yang sehat dan aman, serta nyaman.

Untuk itu, CMS EHS ITM dikembangkan untuk memastikan kepatuhan terhadap implementasi K3. Sistem ini memberikan aturan umum dan kriteria standar K3 ITM sehingga menjadi platform penilaian rutin dalam upaya untuk terus meningkatkan kualitas implementasi K3 di masing-masing kontraktor.

OHS at Our Supply Chain

ITM extends the implementation of OHS along our supply chain. It is a practice that ITM wants to ensure as the Company believes in the comprehensive and complementary effort from all-related parties to support ITM's sustainability as a whole.

As a general rule, ITM carefully selects our contractors based on the established efforts, or future efforts, that they make in providing a healthy and safety, as well as comfortable, working environment.

Therefore, ITM's Contractor Management System Environment Health Safety (CMS EHS) is carefully developed to ensure the compliance to our OHS implementation. It provides general rules and criteria on what ITM standards of OHS practices look like that will become a platform for regular assessments in an effort to continually improve the quality of OHS implementation at each of our contractors.

KINERJA IMPLEMENTASI K3 KONTRAKTOR ITM PADA 2015
ITM'S CONTRACTORS PERFORMANCE OF OHS IMPLEMENTATION IN 2015

SITE		KONTRAKTOR CONTRACTORS	SKOR SCORE		HASIL RESULT CMS EHS	
			2015	2014	2015	2014
EMB	a.	PT Arkananta Apta Pratista	82,4%	75.4%	GREEN	BLUE
	b.	PT Riung Mitra Lestari	88,4%	92.5%	GREEN	GOLD
	c.	PT Sinar Nirwana Sari	44,1%	44,1%	RED	RED
BEK	a.	PT Pamapersada Nusantara	79,6%	89.9%	BLUE	GREEN
	b.	PT Lancarjaya Mitra Abadi	58,2%	72.3%	RED	BLUE
JBG	a.	PT Borneo Alam Semesta	81,2%	72.6%	GREEN	BLUE
TCM	a.	PT Lancar Jaya Mitra Abadi	83,7%	87.2%	GREEN	GREEN
	b.	PT Riung Mitra Lestari	90,3%	92.6%	GOLD	GOLD
	c.	PT Runa Persada	50,2%	55.7%	RED	RED
	d.	PT Yuhana Four Dalle	78,8%	87.5%	BLUE	GREEN
	e.	PT Pamapersada Nusantara	95,5%	99.9%	GOLD	GOLD
	f.	PT Borneo Alam Semesta	89,3%	79.7%	GREEN	BLUE
	g.	CV. Arief Nusa Raya	60,2%	75.8%	BLUE	BLUE
	h.	PT Mitra Alam Persada	71,7%	72.8%	BLUE	BLUE
IMM	a.	PT Pamapersada Nusantara	86,5%	89.10%	GREEN	GREEN
	b.	PT TRUST	89,2%	78.30%	GREEN	GREEN
	c..	PT Manna Jaya	67,3%	67.30%	BLUE	BLUE
	d.	PT Wasco	82,0%	82,0%	GREEN	GREEN
	e.	PT Bangun Arta	70,5%	70.50%	BLUE	GREEN
	f.	PT Suprabhakti		85.40%	*	GREEN
	g.	PT Patria Bima		75.50%	*	BLUE
	h.	PT LJM		76.30%	*	BLUE

* Tidak beroperasi Not yet operation.

MANAJEMEN LINGKUNGAN

ENVIRONMENTAL MANAGEMENT



7

ITM menyusun strategi dengan baik agar dapat mengembangkan dan memanfaatkan sumber daya alam dan lingkungan dengan cara-cara yang paling tepat tanpa meninggalkan dampak yang membahayakan bagi bumi dan kesejahteraan masyarakat.

ITM carefully plans and strategizes in order to be able to develop and utilize resources that are available in nature and the environment in the most responsible ways without leaving any harmful impacts to the mother earth and to the wellbeing of the people.


IMM
IMM

MANAJEMEN LINGKUNGAN
ENVIRONMENTAL MANAGEMENT

ITM menerapkan upaya pengelolaan lingkungan secara rutin dan terukur dalam kegiatan operasional sehari-hari dan dalam relasi dengan berbagai pemangku kepentingan yang menjadi bagian dari rencana keberlanjutan Perusahaan. ITM menyusun rencana dan strategi dengan baik agar dapat mengembangkan dan memanfaatkan sumber daya alam dan lingkungan dengan cara-cara yang paling tepat tanpa meninggalkan dampak yang membahayakan bagi bumi dan kesejahteraan masyarakat.

ITM conducts regular and measurable environmental management in daily operational activities and in relation with various stakeholders as part of our Company's sustainability plan. We carefully plan and strategize in order to be able to develop and utilize resources that are available in nature and the environment in the most responsible ways without leaving any harmful impacts to the mother earth and to the wellbeing of the people.

Untuk itu, ITM telah membuat dan menerapkan Kebijakan Lingkungan yang memiliki beberapa target pengelolaan lingkungan, termasuk:

Therefore, ITM has carefully prepared and implemented an Environmental Policy that aims to achieve several environmental management targets, including:

KOMITMEN
Terhadap upaya-upaya konservasi lingkungan
COMMITMENT
towards environmental conservation efforts

KEPATUHAN
Kepada semua peraturan lingkungan yang relevan dan berlaku
COMPLIANCE
To all relevant and applicable environmental regulations

PENCEGAHAN
Meminimalkan dan mengelola dampak lingkungan
PREVENTION
Minimalization and management of any environmental impacts

Secara khusus, Kebijakan Lingkungan ITM dirancang sesuai standar Sistem Manajemen Lingkungan ISO 14001:2004 dan Peraturan Perundangan Lingkungan terkait.

In particular, ITM's Environmental Policy is designed according to relevant standards and regulations that are specified in ISO 14001:2004, and related Environmental Regulation.

Dalam implementasinya, Kebijakan Lingkungan diterjemahkan kedalam berbagai sasaran, target dan program yang lebih praktis dan terukur seperti misalnya pengelolaan air, pengelolaan area pascatambang dan konservasi keanekaragaman hayati. Program ini berada di bawah pengawasan Departemen QSE dan harus diikuti oleh semua pihak terkait.

Upon implementation, the Environmental Policy is translated into a more practical level through conducting various targeted programs, for example water management, post-mining area management and biodiversity conservation efforts. All programs are carried out under supervision of QSE Department and require compliance from all related parties.

Guna mendukung implementasi yang baik di operasional Perusahaan, ITM menciptakan proses berkesinambungan dimulai dengan pelatihan karyawan, baik bersifat *in-house* maupun dari pihak eksternal, serta menyediakan berbagai informasi terkait kebijakan dan standar agar karyawan memiliki pengetahuan yang cukup sehingga dapat melakukan pengelolaan lingkungan yang tepat dalam rutinitas kerja sehari-hari. [G4-DMA]

To support a good implementation in all Company's operations, ITM establishes a continuous process of training our people, both from in-house and external parties, and providing them with information on policies and standards in order that they will have a proper knowledge and, therefore, be able to perform a proper environmental management in their daily work routine. [G4-DMA]

Perusahaan dapat melaporkan bahwa hingga akhir tahun 2015, ITM tidak menerima sanksi administratif dan denda terkait pelanggaran atas standar kualitas atau manajemen lingkungan ITM dan operasional pertambangan. [G4-EN29]

Therefore the Company can report that up to the end of 2015, there were no administrative sanctions or fines associated with violation on quality standards or environmental management related to ITM and our mining operations. [G4-EN29]



PENERAPAN MANAJEMEN LINGKUNGAN DALAM ORGANISASI

Secara umum, dampak penting terhadap kondisi lingkungan bersumber dari berbagai kegiatan usaha ITM yang terjadi di area tambang terbuka dibandingkan dari kegiatan operasional di kantor pusat atau kantor-kantor perwakilan. Aktivitas produksi batubara di tambang dapat mengakibatkan perubahan signifikan pada struktur lapisan tanah di area tersebut. Selain itu, bila tidak dilakukan secara bertanggung jawab, kegiatan pendukung lainnya juga dapat menambah jumlah polutan dan jejak karbon di udara, yang dapat berkontribusi pada terjadinya efek rumah kaca.

Untuk itu, ITM menyiapkan Standar Kualitas Lingkungan yang menjadi parameter panduan pelaksanaan manajemen lingkungan dan dalam menyelenggarakan kegiatan operasional yang aman, penuh akuntabilitas dan terukur. Parameter ini disusun sesuai regulasi dan standar akreditasi yang berlaku. Penilaian resmi atas pelaksanaan pengelolaan lingkungan secara rutin dilakukan oleh pihak ketiga yang independen dan kompeten.

ENVIRONMENTAL MANAGEMENT IMPLEMENTATION WITHIN THE ORGANIZATION

For the most part, significant impacts on the environment caused by our business activities might be ones that happen at our open-pit mining areas rather than our operational activities at the headquarter or representative offices. With regular coal production activities conducted at our mining sites, they might result in significant changes to the landscape of that particular area. In addition to that, other supporting activities, if not carried out responsibly, could increase the amount of pollutants and carbon footprint emitted to the air, which can add up to the occurrence of greenhouse effect.

Therefore, ITM prepares a series of parameters within our Environmental Quality Standards (EQS) as a measuring tool that will guide our environmental management implementation and to help us in performing operational activities safely, accountably and measurably. The parameters are in compliance with applicable local and governmental regulations and accreditation standards. Official assessment on our environmental management implementation is regularly carried out by independent and competent third-parties.

MANAJEMEN LINGKUNGAN
ENVIRONMENTAL MANAGEMENT

Manajemen Area Penambangan

Di lokasi operasional, ITM melakukan berbagai kegiatan yang berhubungan dengan penambangan, meliputi pembukaan lahan, pengupasan tanah penutup, pengupasan batuan penutup, ekstraksi batubara, pembuangan limbah, dll.

Untuk itu, ITM memastikan pelaksanaan praktik-praktik terbaik pada manajemen produksi batubara di site.

Upaya-upaya yang dilakukan termasuk:

1. Memastikan bahwa semua kegiatan yang dilaksanakan telah sesuai dengan peraturan dan Analisis Mengenai Dampak Lingkungan (AMDAL).
2. Membangun dan merawat fasilitas pengendalian erosi di semua lokasi pertambangan.
3. Memastikan desain lereng yang sesuai kondisi tanah (erosi dan non-erosi).
4. Mengembangkan tanaman lokal untuk revegetasi.
5. Mengelola limbah padat dan cair serta mengendalikan potensi dampak limbah bahan berbahaya dan beracun pada air, udara dan tanah.
6. Melaksanakan penelitian dan pengembangan lingkungan untuk menentukan metode pengelolaan lingkungan yang efisien dan efektif.
7. Melakukan reklamasi lahan bekas tambang

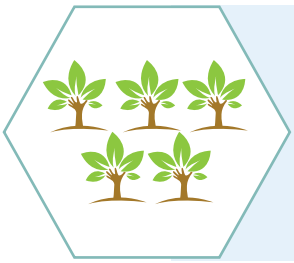
Mining Area Management

At our operational sites, we perform various mining-related activities, which include land clearing, stripping of soil cover, overburden removal, coal extraction, waste disposal, etc.

Therefore, we ensure best practices in the management of daily coal production activities at our sites.

The efforts are including:

1. Ensuring that all activities are in compliance with regulations and the Environmental Impact Analysis (Analisis Mengenai Dampak Lingkungan or AMDAL).
2. Building and maintaining erosion control facilities at all mining locations.
3. Ensuring slope design that is appropriate to soil conditions (erosive and non-erosive).
4. Growing local plants for revegetation.
5. Managing solid and liquid wastes as well controlling the impacts that hazardous and toxic wastes might cause to water, air and soil.
6. Developing environmental research and development (R&D) in order to determine environmental management methods that are efficient and effective.
7. Reclaiming mine closure land that has economic value.



Sepanjang 2015, 681 hektar area reklamasi telah ditanami. Total lahan yang telah direhabilitasi sejak awal operasional ITM hingga akhir 2015 mencapai lebih dari

9.939 hektar
[MM1]

Throughout 2015, 681 hectares of reclaimed land were planted. Thus, total land that has been rehabilitaed since the beginning of ITM's operations the end of 2015 reached more than

9,939 hectares
[MM1]

Manajemen Energi

ITM juga melakukan kontrol pemakaian energi untuk mencapai efisiensi biaya operasional dan mengurangi jumlah keseluruhan energi yang digunakan dalam menjalankan kegiatan penambangan, kegiatan operasional kantor, transportasi dan operasional pembangkit listrik. [G4-DMA]

Pada implementasinya, oleh karena sumber energi utama ITM adalah dari bahan bakar fosil, Perusahaan mengendalikan dan mencoba mengurangi penggunaan bahan bakar dan listrik.

Energy Management

ITM also performs control on our energy consumption to ensure efficiency in our daily operational cost and reduce the overall amount of energy that is used to run mining activities, office operational activities, transportation and power plant operations. [G4-DMA]

With main energy sources coming from fossil fuels, on a practical level, we control and try to reduce the use of fuels and electricity.

Program efisiensi listrik yang dilakukan pada 2015, termasuk:

1. Mendorong karyawan untuk:
   - Mengatur suhu AC,
   - Memaksimalkan kapasitas AC, dan
   - Menggunakan sistem pencahayaan alami bila memungkinkan.
2. Menggunakan kapasitor *bank.*
3. Menggunakan lampu hemat energi.
4. Menggunakan lampu sorot dengan lampu LED.
5. Menggunakan lampu solar sel di daerah yang tidak terjangkau jaringan listrik.
6. Meningkatkan kualitas jaringan listrik.
7. Merawat *roofing conveyor.*

Our electricity efficiency programs that were conducted in 2015 include:

1. Encouraging our employees to:
   - Raise AC temperature settings,
   - Maximize AC capacity, and
   - Use natural light whenever possible.
2. Using capacitor banks.
3. Using energy-saving lightbulbs.
4. Using spotlights with LED lightbulbs.
5. Using solar cell lights in areas that are not connected to electricity grids.
6. Improving the quality of the electricity network.
7. Maintaining roofing conveyors.

Sementara itu, upaya untuk meningkatkan efisiensi bahan bakar dilakukan melalui inisiatif berikut:

1. Pengoptimalan operasional pertambangan.
2. Uji beban alat berat.
3. Penjadwalan pengisian BBM untuk alat berat.
4. *Monitoring* dan penjadwalan perawatan kendaraan non-pertambangan.

Meanwhile, efforts to improve fuel efficiency were conducted through the following initiatives:

1. Mining-operation optimization program.
2. Load-testing for heavy equipment.
3. Scheduling fuel distribution for heavy equipment.
4. Monitoring and scheduling maintenance for non-mining vehicles.

TOTAL KONSUMSI BBM ITM ITM TOTAL FUEL CONSUMPTION [G4-EN3]

SOLAR DIESEL (LITER)	BENSIN GASOLINE (LITER)	BATUBARA UNTUK PEMBANGKIT LISTRIK COAL FOR POWER PLANT (TON)
285,117,187	33,978	50,945

PENGGUNAAN ENERGI PRIMER PRIMARY ENERGY USAGE [G4-EN3]

KEGIATAN	UNIT	2015	2014	2013	ACTIVITY
Tambang	Gigajoule (GJ)	610,655	1,562,457	1,633,000	Mining
Pelabuhan	GJ	380,480	290,741	259,000	Port
Kontraktor	GJ	7,279,340	11,734,695	13,161,000	Contractor
Total	GJ	8,270,474	13,587,893	15,054,000	Total
Penghematan Energi Primer (%)		39	9.74		Reduction in Primary Energy Usage (%)

PENGGUNAAN BATUBARA UNTUK PEMBANGKIT LISTRIK [G4-EN3]	UNIT	2015	2014	2013	COAL USAGE FOR ELECTRICITY GENERATION
Jumlah Batubara	ton	50,945	45,476	32,364	Coal Amount
Total Energi	GJ	1,237,120	1,103,959	785,000	Total Energy

TOTAL PASOKAN LISTRIK PLN UNTUK JBG	UNIT	2015	2014	2013	ELECTRICITY FROM PLN FOR JBG
Pengadaan Listrik	kWh	1,769,417	1,468,513	1,502,390	Electricity Procured
Total Energi	GJ	6,369.90	5,286.65	5,408.60	Total Energy

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ITM melakukan pengukuran langsung dalam memantau penggunaan energi dan menerapkan faktor konversi umum dalam mengkonversi pemakaian bahan bakar dan listrik ke gigajoule. Total energi yang digunakan mencakup aktivitas produksi dan operasional sepanjang tahun 2015 adalah 9.513.964,09 GJ. Total konsumsi energi menurun tahun ini dibandingkan dengan tahun sebelumnya seiring dengan penurunan produksi batubara ITM. ITM berhasil menurunkan intensitas energi yang dibutuhkan untuk memproduksi setiap ton batubara melalui berbagai program efisiensi energi yang telah dan terus dilakukan di lini-lini produksi. Nilai intensitas energi ITM tahun ini berhasil mencapai 333.823,30 GJ/juta ton batubara atau lebih efisien 34% dibandingkan dengan intensitas energi tahun sebelumnya 505.056,32 GJ/juta ton. [G4-EN3][G4-EN5]

ITM conducts direct measurements in monitoring its energy use, and applies generic conversion factors to convert fuel and electricity use to gigajoules. Our total energy consumption, encompassing all ITM production and operational activities in 2015, amounted to 9,513,964.09 GJ. We managed to reduce our total energy consumption by 35.27% compared to the previous year, exceeding the lower coal production from 29.1 million tonnes to 28.5 million tonnes. ITM managed to reduce our energy intensity requirement in producing our coal through a variety of energy efficiency efforts conducted at all our production chain. Energy intensity is derived from the grand total of ITM energy use divided by total coal production. Our energy intensity this year was recorded at 333,823.30 GJ/ton coal or 34% more efficient compare to the previous year energy intensity which recorded at 505,056.32 GJ/ton. [G4-EN3][G4-EN5]

INTENSITAS ENERGI ITM ENERGY INTENSITY [G4-EN5]

	2015	2014	2013	
Intensitas Energi (GJ/juta ton)	333,823.30	505,056.32	538,925.46	Energy Intensity (GJ/million ton)



Melalui berbagai inisiatif efisiensi bahan bakar sejak 2013, hingga akhir 2015, ITM berhasil menghemat lebih dari

127.185.825 liter bahan bakar

yang setara

US$**57** juta

efisiensi operasional terkait biaya bahan bakar, mereduksi emisi CO_2 sebesar

325.156,14 ton CO_2e

[G4-EN6]

Through our fuel efficiency initiatives since 2013, up to the end of 2015, ITM has successfully saved more than

127,185,825 liters of fuel

valued at

US$**57** million

efficiency in operational cost related to fuel cost, reducing CO_2 emission by

325,156.14 ton CO_2e

[G4-EN6]

Program Pemanfaatan dan Efisiensi Air

Penggunaan air di ITM adalah untuk proses operasional dan non-operasional. Air digunakan dalam pencucian batubara, pengendalian debu, pembuangan *slurry*, pencucian kendaraan operasional, serta untuk kebutuhan domestik. Untuk itu, ITM memastikan penyediaan kebutuhan air bersamaan dengan pemastian kualitas dan kelestarian air disekitar wilayah operasional. [G4-DMA]

Water Use and Efficiency Programs

ITM uses water for a number of purposes during the coal extraction process and for other operational and non-operational activities. Water is needed for coal washing (sprayed), dust suppression, slurry transport, washing operational vehicles, as well as to support employees' needs. Therefore, ITM makes available of sufficient amount of water for our operations, while also making the effort to conserve and maintain the quality of water around our operational areas. [G4-DMA]

Sumber air ITM berasal dari sumur atau sungai. Demi mengurangi penggunaan air tanah sesuai upaya konservasi, ITM menetapkan batas penggunaan air di lokasi, serta melakukan berbagai cara untuk mendapatkan sumber air lain, yang dilakukan melalui daur ulang air limbah, penggunaan air hujan atau memanfaatkan air laut.

To begin with, ITM withdraws groundwater from wells or rivers. However, in effort to reduce the use of groundwater for water conservation, we set a limit on the use of water, such as if used for personal needs, and use various ways to get water apart from using groundwater, which is done through recycling, using rain water or extracting water from the nearby sea.

PENGGUNAAN AIR [G4-EN8]	UNIT	2015	2014	2013	WATER USAGE [G4-EN8]
Air permukaan untuk aktivitas tambang	m^3	9,153,509	11,541,215	7,519,999	Surface water used for mining activities
Air permukaan untuk penyemprotan batubara	m^3	- *	752,632	1,990,771	Surface water used for coal washing
Air permukaan untuk aktivitas kantor *site*	m^3	5,962,631	7,574,970	4,758,325	Surface water used for site office and camp activities
Air permukaan untuk aktivitas port	m^3	210,870	128,514	54,041	Surface water used for port activities
Pengambilan Air Laut	m^3	331,778	286,043	404,842	Seawater Intake
Pembuangan Air Laut	m^3	248,841	206,858	1,126,355	Seawater Discharge

* Instalasi pencucian batubara tidak beroperasi Washing plant not operational.

Dalam upaya daur ulang air limbah, ITM membangun sistem dan fasilitas pengolahan di area pertambangan agar air dapat ditampung dan dikelola untuk digunakan kembali di wilayah operasional ITM atau untuk kemudian disalurkan ke badan air untuk digunakan oleh masyarakat umum.

In particular to conserve water through recycling, ITM builds small ponds and treatment facilities at our mining areas in order to establish a system in which used water can be pooled and treated for multiple uses within the Company's operational areas or later to be channeled to the water system for public use.

Untuk itu, ITM juga melakukan pemantauan kualitas air di sekitar lokasi untuk mencegah kontaminasi zat-zat berbahaya atau beracun dalam air. ITM melakukan pengukuran langsung dalam pemantauan penggunaan dan kualitas air.

For this purpose, ITM, therefore, closely monitors the quality of our water resources in order to prevent and mitigate any harmful or toxic infiltration to the water. ITM conducts direct measurements to monitor it's water usage quality.

Pada 2015, kualitas air yang digunakan di wilayah operasional ITM masih berada dalam baku mutu yang dipersyaratkan. ITM menunjukan dukungannya terhadap kesejahteraan masyarakat sekitar dengan penggunaan air yang cermat dalam kegiatan operasionalnya. Hal ini dibuktikan hingga akhir 2015, tidak adanya keluhan dari masyarakat sekitar terkait penurunan volume air sungai atau air tanah yang disebabkan kegiatan operasional perusahaan. [G4-EN9] [G4-EN22]

In 2015, the quality of water used in ITM operational areas was within the required parameters. ITM wishes to show our support in the wellbeing of people living around operational with careful management of the use of water in our operational activities. As evidence of this, by the end of 2015 there were no complaints from the surrounding communities related to the decrease in the quantity river water or ground water due to our water consumption for operation. [G4-EN9] [G4-EN22]

PEMANTAUAN KUALITAS AIR BUANGAN WATER DISCHARGE QUALITY MONITORING [G4-EN22]

PARAMETER	STANDAR KUALITAS ENVIRONMENTAL QUALITY STANDARDS	KISARAN KUALITAS QUALITY RANGE		
		2015	2014	2013
pH	6-9	6.02-8.98	6-8,25	6,01-8,91
TSS	300 mg/L	1-149	1-293	1-296
Fe	7 mg/L	0.02-3.25	0.02-4.86	0,001-6,06
Mn	4 mg/L	0.01-1.43	0.01-2.41	0,002-3,72
Cd	0.05 mg/L	0-0.004	0.005	0,005

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Pengelolaan Emisi Udara

Kegiatan pertambangan ITM menggunakan produk-produk yang tak terelakkan menghasilkan emisi. Contohnya adalah bahan bakar solar dan bensin yang melepaskan CO_2 ke udara, bahan pendingin serta polutan lainnya. Oleh karena itu, ITM berkomitmen untuk mengontrol jumlah polutan berbahaya yang dilepaskan ke udara dalam kegiatan operasional. [G4-DMA]

Secara khusus, ITM secara rutin melakukan kontrol emisi pada alat berat dan kendaraan operasional. Praktik ini sejalan dengan Peraturan Menteri Lingkungan Hidup Nomor 5/2006. Selain itu, ITM juga melakukan pengujian emisi pada sumber tidak bergerak (mesin pembakar limbah dan generator) sebagai bentuk kepatuhan terhadap Peraturan Menteri Lingkungan Hidup No. 21/2008.

Guna menjamin mutu uji, ITM menunjuk pihak ketiga independen yang terakreditasi untuk melakukan pengukuran dan pengujian. Parameter yang diuji meliputi karbon dioksida, sulfur oksida, nitrogen oksida dan opasitas.

Hasil uji pada tahun 2015 menyatakan bahwa senyawa kimia yang diemisikan dari kegiatan pertambangan dan operasional berada di bawah baku mutu. Tahun 2013 ITM telah melakukan perhitungan emisi gas rumah kaca dalam satuan ton CO_2e. [G4-EN19]

Managing Emissions of Air

Our mining activities require the use of products that inevitably produce chemical pollutants. Examples of the products are diesel fuel and gasoline that emits CO_2 to the air, cooling material as well as other pollutants. Therefore, ITM is committed to control the amount of hazardous pollutants that are released to the air due to our operational activities. [G4-DMA]

In particular, ITM conducts regular emissions control on our heavy equipment and operational vehicles. This practice is in line with the Regulation of the Minister of Environment No. 5/2006. In addition, ITM also perform emission testing on stationary objects (incinerators and generators) as we are also compliant with the Regulation of the Minister of Environment No. 21/2008.

To conduct these tests, ITM appoints an independent third party that follows supervision from the government authorities. Parameters that are used in the tests determine the amount of carbon dioxide, sulfur oxides, nitrogen oxides, as well as other compounds.

In 2015, results from testing revealed that chemical compounds released from our mining and operational activities were below the required parameters. In 2013, ITM has conducted measure its green house gas emissions in ton CO_2e. [G4-EN19]

EMISI CO_2 (TON CO_2e) **CO_2 EMISSIONS (TON CO_2e) [G4-EN15][G4-EN16][G4-EN19]**

	2015	2014	2013	
Konsumsi Bahan Bakar *stationary combustion* (Scope 1)	23.263,00	17.381,66	16,980.30	Fuel Consumption stationary combustion (Scope 1)
Konsumsi Bahan Bakar *mobile combustion* (Scope 1)	749.906,64	1.075.062,78	1,100,007.78	Fuel Consumption mobile combustion (Scope 1)
Konsumsi Batubara untuk PLTU (Scope 1)	119.471,00	83.196,50	59,209.4	Coal Consumption for Power Plant (Scope 1)
Penggunaan Listrik (Scope 2)	1.534,08	993,75	1,016.75	Electricity Usage (Scope 2)
Total	894.174,73	1.176.634,69	1,177,214.23	Total
Reduksi Emisi CO2 (ton CO2e)	282,459.96	579,54		CO2 Emissions Reduction (ton CO2e)

NOX, SOX, AND OTHER SIGNIFICANT AIR EMISSIONS [G4- EN21]
NOX, SOX DAN EMISI UDARA PENTING LAINNYA [G4- EN21]

PARAMETER EMISI EMISSION PARAMETERS [G4-EN21]	STANDAR KUALITAS QUALITY STANDARD	UNIT	EMB			TCM			IMM			JBG			TDM			BEK		
			2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013*
SO_2	800	mg/Nm³	1-64	0-26	0-16	2-18	2-23	0-14	1-523	1-117	2-52	2-47.09	1-31	1-36	0-14	0-11	1-17	38-137	46-82	
NO_2	1000	mg/Nm³	29-939	34-920	68-876	364-875	187-896	216-882	58-890	22-993	45-995	10-92.76	17-551	104-675	13-612	0-72	111-865	352-926	594-991	
CO	600	mg/Nm³	10-456	24-399	52-505	119-382	112-484	76-104	2-444	3.92-487	12-435	38-566	14-522	135-578	2-562	77-363	-	13-589	5.7-571	
Particulate Matter (PM)	150	mg/Nm³	2.5851.58	5.1682.52	3-139	15.0727.37	12.7127.34	9-55	10-89	13.5748.52	24-64	21-104.1	6.96-40.6	6-48	10-123	9-26	18-46	22-40	7-36	
Opacity	20	%	5-10	5-20	5-10		10-15	5-10	4-15	7-20	5-20	5-20	4-20	7-20	5-16	9-12.5	7-20	10-20	10-10	

*) Belum dilakukan pengukuran Measurement have not yet done

ITM juga memberi perhatian terhadap tingkat konsentrasi debu di udara akibat aktivitas penambangan, seperti transportasi, pengolahan dan penimbunan batubara. Upaya-upaya yang Perusahaan lakukan adalah menerapkan batas kecepatan kendaraan, membangun sistem penyerap debu di lokasi penumpukan batubara, penyiraman batubara dalam proses pemuatan, menanam pohon di sepanjang jalan, melakukan upaya revegetasi, serta melakukan pemeliharaan rutin pada alat berat dan kendaraan.

Lastly, ITM also pays attention to the amount of dust pollutants that are released to the air due to various mining activities, including coal transport, processing and stockpiling. Practical efforts that we do are by imposing a speed limit during our transportation activities, establishing dust suppression system at our stockpiles, spraying water during coal loading process, planting trees along the road, conducting revegetation efforts, in addition to performing regular maintenance on our heavy equipment and vehicles.

Pengelolaan Limbah

Pengelolaan limbah menjadi aspek lain yang diterapkan secara hati-hati oleh ITM karena penanganan limbah operasional yang tidak tepat dapat menimbulkan risiko bagi kehidupan masyarakat dan keberlanjutan bumi. [G4-DMA]

Secara umum, pengelolaan limbah Perusahaan berfokus pada tiga pilar 3R, yaitu:

Waste Management

Waste management is also another aspect that ITM carefully implements as improper handling of operational wastes can produce harmful risks to the lives of people and sustainability of the earth. [G4-DMA]

In general, our waste management focuses on three pillars of 3R, which is:



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Melalui 3R, ITM melakukan praktik-praktik yang bertanggung jawab untuk selalu efisien dalam menjalankan kegiatan operasional agar limbah dapat diminimalkan, digunakan kembali dan didaur ulang untuk keperluan lain.

With 3R, ITM performs the responsible practice of always striving to be efficient in our operations in order that the amount of wastes can be minimize, and being reused and recycled for other operational purposes.

Berbagai jenis limbah dihasilkan dari aktivitas di tambang dan kantor ITM serta dari karyawan. Jenis-jenis limbah tersebut adalah limbah padat, limbah cair, limbah bahan berbahaya dan beracun (B3), dan limbah domestik. Limbah padat misalnya, besi bekas dan logam , sisa ban berjalan, baterai, ban dan abu batubara. Sebagian besar limbah cair merupakan air limbah tambang, sedangkan limbah B3 cair bersumber dari minyak pelumas bekas. Sebagian limbah padat maupun cair dapat dikategorikan sebagai limbah bahan berbahaya dan beracun (B3) sesuai Peraturan Pemerintah No. 101/2014.

ITM's mining activities produce various types of wastes that result from activities at our mines and offices as well as from our employees and neighboring communities. The wastes are classified into solid, liquid, hazardous/toxic and general wastes. Items considered as solid waste include secondhand scrap metal, conveyor belts, batteries, tyres and fly ash. Meanwhile, our liquid waste is mostly from waste lubricating oil. Both solid and liquid types of waste can be hazardous/toxic, as according to Government Regulation No. 101/2014.

Kebijakan ITM mengharuskan penggunaan kembali produk yang masih memiliki nilai ekonomis. Untuk abu batubara, yang dikategorikan sebagai limbah B3, PT Indominco Mandiri telah memperoleh izin dari Kementerian Lingkungan Hidup dan Kehutanan untuk dimanfaatkan sebagai bahan konstruksi *paving block* di area operasional ITM dan di komunitas sekitar. Selain itu, kami memanfaatkan limbah pelumas bekas sebagai campuran bahan peledak ANFO.

Our policy requires us to re-use items that still have some economic value. For fly ash, which is a type of hazardous and toxic waste, PT Indominco Mandiri has obtained permit from the Ministry of Environment and Forestry to utilize fly ash from ITM's mining activities for other purposes. Therefore, ITM used them as materials for paving blocks construction at our own operational areas and the neighboring communities. In addition, we utilize oil waste as mixtures for ANFO explosives.

KEGIATAN REUSE/RECYCLE LIMBAH PADA 2015 **WASTE REUSE/RECYCLE IN 2015** [G4-EN23]

JENIS	UNIT	2015	2014	2013	TYPE
Fly ash yang dimanfaatkan	kg	1146,887	1,180,200	794,000	Fly ash effluent utilized
Oli bekas	liter	1,705,962	4,020,502	4,201,041	Used oil
Pemanfaatan oli bekas untuk pencampur ANFO	liter	665,611	1,031,711	749,257	Reused oil for ANFO
Oli yang tersisa	liter	1,040,351	2,988,791	3,451,784	Residual oil

Jenis limbah seperti oli/pelumas bekas, baterai bekas, filter oli bekas, kain debu/serbuk gergaji terkontaminasi, lampu neon, dan residu insinerator dikategorikan sebagai limbah B3. Oleh karena itu, limbah-limbah ini disimpan di tempat penyimpanan sementara berijin sebelum diproses untuk penanganan lebih lanjut.

Wastes such as used oil/lubricants, used batteries, used oil filters, contaminated dust cloths/sawdust, fluorescent lights, and incinerator residue can be hazardous and toxic. Therefore, ITM usually puts them in a temporary storage facility before being processed for further proper handling.

Setelah disimpan di tempat penyimpanan sementara, berbagai limbah B3 seperti oli/pelumas bekas, baterai bekas, lampu neon, gemuk, residu insinerator, *fixers* dan *developers* kain debu/serbuk gergaji terkontaminasi, serta *cartridges/ toners,* kemudian dikirim ke perusahaan pengumpul dan pihak ketiga berijin yang khusus menangani limbah B3. Sedangkan untuk saringan oli bekas dan kain debu/serbuk gergaji terkontaminasi dibakar di insinerator. [G4-EN23]

After being carefully stored temporarily at our facility, wastes such as used oil/lubricants, used batteries, fluorescent lights, grease, incinerator residue, fixers and developers and cartridges/toners are then sent to collection and processing third-parties that specialize in hazardous and toxic materials handling. Meanwhile, used oil filters and contaminated dust cloths/sawdust will be burned in an incinerator. [G4-EN23]

Guna memastikan kepatuhan terhadap peraturan dan perundangan yang berlaku, ITM secara rutin melaporkan upaya pengelolaan limbah berbahaya dan beracun kepada pihak berwenang. Selain itu, ITM memastikan bahwa pihak ketiga yang dipercayakan untuk melakukan penanganan limbah operasional ITM memiliki ijin Kementerian Lingkungan Hidup, sesuai Peraturan Pemerintah No. 101/2014 tentang Pengelolaan Limbah Bahan Berbahaya dan Beracun.

To ensure compliance to applicable rules and regulations, ITM regularly reports our hazardous and toxic waste management efforts to relevant governmental authorities. In addition, ITM also ensures that the third parties that the Company entrusts to perform proper handling of the Company's operational waste are authorized by the Ministry of Environment, in accordance with the provisions in the Government Regulations No. 101/2014 on the Management of Hazardous and Toxic Waste.

Kegiatan operasional ITM tidak menghasilkan limbah bahan berbahaya dan beracun yang tercantum dalam Konvensi Basel Annex I, II, III dan VII.

ITM's operations generate no hazardous and toxic waste substances listed in the Basel Convention Annex I, II, III and VII.

Sementara itu, limbah domestik yang berasal dari area pertambangan dan pemukiman ITM akan dibuang di tempat pembuangan sampah yang disediakan perusahaan. ITM mengundang partisipasi masyarakat sekitar untuk mengubah sampah organik menjadi pupuk. Pupuk organik hasil dari masyarakat kemudian dibeli oleh ITM untuk digunakan di area revegetasi pascatambang. Sementara itu, sampah anorganik disimpan terpisah di tempat pembuangan sampah. Sampah anorganik yang memiliki nilai ekonomi akan dikirim ke masyarakat sekitar.

Meanwhile, any wastes originating from ITM's mining and residential areas that are not hazardous and toxic will be disposed of in public landfills. ITM invites participation from the neighboring communities in our effort to transform organic waste into fertilizer. Later, we purchase organic fertilizer from the communities to be used in our re-vegetated post-mine areas. Inorganic waste, meanwhile, is stored and segregated in landfills. Inorganic waste possessing some economic value may be transferred to local communities.

Terakhir, proses penambangan batubara menghasilkan air asam tambang (AAT) *(Acid Mine Drainage-AMD)* yang berasal dari materi bersifat asam (*Potential Acid Forming*-PAF). Untuk mencegah dan mengelola AAT, ITM telah menerapkan langkah-langkah untuk mengidentifikasi dan memisahkan materi PAF dari materi bersifat non asam atau *Non-Acid Forming* (NAF). Selanjutnya, materi PAF dilapisi dengan materi NAF lalu dilapisi dengan lapisan tanah pucuk, untuk kemudian ditanami kembali.

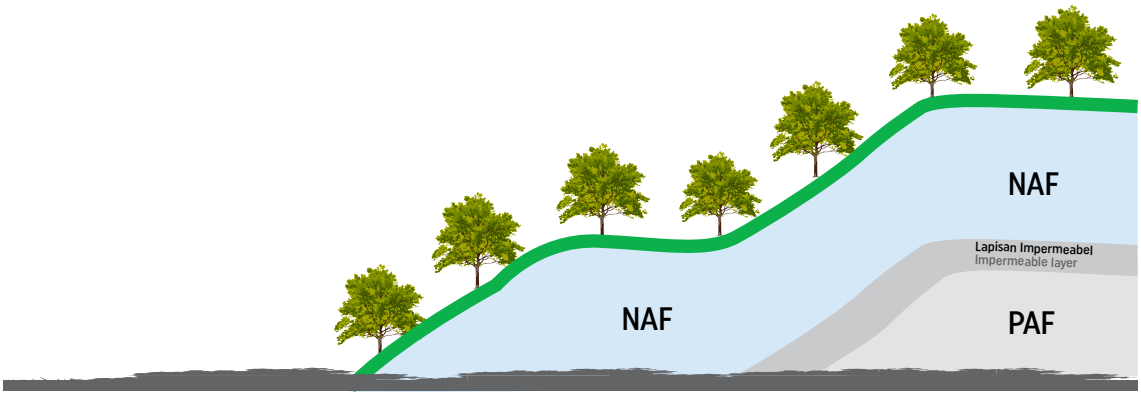
Lastly, our coal mining processes inevitably produce Acid Mine Drainage (AMD) that results from Potential Acid Forming (PAF) materials. To prevent and manage AMD, ITM has implemented measures to identify and separate PAF materials from Non-Acid Forming (NAF) materials. Further, PAF materials are encapsulated by NAF materials and then covered with topsoil, which will be subsequently revegetated.

Selain itu, ITM juga melakukan pengelolaan air limbah tambang yang masuk ke dalam kolam pengendap dengan pemberian kapur untuk memastikan air tersebut memenuhi baku mutu sebelum dikeluarkan ke badan air permukaan. Adapun pemakaian kapur tahun 2015 adalah sebesar 2.697.752 kg.

Furthermore, ITM also performs water treatment with the addition of lime in order for the resulting water quality to meet the environmental quality standard before it is discharged into the surrounding water bodies. The amount of lime used in 2015 was 2,697,752 kg.

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PROSES ENKAPSULASI BATUAN PAF
PAF MATERIALS ENCAPSULATION PROCESS



Pengelolaan dan Konservasi Keanekaragaman Hayati

Area pertambangan ITM merupakan suatu luas lahan yang memerlukan izin khusus dari pihak berwenang sehingga diperlukan pengelolaan lingkungan yang tepat, serta membutuhkan kerjasama dari masyarakat komunitas sekitar.

Dalam melaksanakan operasional, ITM telah memperoleh izin dari Kementerian Lingkungan Hidup dan Kehutanan untuk penggunaan lahan dan membina hubungan dengan para pemangku kepentingan dalam rangka menciptakan kemitraan terbaik dalam pelestarian alam dan peningkatan kesejahteraan rakyat.

Selain itu, seluruh proses pembukaan lahan dan reklamasi lahan dilakukan sesuai ketentuan UU No. 4/2009, Peraturan Pemerintah Nomor 78/2010, dan Peraturan Menteri Energi dan Sumber Daya Mineral Nomor 7/2014 tentang Pelaksanaan Reklamasi dan Pascatambang, yang mengatur izin operasional, proses pembukaan lahan, pengembangan tanaman lokal dan non-lokal untuk proses penanaman kembali, penanaman di lahan bekas tambang, rencana reklamasi dan pascatambang dan melaporkan kemajuan reklamasi secara berkala.

Komitmen penaatan penuh bagi seluruh wilayah tambang ITM atas aturan dan peraturan yang berlaku menghasilkan kelengkapan pengelolaan lingkungan dan keanekaragaman hayati sebagaimana dipersyaratkan dalam Program Penilaian Peringkat Kinerja Perusahaan (PROPER) dan praktik terbaik dunia dalam standar operasional pertambangan dan lingkungan.

Area Management and Conservation of Biodiversity

ITM's mining areas usually cover a vast amount of land that requires specific permission from authorities, needs proper environmental management, as well as invites cooperation from people and communities living near the areas.

For carrying out our operations, ITM has obtained a permit from the Ministry of Environment and Forestry for use of land and fostered relationships with stakeholders in order to create best partnership in the preservation of the nature and the promotion of people's welfare.

In addition, the whole process of land clearing and reclamation processes is always conducted according to the provisions of the Law No. 4/2009, Government Regulations No. 78/2010, and Regulation of the Minister of Energy and Mineral Resources No. 7/2014 on mining reclamation and closure, which clearly specify regulations on operating permit, land clearing process, growing native and non-native floras for replanting, implementing cover crop planting, providing reclamation and post-mine operation plan and regularly reporting reclamation progress.

Our commitment toward full compliance of the prevailing laws and regulation leads to all of our mining areas following that environmental and biodiversity management as required by the Indonesian Government's PROPER and and global best practice in mining operational and environmental standards.

Kelanjutan program biodiversity yang dilakukan ITM di tahun 2015 antara lain:

1. Pelatihan konservasi kepada komunitas lokal
2. Pelatihan kultur jaringan di IMM
3. Konferensi pers kepada media nasional

Pada 2015, anak perusahaan ITM melaksanakan pembukaan lahan seluas total 1.551 hektar (ha), dan melakukan revegetasi seluas 1.199 ha dari total area konsesi 79.002 ha. Kegiatan ini sejalan dengan rencana penambangan ITM dan telah disetujui Pemerintah. Selama pembukaan lahan, ITM memastikan tahapan proses pengupasan lapisan tanah atas, penggalian batuan penutup, dan akhirnya penggalian batubara.

Untuk meminimalkan potensi dampak signifikan terhadap keanekaragaman hayati lokal, ITM melakukan praktik pertambangan yang ramah lingkungan pada wilayah IUP ITM, setelah itu ITM segera memulai tahap restorasi habitat. Perubahan struktur lahan dilakukan seminimal mungkin hanya bila diperlukan, dan ITM memastikan agar perubahan yang secara signifikan mempengaruhi ekosistem dapat dihindari.

Pemantauan Lingkungan

Sebagaimana umumnya dalam situasi bisnis dan non-bisnis dalam mencapai target tertentu diperlukan strategi proteksi terutama yang berkaitan dengan kegiatan operasional. Tanpa keseimbangan antara produksi dan perlindungan, ITM tidak akan dapat mencapai keberlanjutan dalam bisnis, masyarakat dan kehidupan.

Oleh karena itu, ITM memantau kondisi lingkungan dan komunitas secara berkala agar dapat mengantisipasi setiap potensi penyimpangan.

Program pemantauan lingkungan ITM lakukan secara berkala sesuai dokumen Rencana Pemantauan Lingkungan. Subyek pemantauan ITM, termasuk di antaranya kualitas air, kualitas udara, kualitas tanah, pengendalian erosi dan sedimentasi, serta flora dan fauna yang ada di sekitar lokasi pertambangan ITM.

Continuation of the biodiversity program in 2015 included:

1. Conservation training for local community
2. Tissue culture training at IMM
3. Press conference for national media

In 2015, ITM subsidiaries carried out land clearing programs of a total 1,551 hectares (ha), and revegetated an area of 1,199 ha out of the total concession area of 79,002 ha. This activity is in line with ITM's mining plan and has been approved by the Government. During land clearing, we carefully followed the regular stages of stripping of topsoil, stripping of overburden, and finally coal excavation.

To minimize any significant potential impacts towards the local biodiversity, ITM conducts environmentally-sound mining practices only on ITM IUP areas, after which ITM immediately commences habitat restoration. Landscape alteration is carried out only minimally when necessary, and ITM ensures that significant alterations that may significantly affect the ecosystem are avoided.

Environmental Monitoring

As a common practice in daily life both in business and non-business settings, in achieving a certain reward, we need to also employ a protecting strategy. Especially related to our operational activities, without a balance between production and protection, ITM cannot achieve sustainability of business, people and life.

Therefore, we carefully monitor the conditions of the environment and the ccommunities on a regular basis in order to be able to catch irregularities that might be potentially harmful.

Our environmental monitoring programs are carried out regularly according to our Environmental Management Plan. Subjects of ITM monitoring include water quality, air quality, soil quality and contamination, erosion and sedimentation control, as well as flora and fauna living around ITM mining sites.

MANAJEMEN LINGKUNGAN
ENVIRONMENTAL MANAGEMENT

Pada 2015 ITM secara konsisten melakukan program pemantauan berikut: [MM11]

In 2015 ITM consistently performed the following monitoring programs: [MM11]

ASPEK YANG DIMONITOR	JUMLAH POIN MONITORING NUMBER OF MONITORING POINTS	FREKUENSI & CATATAN FREQUENCY & REMARKS	ASPECT MONITORED
Kualitas Air		Dilakukan setiap hari oleh ITM dan sebulan sekali oleh pihak independen; monitoring harian termasuk mengukur pH dan air Performed daily by ITM and once a month by independent party; daily monitoring include measurement of pH and water	Water quality
a. Air Limbah	Sebulan sekali Once a month	Sebulan sekali Once a month	a. Waste water
b. Air Permukaan	3 bulan sekali Once every 3 month	3 bulan sekali Once every 3 months	b. Surface water
c. Air Laut	3 bulan sekali Once every 3 month	3 bulan sekali Once every 3 month	c. Sea water
Kualitas Udara			Air quality
a. Ambient	3 bulan sekali Once every 3 month	3 bulan sekali Once every 3 month	a. Ambient
b. Emisi Emission:			b. Emission:
• Bergerak Mobile	3 bulan sekali Once every 3 month	3 bulan sekali Once every 3 month	• Mobile
• Tidak Bergerak Stationary	3 bulan sekali Once every 3 month	3 bulan sekali Once every 3 month	• Stationary
Soil fertility	3-6 bulan sekali Once every 3-6 month	3-6 bulan sekali Once every 3-6 month	Soil fertility
Level of erosion and sedimentation	Sebulan sekali Once a month	Sebulan sekali Once a month	Level of erosion and sedimentation
Flora and fauna			Flora and fauna
a. Aquatic biota	3 bulan sekali Once every 3 month	3 bulan sekali Once every 3 month	a. Aquatic biota
b. Terrestrial flora	3-6 bulan sekali Once every 3-6 month	3-6 bulan sekali Once every 3-6 month	b. Terrestrial flora
c. Protected animal	3-6 bulan sekali. Monitoring fauna juga dilakukan dengan identifikasi jejak kaki binatang liar di area rehabilitasi. Once every 3-6 months. Monitoring of fauna is also performed by identifying footprints of wild animals within the rehabilitation area.	3-6 bulan sekali. Monitoring fauna juga dilakukan dengan identifikasi jejak kaki binatang liar di area rehabilitasi. Once every 3-6 months. Monitoring of fauna is also performed by identifying footprints of wild animals within the rehabilitation area.	c. Protected animal
Social, economic, culture	Monitoring dilakukan melalui survei, pertemuan, dan pelatihan bagi masyarakat lokal (kepala desa, pemimpin adat, dan tim akuisisi lahan) Monitoring is performed using survey, meeting, and training for local communities (head of the village, traditional leaders, and land acquisition team)	Monitoring dilakukan melalui survei, pertemuan, dan pelatihan bagi masyarakat lokal (kepala desa, pemimpin adat, dan tim akuisisi lahan) Monitoring is performed using survey, meeting, and training for local communities (head of the village, traditional leaders, and land acquisition team)	Social, economic, culture

Program pemantauan lingkungan ITM juga mencakup pemantauan dan pelestarian berbagai flora dan fauna yang hidup dan tumbuh di lokasi operasi pertambangan berada. Secara khusus, area wilayah operasional ITM terletak di areal yang ditetapkan sebagai hutan produksi atau hutan lindung. Seluruh anak usaha ITM beroperasi di pulau Kalimantan yang terkenal akan kekayaan keanekaragaman hayati, terutama pada wilayah operasional PT Indominco Mandiri, PT Trubaindo Coal Mining dan PT Bharinto Ekatama. [G4-DMA]

Our environmental monitoring programs also includes efforts to monitor and preserve various flora and fauna living where our mining operations are located. In particular, ITM's operational areas are situated in or adjacent to areas designated as production forest or protected forest. ITM subsidiary PT Indominco Mandiri operates at a production forest, while other two subsidiaries, which are PT Bharinto Ekatama and PT Trubaindo Coal Mining, operates on Borneo island, which is notable for its rich biodiversity. [G4-DMA]

Untuk itu, ITM rutin melakukan pemantauan atas status keanekaragaman hayati dan pemetaan berbagai jenis flora dan fauna, memberi penekanan pada spesies yang dilindungi. Hasil pemetaan ini kemudian digunakan untuk mendukung upaya rehabilitasi pascatambang.

Therefore, ITM conducts regular monitoring of biodiversity status and mapping of various types of flora and fauna, placing emphasis on the protected species. This mapping result is then used to support our post-mine rehabilitation efforts.

ITM juga memantau kondisi satwa liar di lokasi reklamasi karena peningkatan jumlah satwa liar juga menjadi tolak ukur keberhasilan program konservasi ITM. Secara khusus, dengan bantuan Kebun Raya Purwodadi - LIPI, ITM telah menyusun daftar flora dilindungi yang ditemukan di site ITM, mengikuti ketentuan yang ditetapkan International Union for the Conservation of Nature (IUCN) dan daftar spesies langka yang diterbitkan oleh Pemerintah Indonesia. Per 2015, ada 5 (lima) spesies baru yang masuk dalam IUCN Red List ditemukan di area yang ITM kelola. Daftar lengkap spesies yang ditemukan di area ITM ada pada tabel berikut.

We also monitor the conditions of wildlife at reclaimed sites as an increase in the number of wildlife also becomes a benchmark for our conservation program's success. In particular, with the help of Purwodadi Botanical Garden, we have created a list of protected flora found on ITM sites, which follows the provisions specified in the International Union for the Conservation of Nature (IUCN) and rare species list issued by the Government of Indonesia. There are no new species on the IUCN's Red List discovered in 2015 in the areas we manage. The full species list found in ITM managed areas is provided in the following table.

KEANEKARAGAMAN HAYATI LANGKA YANG DITEMUKAN DI AREAL KELOLAAN RARE SPECIES FOUND IN MANAGED AREA [G4-EN14]

SPESIES SPECIES	FAMILI FAMILY	KATEGORI IUCN IUCN CATEGORY
Shorea smithiana Symington	*Dipterocarpaceae*	CR
Shorea lamellata Foxw.	*Dipterocarpaceae*	CR
Shorea peltata Symington	*Dipterocarpaceae*	CR
Shorea agami P.S.Ashton	*Dipterocarpaceae*	EN
Hopea pachycarpa (F.Heim) Symington	*Dipterocarpaceae*	VU
Aglaia angustifolia	*Meliaceae*	VU
Dipterocarpus kunstleri	*Dipterocarpaceae*	CR
Durio dulcis	*Bombacaceae*	VU
Hopea auriculata	*Dipterocarpaceae*	EN
Hopea ferrugina	*Dipterocarpaceae*	CR
Madhuca betis	*Sapotaceae*	VU
Mangifera rubropetala	*Anacardiaceae*	EW
Mangifera similis	*Anacardiaceae*	VU
Saurauia bracteosa	*Actinidaceae*	VU
Shorea bracteolata	*Dipterocarpaceae*	EN
Shorea brunnescens	*Dipterocarpaceae*	EN
Vatica pauciflora	*Dipterocarpaceae*	EN

EW = Extinct in the wild; CR = Critically endangered; EN = Endangered; VU = Vulnerable

Sebagai upaya untuk mendorong kerja sama dengan masyarakat setempat serta untuk mendukung ekonomi lokal, ITM membangun fasilitas pembibitan tanaman yang nantinya dapat mendukung perusahaan dalam upaya revegetasi atau reklamasi. Hingga kini, ITM memiliki enam fasilitas pembibitan dengan kapasitas produksi hingga 852.390 bibit per tahun. Pada pelaksanaannya, ITM juga memberi bimbingan dan dukungan kepada masyarakat lokal melalui pelatihan dan seminar pertumbuhan tanaman.

ITM kemudian akan membeli bibit dari petani yang menjalankan fasilitas pembibitan. Rata-rata jumlah bibit tanaman yang dibeli dalam setahun adalah 149.935.

As an effort to foster cooperation with the local communities as well as to support the local economy, ITM has been establishing plant nurseries that later can support Company in our revegetation or reclamation efforts. Up to now, we have six seedling farms with the capacity to produce up to 852,390 seedlings per year. Upon implementation, we also guide and support the local communities through providing training and seminar on growing the plants.

ITM purchases seeds from the farmers that run those plant nurseries. The average number of plant seedlings purchased in a year is 149,935.

MANAJEMEN LINGKUNGAN
ENVIRONMENTAL MANAGEMENT

Kinerja Pengelolaan Lingkungan

Sebagai bagian dari komitmen untuk pengelolaan dan pemantauan lingkungan, ITM mengalokasikan sebesar US$12.270.480 pada 2015, yang merupakan 13% peningkatan dana dibandingkan US$10.719.039 pada 2014. ITM juga menyisihkan dana penyediaan lingkungan yang per 2015 telah terkumpul total sebesar US$24.327.383, dibandingkan total sebesar US$17.499.854 pada tahun 2014. [G4-DMA]

Environmental Management Performance

As part of our commitment to environmental management and monitoring, ITM allocated a total of US$12,270,480 in 2015, which is a 13% increase in funding compared to US$10,719,039 in 2014. ITM has also set aside an environmental provision fund which as of 2015 had accumulated to a total of US$24,327,383, compared to US$17,499,854 in 2014. [G4-DMA]

PENGELUARAN PENGELOLAAN LINGKUNGAN DAN KONSERVASI [G4-EN31]
ENVIRONMENTAL MANAGEMENT AND CONSERVATION EXPENDITURES [G4-EN31]

ASPEK	2015	2014	2013	ASPECT
Kepatuhan (%)	100	100	100	Compliance (%)
Jumlah Monitoring (jumlah Item Kepatuhan x Parameter x 12 bulan)	2,820	2,620	2,683	Amount of Monitoring (number of Compliance Items x Parameters x 12 months)
Total Biaya Lingkungan (USD)	12,270,480	10,719,039	10,091,328	Total Environmental Costs (USD)
Total Provisi (USD)	24,327,383	17,499,854	22,786,674	Total Provisions (USD)

Lebih lanjut, kinerja dan kepatuhan lingkungan ITM berkaitan dengan tingkat kepuasan yang masyarakat rasakan dari praktik lingkungan Perusahaan. Pada 2015, ITM tidak menerima adanya keluhan dari masyarakat setempat atas dampak negatif dari kegiatan operasional terhadap lingkungan dan konservasi keanekaragaman hayati lokal.

Furthermore, ITM's overall environmental performance and compliance are connected to the level of satisfaction that the communities experience based on the Company environmental practices. In 2015, ITM received zero complaints from the local communities regarding the negative impacts of operational activities to the environment and conservation of local biodiversity.

Pencapaian ini juga didukung oleh berbagai penghargaan dan sertifikasi yang ITM terima pada 2015 yang membuktikan upaya maksimal kami dalam mendukung keberlanjutan bumi.

This achievement was also supported by various awards and certifications that ITM received in 2015 that clearly demonstrated our maximum efforts in supporting sustainability of nature.

PENCAPAIAN PROPER PADA 2014 & 2015 PROPER ACHIEVEMENTS IN 2014 & 2015

LOKASI SITE	2015				2014			
	PROPER		PENGHARGAAN PENGELOLAAN LINGKUNGAN PERTAMBANGAN MINING ENVIRONMENTAL MANAGEMENT AWARD	LAINNYA OTHERS	PROPER		PENGHARGAAN PENGELOLAAN LINGKUNGAN PERTAMBANGAN MINING ENVIRONMENTAL MANAGEMENT AWARD	LAINNYA OTHERS
	REGIONAL	NASIONAL NATIONAL			REGIONAL	NASIONAL NATIONAL		
EMB	Blue	Blue	Silver		Green	Blue	Bronze	
IMM	Green	*)	Gold		Green	Blue	Silver	
JBG		Blue	Bronze			Blue		
TCM	Green	Blue	Silver		Green	Blue	Bronze	
TDM			Bronze		Green		Silver	
BEK	Green		Silver		Green			Indonesia Green Awards 2014 **)

*) Menunggu hasil penilaian dari Kementerian Lingkungan Hidup dan Kehutanan
Waiting result of assessment from Ministry of Environment and Forestry

**) Peraih kategori: Mengembangkan Keanekaragaman Hayati; Program: Studi dan Pengembangan Keanekaragaman Hayati Hutan Kalimantan
Category achievement: Developing Biodiversity; Program: Study and Development of Biodiversity of Forest Borneo by: The La Tofi School of CSR

RENCANA PENUTUPAN TAMBANG [MM10]

Perhatian khusus diberikan ITM dalam kegiatan penutupan tambang. Pada 2015, ITM menerapkan rencana penutupan tambang untuk PT Kitadin – site Tandung Mayang. Ke depan, ITM akan menetapkan langkah-langkah penutupan tambang untuk PT Jorong Barutama Greston yang bekerjasama dengan Universitas Lambung Mangkurat (Unlam) dan Institut Pertanian Bogor (IPB), pemerintah provinsi, dan masyarakat di sekitar lokasi tambang.

Rencana penutupan tambang ITM mencakup serangkaian program, termasuk reklamasi lahan, revegetasi lahan dan pemberdayaan masyarakat sekitar site.

Dalam proses reklamasi, ITM melakukan penataan lahan kembali pada area terganggu dengan mengikuti prosedur yang ada, yang didasarkan pada regulasi dan *best practice.* Pada kegiatan penataan lahan tersebut ITM juga melakukan kegiatan kontrol erosi dan sedimentasi untuk mencegah terjadinya longsor atau erosi pada area yang ditata.

Revegetasi dilakukan setelah lahan dapat dikategorikan siap tanam. Dimulai dengan melakukan penanaman tanaman penutup tanah, dan diikuti dengan penanaman tanaman keras. Jenis tanaman yang dipilih disesuaikan dengan status dan fungsi lahan, serta bentuk akhir lahan saat pascatambang.

Namun penggunaan tanaman endemik atau tanaman lokal diutamakan untuk mengembalikan keanekaragaman hayati di daerah tersebut secara perlahan. Untuk mengingatkan nilai tambah dari kegiatan revegetasi dan mendukung biodiversitas, ITM juga menanam tanaman langka dan dilindungi pada area reklamasi.

MINE CLOSURE PLAN [MM10]

ITM gives specific attention to mine closure activities. In 2015, ITM continued the mine closure plan for PT Kitadin Tandung Mayang. Moving forward, we are currently formulating the post-mine plan for PT Jorong Barutama Greston in collaboration with Lambung Mangkurat University (Unlam) and Bogor Institute of Agriculture (IPB), the provincial governments, and communities living around the mine site.

ITM regular mine closure plan follows a series of programs, including land reclamation, land revegetation and empowerment of the people in the surrounding communities near our site.

In reclamation, ITM re-arranges the disturbed land back to a good condition following established procedures, which are based on regulations and best practice. In the land settlement activities ITM also conducts erosion and sedimentation control activities to prevent landslides or erosion in the area.

Revegetation is done after the land can be considered ready for planting. Starting with the planting of cover crops, and followed by planting perennials. Types of plants that have adapted to the status of the land, as well as the final form of post-mining land.

However, the use of endemic plants or local plants is deliberate to restore slowly the biodiversity in the area. To remind the added value of revegetation activities and supporting biodiversity, ITM also planted rare and protected plant crops in the reclamation.

PEMBUKAAN LAHAN & REKLAMASI LAND CLEARING & RECLAMATION [MM1] [G4-EN13] [MM2] [MM3]

AKTIVITAS	UNIT	2015			2014			ACTIVITY
		RENCANA PLANNED	REALISASI REALIZED	PENCAPAIAN ACCOMPLISHMENT	RENCANA PLANNED	REALISASI REALIZED	PENCAPAIAN ACCOMPLISHMENT	
Pembukaan Lahan	ha	2,234	1,551	69%	1,956	1,408	72%	Land clearing
Penataan Lahan	ha	1,201	1,044	87%	784	1,078	138%	Landscaping
Revegetasi	ha	1,199	681	57%	767	777	101%	Revegetation
Perawatan Tanaman								Plant treatment
Penanaman	batang trees	33,614	50,304	150%	90,863	71,167	78%	Replanting
Pemupukan	ha	1,034	1,359	132%	1,484	1,808	122%	Fertilization
Pembuatan Kolam Pengendap Lumpur (KPL)	unit	6	6	100%	30	28	93%	Building mud-settling ponds
Pengambilan Tanah Pucuk	bcm	12,074,147	7,863,158	65%	13,703,070	7,352,141	54%	Topsoil stripping
Penghamparan Tanah Pucuk	bcm	6,149,440	6,037,013	98%	5,665,310	4,942,630	87%	Topsoil dissemination

MANAJEMEN LINGKUNGAN
ENVIRONMENTAL MANAGEMENT

KEMAJUAN PROSES REKLAMASI RECLAMATION PROGRESS [MM1] [G4-EN13]

AKTIVITAS	UNIT	2015 IMM	TCM	TDM	EMB	JBG	BEK	TOTAL	2014 TOTAL	ACTIVITY
Luas Area Konsesi	ha	24,121	22,687	2,338	2,973	4,883	22,000	79,002	85,638	Concession Area
Luas Area Terganggu	ha	667.66	667.05	0.00	27	10	180	1,551	1,408	Disturbed Area
Luas Area Revegetasi	ha	339.47	186.22	37	29	58	31	681	777	Revegetated Area
Luas Izin Pinjam Pakai Kawasan Hutan	ha	24,265.93	12,287.48	1,433.57	-	2,585.48	2,705.63	43,278	43,278	Area Permitted by Forest Use Permit

JENIS AREA	UNIT	SAMPAI DENGAN/END OF 2015	SAMPAI DENGAN/END OF 2014	TYPE OF AREA
Luas Area Terganggu	ha	21,216	18,075	Disturbed
Luas Area Revegetasi	ha	9,939	9,299	Revegetated

Sehubungan dengan budidaya tanaman spesies langka, fasilitas pembibitan PT Indominco Mandiri melakukan perbanyakan sejumlah tanaman penting, seperti meranti *(Shorea)*. Sementara itu, fasilitas pembibitan di PT Trubaindo Coal Mining membudidayakan spesies tanaman lokal, yaitu binuang laki *(Duabanga moluccana)*.

Terakhir, ITM juga terlibat dalam program pemberdayaan masyarakat guna meningkatkan produktivitas masyarakat yang tinggal di lokasi bekas tambang, mengantisipasi adanya perbedaan dalam kondisi ekonomi dan sosial sebelum dan sesudah kegiatan pertambangan. Untuk itu, ITM bertujuan untuk menyediakan program dan pelatihan yang dapat menumbuh kembangkan kemandirian dan keberlanjutan keseharian mereka. Program-program yang telah dilakukan, termasuk di antaranya peternakan ayam buras super, bebek, serta produksi buah naga dan tanaman hortikultura. [G4-SO1]

Penilaian Lingkungan untuk Kontraktor

Saat menyeleksi kontraktor dan vendor, ITM memasukkan pertimbangan lingkungan dalam rangka memastikan bahwa semua pihak terkait dapat memiliki visi keberlanjutan yang sama. ITM menerapkan *Contractor Management System for the Environment and Occupational Health & Safety* (CMS EHS) selama tahap prakualifikasi, operasi, dan peninjauan. Melalui penilaian ini, ITM mengharuskan mitra dan pihak terkait untuk juga memiliki tingkat komitmen yang sama untuk konservasi lingkungan dalam operasional mereka. [G4-DMA]

Pada 2015, ITM melakukan penilaian kepada semua kontraktor dan vendor untuk operasional pertambangan dengan menggunakan kriteria lingkungan CMS EHS. [G4-EN32]

In relation to growing rare species of flora, PT Indominco Mandiri's plant nursery grows a number of important plants, such as meranti (Shorea). Meanwhile, the plant nursery at PT Trubaindo Coal Mining has been cultivating a local plant species, binuang laki (Duabanga moluccana), which is a fast-growing species in the region.

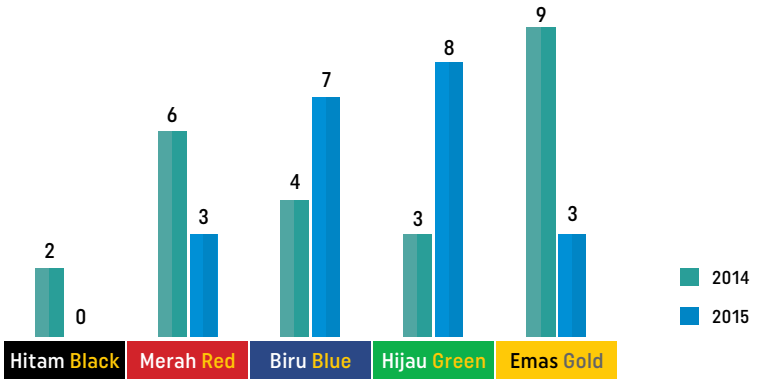
Lastly, ITM also engages in community empowerment programs to promote productivity within the communities communities around closed mines, as there is a difference in terms of economic and social conditions from before and after mining operations. Therefore, we aim to provide programs and training that can foster independence and sustainability of their daily lives. The programs that have been conducted include poultry farming of buras super chicken and ducks, as well as dragon fruit and horticultural crop production. [G4-SO1]

Contractor Environmental Assessment

When selecting our contractors and vendors, ITM incorporates environmental assessment considerations in order to ensure that all related parties can have the same sustainability vision. We employ Contractor Management System for the Environment and Occupational Health & Safety (CMS EHS) during the stages of prequalification, operations, and review. With this assessment, we require that all partners and related parties to also have the same level of commitment to environmental conservation when carrying out their operations. [G4-DMA]

In 2015, all of our contractors and vendors for mining operations have been evaluated using our CMS EHS environmental criteria. [G4-EN32]

KINERJA KONTRAKTOR PADA 2014 DAN 2015
CONTRACTORS' PERFORMANCE IN 2014 AND 2015



TRANSPARAN AKAN JEJAK LINGKUNGAN KAMI MELALUI CARBON DISCLOSURE PROJECT (CDP) [G4-15]
BEING TRANSPARENT ABOUT OUR ENVIRONMENTAL FOOTPRINT THROUGH CARBON DISCLOSURE PROJECT (CDP) [G4-15]

Karena ITM meyakini bahwa perusahaan-perusahaan yang mengukur risiko lingkungan mereka akan lebih mampu mengelolanya secara strategis, dan mereka yang transparan dalam mengungkap informasi ini akan memberikan akses terhadap sumber data global penting yang menjadi bukti dan wawasan yang diperlukan dalam melakukan tindakan, maka sejak 2015, ITM telah bergabung dengan ribuan perusahaan di seluruh dunia dari skala menengah hingga perusahaan publik besar untuk mengungkap jejak karbon yang dihasilkan dari operasional kegiatan.

As we believe that companies that measure their environmental risk are better able to manage it strategically, and those that are transparent and disclose this information are providing access to a critical source of global data that delivers the evidence and insight required to drive action, starting in 2015, ITM joined thousands of companies around the world from medium sized enterprises to large publicly quoted corporations to disclose our carbon footprint resulted from our operations activity.

Sepanjang periode pelaporan, fokus utama dan kegiatan pemantauan CDP ITM mencakup data emisi yang dihasilkan dari penggunaan bahan bakar fosil untuk *mobile combustion*, seperti alat berat dan mobil operasional; penggunaan bahan bakar fosil untuk *stationary combustion*, seperti unit pembangkit; konsumsi batubara untuk pembangkit listrik; dan penggunaan listrik dari Perusahaan Listrik Negara. Total emisi karbon dari sumber-sumber ini adalah 894.174,72 ton CO_2. Kami menggunakan perhitungan dan tingkat konversi karbon dari Pertamina, IPCC dan PLN sebagai acuan dasar pengukuran CDP.

Throughout the reporting period, our CDP's main focus and monitoring activities covered emission data from fossil fuel usage of mobile combustion units, such as heavy equipment and light vehicles; fossil fuel usage for stationary combustion, such as generator units; coal consumption for our power plants; and electricity usage as supplied by the State Electricity Company. The total carbon emission from these sources amounted to 894,174.72 ton CO_2. We used calculation and carbon conversion rate from Pertamina, IPCC and PLN as reference for CDP measurement basis.

Selanjutnya, data perhitungan CDP tahun ini akan digunakan sebagai dasar dalam menetapkan target proyek pengurangan emisi karbon sebagai inisiatif ITM ke depan. Dari hasil perhitungan, ITM juga telah melakukan sosialisasi rutin kepada seluruh karyawan mengenai emisi karbon, gas rumah kaca, dan manajemen energi & karbon, seiring langkah ITM untuk menjadi lebih transparan dan akuntabel dalam hal informasi jejak karbon dan usaha yang ITM lakukan dalam mengelola dan mengendalikan dampak terhadap lingkungan.

Furthermore, this year CDP calculation data will be used as our baseline to set targets on the carbon emission reduction project as the Company's initiatives in coming years ahead. Following this calculation, ITM has also conducted routine socialization to all employees regarding carbon emission, greenhouse gas, and energy & carbon management as ITM's efforts to be more transparent and accountable in regards to our carbon footprint and ITM effort to manage and control our environmental impact.

TANGGUNG JAWAB SOSIAL

SOCIAL RESPONSIBILITIES



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Pelaksanaan Program *Corporate Social Responsibility* ITM merupakan wujud dari komitmen Perusahaan menjadi *Ethical Good Corporate Citizen yang* mengedepankan aspek keterbukaan, kewajaran dan kesetaraan bagi para pemangku kepentingannya.

The implementation of ITM's Corporate Social Responsibility programs reflects the Company's commitment to be an Ethical Good Corporate Citizen focusing on the transparency and fairness to its stakeholders.


IMMCSR
Do by Heart

TANGGUNG JAWAB SOSIAL
SOCIAL RESPONSIBILITIES

Dalam upaya menjadi warga korporat yang beretika, ITM berkomitmen menjalankan bisnis yang bertanggung jawab secara sosial dan lingkungan, hal tersebut tercermin dari diadopsi nya ISO 26000 tentang Tanggung Jawab Sosial dan AA1000 tentang Keterikatan Pemangkukepentingan. Untuk merealisasikan komitmen tersebut kedalam kegiatan, maka pada tahun 2015 Perusahaan baru saja menyelesaikan pembuatan cetak biru CSR dan peta jalan penerapannya dengan keyakinan bahwa dengan memiliki rencana dan rencana kerja yang jelas sebagai bagian dari strategi usaha yang lebih luas dan kegiatannya akan secara langsung berdampak lebih baik terhadap kinerja perusahaan. [G4-DMA]

To be an ethical good corporate citizen, ITM's committed to conduct business in the most socially and environmentally way, it is reflected in the adoption of ISO26000 on Social Responsibility and AA1000 on Stakeholder Engagement. To turn that commitment into activities then in 2015 the Company just completed the development of CSR blueprint and the implementation roadmap with the believes that by having a comprehensive implementation plan and a clear work programs as part of the company's broader strategic plan and activities, it will directly improve the company's performance. [G4-DMA]

KERANGKA TANGGUNG JAWAB SOSIAL

ISO 26000 menetapkan tujuh subyek inti yang penting untuk diperhatikan dan menjadi bagian integral dalam perencanaan aktivitas tanggungjawab sosial perusahaan. Salah satu dari 7 subjek inti tersebut adalah Community Involvement and Development. Terhadap subjek tersebut, pada tahun 2015 Perusahaan masih merujuk kepada Kebijakan Group no. 7 tahun 2007. Kebijakan ini mengatur bahwa Tata Kelola *Community Development* harus mengikuti empat prinsip 4M (Misi, Ketenagakerjaan, Keuangan dan Manajemen).

SOCIAL RESPONSIBILITY FRAMEWORK

ISO 26000 establishes seven core subjects that are important for the company to address and become an integral part in the planning of the organization's social responsibility activities. One of the 7 core subjects is Community Involvement and Development. To address this subjects, in 2015 the Company still refer to the Group's Policy. The policy regulates that Governance of Community Development has to follow four principles of 4M (Mission, Manpower, Money and Management).

MISI MISSION	KETENAGAKERJAAN MANPOWER	KEUANGAN MONEY	MANAJEMEN MANAGEMENT
1. Mengedepankan pentingnya program-program CD yang menciptakan lapangan kerja bagi masyarakat dan pembangunan kualitas hidup yang berkelanjutan, khususnya di bidang pendidikan dan kesehatan masyarakat. 2. Semua produk asli daerah yang diprakarsai masyarakat setempat atau *Community Development Officer* (CDO), harus dikembangkan dengan memanfaatkan sumber bahan baku setempat disertai dengan usaha-usaha untuk meningkatkan nilai tambah terhadap produk tersebut. 3. Proyek-proyek infrastruktur atau yang bersifat fisik harus memperhatikan kualitas proyek agar mampu digunakan dalam jangka panjang, selain juga melibatkan keikutsertaan masyarakat dalam pemeliharaannya. 4. *CD Mine Closure Plan* harus benar-benar dipersiapkan sedini mungkin bersama-sama dengan pihak terkait. 5. Dilakukan program monitoring dan tindak lanjut secara sistematis untuk setiap jenis proyek yang melibatkan pihak eksternal setiap 2-3 tahun. 6. Pelaksanaan rencana kerja proyek CSR dan CD ditujukan untuk mendapatkan pengakuan dalam hal standarisasi baik dalam negeri maupun internasional guna meningkatkan standar operasi dalam aspek CD di ITM agar dapat diterima masyarakat.	1. Mengadakan pelatihan rutin untuk CDO dan karyawan terkait lainnya. 2. Menyelenggarakan forum CDO tahunan yang diikuti seluruh site sebagai sarana bertukar pandangan, pengalaman dan pembelajaran. 3. Dalam pelaksanaan tugas dan pembinaan hubungan masyarakat oleh para CDO di setiap lokasi penambangan, harus lebih berfokus pada tugas-tugas yang berkaitan dengan CD. 4. Rekrutmen CDO di ITM dilaksanakan secara transparan dan profesional,tidak boleh ada unsur kepentingan pribadi.	1. Seluruh pihak tidak boleh menggunakan uang CD untuk kepentingan pribadi. 2. Anggaran CD yang dialokasikan bagi FKM dilaksanakan sesuai dengan kebijakan pengalokasian anggaran.	1. Seluruh otoritas site menyediakan waktu untuk koordinasi secara rutin dengan unsur masyarakat. 2. Seluruh program CD harus dilakukan secara terintegrasi.

MISI MISSION	KETENAGAKERJAAN MANPOWER	KEUANGAN MONEY	MANAJEMEN MANAGEMENT
1. Prioritize CD programs that generate employment opportunities and allow for a sustainable improvement of life quality, especially in public education and health. 2. All local products initiated by local people or by Community Development Officers (CDOs) must be developed using locally available resources and provided with efforts to increase their added value. 3. Infrastructure or engineering projects must consider the quality of the project so that they may have long-lasting impacts, in addition to involving local people during maintenance. 4. CD Mine Closure Plan must be prepared in cooperation with all relevant parties as early as possible, at the minimum during operational stage. 5. Systematically monitoring and follow-up for each type of project every 2-3 years, which will be done by a third party. 6. Implementation of CSR and CD projects are to comply with domestic and international standards certification in order to improve their implementation to suit expectations of the community.	1. Conduct regular training for CDOs and other related employees. 2. Organize annual CDO forum for CDOs from all sites to share perspectives, experiences and lessons learned. 3. CDOs are to focus on duties related to CD programs when performing their own duties or when building relationship with the communities. 4. CDO recruitment at ITM is carried out in a transparent and professional manner, where no personal interest is accommodated.	1. All parties are not allowed to use CD funding for their own interest. 2. CD funding allocated for FKM has to be used according to applicable budgeting policy within ITM.	1. All site authorities must allocate time to interact and coordinate regularly with the communities. 2. All CD programs must be carried out in an integrated manner.

Dengan panduan ini, ITM secara konsisten melakukan program *Community Development* agar dapat bersinergi dengan Grup Banpu dan semua anak perusahaan dalam menunjukkan komitmen berpartisipasi dalam pengembangan pemangku kepentingan dan masyarakat sekitar.

Lebih lanjut, ITM menetapkan 4 (empat) pilar *Community Development* yang memandu pelaksanaan di lapangan. Empat pilar tersebut, yaitu Pembangunan Sosial, Pembangunan Ekonomi, Pelestarian Lingkungan dan Hubungan Masyarakat.

With this in mind, ITM consistently conducts Community Development programs to synergize with Banpu Group and all subsidiaries in showing our commitment to participate in the development of our stakeholders and communities.

Further, ITM establishes 4 (four) pillars of Community Development that will guide further implementation in practical level. The four pillars are Social Development, Economic Development, Environmental Protection and Community Relations.



TANGGUNG JAWAB SOSIAL
SOCIAL RESPONSIBILITIES

Berdasarkan empat pilar tersebut, ITM melaksanakan berbagai kegiatan/program yang berfokus pada: [G4-EC7][G4-EC8][G4-SO1]

Following these four pillars, ITM implements activities/ programs in the practical level that focus on: [G4-EC7][G4-EC8][G4-SO1]

Pembangunan Ekonomi Economic Development	Aktivitas/program yang diselenggarakan, termasuk pemberdayaan mata pencaharian alternatif bagi masyarakat, pembinaan produksi UKM, perbaikan kualitas produk, pembentukan sentra-sentra bisnis dan pembinaan usaha lokal.	Activities/programs heldare to include providing alternative Income Generating Activities (IGA), mentoring SMEs production activities, improvement of products quality, establishment of business centers and mentoring of local entrepreneurs.
Pendidikan Education	Aktivitas/program yang diselenggarakan, termasuk peningkatan kualitas pendidikan, akses pendidikan bagi semua orang, peningkatan infrastruktur pendidikan, peningkatan kualitas tenaga pengajar dan kesejahteraan mereka, selain juga memastikan ketersediaan tenaga pengajar untuk mendukung kualitas pendidikan yang baik.	Activities/programs held are to include improvement of the quality of education, providing access to education, improvement of educational infrastructure, improvement of teachers' quality and welfare, in addition to ensuring availability of teachers to support good education.
Sosial-budaya dan Keagamaan Socio-cultural and Religious	Aktivitas/program yang diselenggarakan adalah untuk menciptakan harmoni antara berbagai pemangku kepentingan, melestarikan seni budaya setempat, dan mendukung kebebasan dan kerukunan beragama.	Activities/programs are to create harmony between various stakeholders, preserving local arts and culture and to support religious freedom and unity.
Kesehatan Health	Aktivitas/program yang diselenggarakan adalah untuk meningkatkan kesadaran, kemauan, dan kemampuan hidup sehat.	Activities/programs are to improve awareness, willingness and competence in living a healthy lifestyle.
Pelestarian Lingkungan Environmental Protection	Aktivitas/program yang diselenggarakan adalah untuk meningkatkan kesadaran pelestarian dan perlindungan lingkungan demi masa depan.	Activities/programs are to raise awareness of preservation and protection of environment for the future.
Hubungan Masyarakat Community Relations	Aktivitas/program yang diselenggarakan membutuhkan partisipasi aktif karyawan untuk membangun dan membina hubungan dengan masyarakat.	Activities/programs require active participation from our employees to establish and maintain relationship with the communities.
Pengembangan Infrastruktur Infrastructure Development	Program-program yang ada bertujuan menyediakan infrastruktur yang memadai untuk mendukung pemberdayaan ekonomi local, menyediakan akses bagi pendidikan, kesehatan dan layanan masyarakat untuk mempercepat pembangunan di daerah-daerah tersebut.	Programs target providing proper infrastructure to support the local economy, access to education, health and community service to accelerate community development in those areas.

Seluruh program dan kegiatan program CD diselenggarakan dengan partisipasi aktif dari pihak terkait. Hal ini dilakukan melalui pembentukan Forum Konsultasi Masyarakat (FKM) di setiap desa dampingan CD ITM. Anggota FKM merupakan perwakilan dari tokoh-tokoh masyarakat, baik perwailan Pemerintah Desa, perwakilan pemuda dan perwakilan perempuan. Melalui keterlibatan langsung dengan warga desa sebagai target pemangku kepentingan, ITM dapat mengidentifikasi dan memetakan program CD yang tepat sesuai dengan kepentingan dan kebutuhan masyarakat.

All CD programs and activities are conducted with active participation from related parties. This is done through establishing Community Consultative Committee or Forum Konsultasi Masyarakat (FKM) in every ITM CD fostered villages. Members of FKM are representatives of public figures, both from the village government, youth and women representatives. With direct involvement with villagers as targeted stakeholders, we are able to identify and map proper CD programs according to the communities' own interests and needs.

Dalam implementasi program CD, Petugas Pelaku atau Community Development Officers (CDO) membantu dan membimbing pelaksanaan program. Mereka akan bertindak sebagai fasilitator dan pendidik, di samping juga memberikan bimbingan teknis dan bertindak sebagai perwakilan resmi ITM. Partisipasi sebagai CDO bersifat sukarela tetapi mereka dipilih berdasarkan kemampuan dan akan terus dilengkapi melalui berbagai pelatihan dan seminar agar dapat memenuhi tugas dan tanggung jawab mereka.

Upon implementation of various CD programs, Community Development Officers (CDOs) help and guide in conducting the programs. They will act as a facilitator and educator, in addition to providing technical guidance and acting as an official ITM representative. Participation as CDOs are voluntary but they are selected based on their capabilities and will be continuously equipped through various training and seminars in order to enable them to fulfill their duties and responsibilities.

PARAMETER MENGUKUR KESUKSESAN PROGRAM CD
PARAMETER TO MEASURE SUCCESS OF CD PROGRAMS



PELAKSANAAN PROGRAM COMMUNITY DEVELOPMENT

Program CD ITM dilaksanakan di berbagai daerah di sekitar lokasi operasional Perusahaan. Dengan 7 fokus program Community Development yang terdiri dari:

1. Program bidang ekonomi
2. Program bidang pendidikan
3. Program bidang sosial, budaya dan keagamaan
4. Program bidang kesehatan
5. Program bidang lingkungan hidup
6. Program bidang pembinaan hubungan kemasyarakatan
7. Program bidang pembangunan infrastruktur

IMPLEMENTATION OF COMMUNITY DEVELOPMENT PROGRAMS

ITM has CD programs that were implemented at various areas around the Company operational sites. With 7 Community Development F ocuses, consist of:

1. Economic program
2. Education program
3. Social, culture and religion program
4. Health program
5. Environmental program
6. Community relationship program
7. Infrastructure development program

DESA DAMPINGAN PROGRAM CD 2015 [G4-EC7][G4-EC8][G4-SO1]
FOSTERED VILLAGES OF CD PROGRAMS IN 2015 [G4-EC7][G4-EC8][G4-SO1]

NO	ANAK PERUSAHAAN ITM SUBSIDIARY	LOKASI LOCATIONS		AREA PROGRAM PENGEMBANGAN MASYARAKAT COVERAGE OF COMMUNITY DEVELOPMENT PROGRAMS
1	PT Indominco Mandiri	Kalimantan Timur East Kalimantan	Kutai Timur East Kutai Kutai Kartanegara Kota City Bontang	4 Kecamatan/Subdistricts 10 Desa/Villages
2	PT Trubaindo Coal Mining	Kalimantan Timur East Kalimantan	Kutai Barat West Kutai	4 Kecamatan/Subdistricts 20 Desa/Villages
3	PT Bharinto Ekatama	Kalimantan Timur East Kalimantan Kalimantan Tengah Central Kalimantan	Kutai Barat West Kutai Barito Utara North Barito	2 Kecamatan/Subdistricts 5 Desa/Villages
4	PT Kitadin (Embalut)	Kalimantan Timur East Kalimantan	Kutai Kartanegara	1 Kecamatan/Subdistricts 4 Desa/Villages
5	PT Kitadin (Tandung Mayang)	Kalimantan Timur East Kalimantan	Kutai Timur East Kutai Kutai Kartanegara Kota City Bontang	4 Kecamatan/Subdistricts 10 Desa/Villages
6	PT Jorong Barutama Greston	Kalimantan Selatan South Kalimantan	Tanah Laut	1 Kecamatan/Subdistricts 6 Desa/Villages

TANGGUNG JAWAB SOSIAL
SOCIAL RESPONSIBILITIES

PEMBERDAYAAN BIDANG EKONOMI

Program CD ITM untuk pemberdayaan bidang ekonomi di antaranya budidaya ikan, ternak ayam, produksi pupuk organik Bokashi, pendampingan produksi kakao, produksi jamur tiram, ternak sapi, pembibitan tanaman, budidaya tambak, budidaya semangka, perkebunan karet, perkebunan kelapa sawit, proyek air bersih, produksi kerajinan rotan dan sistem pertanian terpadu.

Khususnya demi mendukung dan mempersiapkan masyarakat lokal untuk kegiatan pascatambang, ITM menerapkan Sistem Pertanian Terpadu sebagai proyek integrasi berbagai aspek manajemen pertanian, termasuk budidaya padi, peternakan, perikanan dan produksi produk ramah lingkungan.

Program Highlight pada 2015

- Kelompok Ternak Sapi "Gunung Jamuan" dan Kelompok Ternak Unggas "Karya Etam" yang merupakan bagian dari program pendampingan CD ITM mengikuti kompetisi tingkat provinsi dan masing-masing menjadi Juara 1 dan 3. Sebagai Juara 1, Kelompok Ternak Sapi "Gunung Jamuan" mewakili provinsi di kompetisi tingkat nasional.
- ITM mengadakan pelatihan petani kakao bagi petani Kecamatan Teweh Timur. Pelatihan ini diselenggarakan pada tanggal 3-5 Mei, 2015.
- Pada tanggal 5-15 Januari 2015, ITM memberikan pelatihan kepada alumni SMA 1 Jorong agar dapat menjadi kader budidaya jamur tiram di masyarakat.
- Kunjungan ke Malang dan Bogor untuk mempelajari berbagai program masyarakat, termasuk bank sampah, produksi kakao dan ternak ikan lele kolam terpal.

PEMBERDAYAAN BIDANG PENDIDIKAN

Selain memberikan beasiswa bagi siswa kurang mampu, program CD ITM dengan fokus pendidikan berusaha untuk melengkapi program pendidikan pemerintah. ITM berfokus pada program-program yang menekankan pada kegiatan pelatihan keterampilan dan berbagi pengetahuan yang tidak diberikan di pendidikan formal. Hingga kini, ITM konsisten mengadakan *Community Learning Center* yang mendukung proses Paket Belajar A, B dan C; mengadakan kompetisi cerdas cermat; dan melakukan kunjungan mahasiswa; selain juga melakukan program lain yang dapat membantu meningkatkan kualitas pendidikan.

EMPOWERMENT IN ECONOMY

ITM's CD programs for economic empowerment includes fish farming, chicken farming, Bokashi organic fertilizer production, cocoa production mentoring, oyster mushroom farming, cow farming, plant nursery, cage fish farming, watermelon farming, rubber plantation, palm oil plantation, clean water project rattan handicraft production and integrated farming system.

In particular to support and prepare local communities for post-mining activities, ITM establishes Integrated Farming Systems as the umbrella project that will integrate various aspects of farm management, including rice cultivation, animal husbandry, fish farming and production of environmentally-friendly products.

Highlight Programs in 2015

- Cow Farming Group of "Gunung Jamuan" and Poultry Farming Group of "Karya Etam" that are parts of ITM's CD mentoring program competed in a provincial competition and became the 1st prize and 3rd prize winners, respectively. As the 1st prize winner of the competition, Cow Farming Group of "Gunung Jamuan" represented the province in the national competition.
- ITM held a cocoa farming training to participants from East Teweh subdistrict. The training was held on May 3-5, 2015.
- On January 5-15, 2015, ITM provided training for alumni of SMA 1 Jorong high school to equip them as agents that can promote oyster mushroom cultivation in the community.
- Group study visits to Malang and Bogor were held to learn various community programs, including waste bank, cocoa production and catfish pool tarp farming.

EMPOWERMENT IN EDUCATION

In addition to providing scholarships for less fortunate students, ITM's CD programs for education strives to complement the government's educational programs. ITM focus on programs that emphasize on skill training and knowledge sharing activities that are not given in formal education. Up to now, ITM consistently maintains Community Learning Center that supports Government's Non-Formal Learning Package A, B and C; holds regular student quiz competition; and conducts university student visit; in addition to conducting other programs that could help improving the quality of education.
Highlight Programs in 2015.

ITM memiliki sebuah program khusus yang dinamakan "ITM untuk Pendidikan" yang memberi pelatihan pengembangan bagi siswa dan guru. Program "Tambang untuk Anak" membekali siswa dalam berbagai keterampilan, yang kemudian dikaitkan berbagai aspek lainnya, misalnya pelestarian lingkungan, kesehatan, dan lain-lain. Sementara itu, Smart Teaching memberi pelatihan dan seminar bagi guru agar dapat meningkatkan keterampilan mengajar mereka. Pada 2015, ITM untuk Pendidikan menyelenggarakan program Satu Langkah untuk Menyelamatkan Bumi kepada siswa dan guru di kota Bontang dan Kabupaten Kutai Barat.

Program Highlight pada 2015

- Sebagai bagian dari bulan K3 2015, ITM menggelar Lomba Cerdas Cermat untuk Siswa SD di Kecamatan Tenggarong Seberang. Program ini merupakan program kolaborasi PT Kitadin dan kontraktor.
- Pelatihan terbuka bagi mahasiswa Pesantren "Assalam" di Kecamatan Melak. Pelatihan yang mencakup pengembangan pribadi dan kerja sama tim didukung partisipasi dari pelatih dan fasilitator internal ITM.

ITM's special program on education is called "ITM for Education" that offers development plan for both students and teachers. Program "Mining for Children" aims to equip students on the building of various skills combined with other issues, including preservation of environment, health, etc. Meanwhile, Smart Teaching offers trainings and seminars for teachers to improve their teaching skills. In 2015, ITM for Education held One Step to Save the Earth program for both students and teachers from Bontang city and West Kutai regency.

Program Highlights in 2015

- As a part of OHS month 2015, ITM held a Student Quiz Competition for elementary students in Tenggarong Seberang subdistrict. This program was a joint program between PT Kitadin and contractors.
- Outdoor Training for students of Islamic Boarding School "Assalam" in Melak subdistrict. This joint training on personal development and teamwork allowed participation from internal ITM trainer and facilitator.



TANGGUNG JAWAB SOSIAL
SOCIAL RESPONSIBILITIES

SATU LANGKAH UNTUK MENYELAMATKAN BUMI
ONE STEP TO SAVE THE EARTH

Pada 2015, tim *Corporate Communications* dan *Community Development* ITM menyelenggarakan program Satu Langkah untuk Menyelamatkan Bumi, program rutin yang digelar sepanjang tahun yang bertujuan mendidik siswa, terutama siswa sekolah dasar, di komunitas sekitar area operasional ITM, agar dapat mengetahui cara-cara kreatif menggunakan sampah dari rumah mereka dan mengubahnya menjadi barang yang berguna.

Dalam program yang dilaksanakan pada bulan April, Agustus, Oktober dan Desember tersebut di ruangan kelas masing-masing sekolah, para siswa menikmati proses belajar dan secara pribadi mencoba melakukan daur ulang. Kegiatan yang dilakukan dalam program ini termasuk di antaranya membuat kompos, mainan sederhana atau hiasan menggunakan botol plastik dan koran bekas, dan lain-lain.

Selain itu, untuk melengkapi dan meningkatkan kualitas guru lokal, ITM mengadakan program Smart Teaching sebagai bagian program Satu Langkah untuk Menyelamatkan Bumi membimbing guru sekolah dasar dalam membuat alat peraga sendiri dan kerajinan tangan dari produk daur ulang. Selain itu, mereka juga diberikan pelatihan teknik mengajar yang dapat membantu proses kegiatan mengajar.

Program Satu Langkah untuk Menyelamatkan Bumi diselenggarakan di lokasi berbeda sesuai area operasional ITM menjalankan, termasuk di Bontang sekitar area operasional IMM dan KTD TDM, sekitar area operasional TCM, sekitar area operasional JBG dan di Kecamatan Damai dekat area operasional BEK.

Dengan partisipasi total 537 siswa dan 90 guru, program Satu Langkah untuk Menyelamatkan Bumi diharapkan dapat memperlengkapi upaya peningkatan kualitas pendidikan, kesehatan dan lingkungan di daerah tersebut.

In 2015, Corporate Communications and Community Development teams of ITM held One Step to Save the Earth, a program regularly held throughout the year that aimed to educate students, particularly elementary school students, from the communities where ITM operates, to learn ways to creatively use various wastes generated from their homes and transform them into useful items.

During the program that was held on April, August, October and December 2015 in non-classroom setting, the students had fun learning and personally tried to make recycled products on their own. Student activities that were held in the program were including composting, making simple toys or decorations using used plastic bottles and newspaper, etc.

To equip and improve the quality of the local teachers, ITM also held Smart Teaching as a part of One Step to Save the Earth program to help the elementary school teachers in making their own teaching aids and handicraft from recycled products. In addition, they were also given training on teaching techniques that would be helpful for their practical teaching activities.

One Step to Save the Earth program was held at different locations corresponding to the areas where ITM runs the operations, including in Bontang area near IMM and KTD TDM operations, communities around TCM operational area, communities around JBG operational area and in Damai subdistrict near BEK operational area.

With total participation from 537 students and 90 teachers, One Step to Save the Earth program is expected to complementarily help improving the quality of education, health and environment in the related areas.



Siswa semangat belajar membuat kompos cair melalui metode sederhana dan menyenangkan.
Students eagerly learn liquid composting through simple and fun method.



Siswa dapat membuat mainan sendiri dari sampah kardus. Dalam foto ini, mereka belajar membuat excavator dari kardus bekas.
Students now can make their own toys from cardboard waste. Here they are learning how to make cardboard excavator from scratch.



Siswa dari desa Damaikota berfoto dengan guru-guru mereka dan fasilitator ITM, menunjukkan hasil daur ulang buatan mereka sendiri.
Students from Damaikota village take a group photo with their teachers and ITM facilitators, while eagerly also showing their own hand-made recycled products.

- Kunjungan mahasiswa Fakultas Pertanian Universitas Mulawarman ke Kitadin Embalut untuk mempelajari kegiatan pertanian yang menjadi bagian dari manajemen pascatambang.

PERBERDAYAAN SOSIAL BUDAYA DAN AGAMA

Dengan adanya tradisi lokal dan keyakinan agama yang tertanam dalam kehidupan sehari-hari masyarakat setempat, program CD ITM juga mendukung perayaan keagamaan dan berpartisipasi dalam acara-acara kebudayaan.

Program Highlight pada 2015

- ITM mengadakan perayaan Natal bagi masyarakat lokal di sekitar Kutai Barat, yaitu acara Natal pada 14 Januari 2015 dan kegiatan amal pada 15 Januari 2015.
- ITM berpartisipasi dalam perayaan Nyepi di desa Kerta Buana yang digelar pada 21 Maret 2015.

- ITM berpartisipasi dalam Erau International Folklore and Art Festival 2015 yang digelar pada 07-14 Juni 2015 di Kota Raja, Tenggarong. Acara ini memamerkan budaya dan seni Erau dan diikuti oleh 13 negara asing.

PEMBERDAYAAN BIDANG KESEHATAN

Program Highlight pada 2015

- Menyumbang satu unit ambulan kepada masyarakat Tanah Laut untuk digunakan penduduk desa Swarangan.
- Pada 31 Januari 2015, ITM mengadakan pemeriksaan dan pengobatan kesehatan gratis untuk warga desa Tihi-Tihi di kecamatan Selatan Bontang.
- Sebagai bagian dari program Green Village, ITM menyumbang 6 tempat sampah yang didaur ulang dari drum oli bekas dan berbagai bibit tanaman kepada satu SMUN di Kecamatan East Teweh, Benangin, untuk mengkampanyekan lingkungan sekolah yang sehat dan bersih. Para siswa juga diberikan seminar tentang kesehatan dan lingkungan.
- Program kesehatan gigi diadakan di SDN di Kutai Barat, bekerjasama dengan Puskesmas dan Dinas Kesehatan Daerah.
- ITM menggelar acara khitanan massal bagi anak-anak usia 9-11 dari Kutai Timur, kota Bontang dan Kutai Kartanegara.

- Student visit to Kitadin Embalut from the Faculty of Agriculture of Mulawarman University to learn related agricultural activities that become a part of mine-closure management.

EMPOWERMENT IN SOCIO-CULTURAL AND RELIGIOUS

With local tradition and religious belief that are embedded in the daily life of local communities, ITM's CD programs also support the observance of religious days and participate in cultural events.

Highlight Programs in 2015

- ITM held Christmas celebration events for the local communities around West Kutai with programs including a Christmas celebration on January 14, 2015, and charity event on January 15, 2015.
- ITM participated in Nyepi celebration in Kerta Buana village that was held on March 21, 2015.
- ITM participated in Erau International Folklore and Art Festival 2015 that was held on June 7-14, 2015 at Kota Raja, Tenggarong. This event showcased Erau culture and art and was participated by 13 foreign countries.

EMPOWERMENT IN HEALTH

Highlight Programs in 2015

- Donated one ambulance to the community of Tanah Laut to be used by Swarangan villagers.
- On January 31, 2015, ITM held free medical checkup and treatment for Tihi-tihi villagers at South Bontang subdistrict.
- As a part of Green Village program, ITM donated 6 trash bins, which were recycled from used oil containers, and various plant seeds to promote a healthy and clean school environment to a public high school in East Teweh subdistrict, Benangin. The students were also given seminar on health and environment.

- Dental hygiene program was held at 3 public elementary schools in West Kutai, in cooperation with the Community Health Center and Regional Health Agency.
- ITM held a mass circumcision event for young boys age 9-11 from East Kutai, Bontang city and Kutai Kartanegara.

TANGGUNG JAWAB SOSIAL
SOCIAL RESPONSIBILITIES



PELESTARIAN LINGKUNGAN
Sebagai bagian dari perayaan Hari Lingkungan Hidup Sedunia, pada 5 Juni 2015 ITM melakukan penanaman pohon di Desa Empas, Kecamatan Melak, Kutai Barat. Dengan partisipasi dari kontraktor ITM, acara ini menunjukkan komitmen ITM dalam mendukung pelestarian lingkungan.

PEMBINAAN HUBUNGAN MASYARAKAT
ITM berpartisipasi dalam pengembangan masyarakat melalui CDO atau agen yang akan membantu dalam pelatihan atau memfasilitasi pelaksanaan berbagai program CD.

PEMBANGUNAN INFRASTRUKTUR
Dalam upaya meningkatkan akses masyarakat, ITM memfasilitasi perbaikan infrastruktur di desa-desa dampingan. Infrastruktur yang diperbaiki yaitu sarana umum, ibadah, ekonomi desa dan fasilitas kesehatan.

Program Highlight pada 2015
- Peluncuran program infrastruktur air bersih di desa Santan Tengah, Kecamatan Marang Kayu, Kutai Kartanegara.
- Pembangunan rumah penyemaian *(nursery)* bagi kelompok di desa Benangin, Kecamatan Muara Teweh.
- Penyediaan sarana perpustakaan di desa Suka Rahmat
- Perbaikan dan perawatan sarana ibadah umat Hindu di desa Kerta Buana.

ENVIRONMENTAL PROTECTION
As a part of World Environment Day celebration, on June 5, 2015, ITM planted trees at Empas village, Melak subdistrict, West Kutai. With participation from ITM's contractors, this event expressed the commitment that ITM has in supporting environmental protection.

COMMUNITY RELATION
ITM participates in the development of communities through assigning CD officers or agents that will assist in training or facilitating implementation of various CD programs.

INFRASTRUCTURE DEVELOPMENT
In improving access for the community, ITM facilitate infrastructure repairs in fostered villages. The infrastructures that was repaired including; public, religious, village economic and health facilities.

Highlight Programs in 2015
- Launched a program to install a clean water infrastructure in Central Santan village, Marang Kayu subdistrict, Kutai Kartanegara.
- Construction of plant nursery for the group in Benangin village, Muara Teweh district.
- Library facilities in Suka Rahmat village.
- Repair and maintenance of Hindu religious facility in Kerta Buana Village.

PROGRAM "AIRKU, HIDUPKU" "AIRKU, HIDUPKU" PROGRAM

Proses identifikasi dan pemetaan kebutuhan masyarakat yang dilakukan oleh PT Bharinto Ekatama (BEK) melahirkan program CSR yang bertujuan membantu masyarakat desa Benangin 1, 2 dan 5 dalam penyediaan akses air bersih.

Terlebih dikarenakan letak desa Benangin 1, 2 dan 5 yang berada di dataran tinggi serta kurangnya infrastruktur air yang memadai, masyarakat mengalami kesulitan mendapatkan pasokan air bersih yang cukup untuk kebutuhan air minum dan mendukung kegiatan sehari-hari.

Merespon kebutuhan ini, sejak 2012 tim Community Development dari BEK menyelenggarakan program "Airku, Hidupku" dengan tujuan untuk menyediakan dan meningkatkan kualitas air minum di wilayah-wilayah tersebut. Secara khusus, "Airku, Hidupku" merupakan program usaha air isi ulang yang pengelolaannya dilakukan oleh masyarakat secara bersama-sama. Untuk itu, selain menyediakan air bersih, program ini juga memberdayakan masyarakat setempat melalui pengembangan keterampilan bisnis, kerja sama tim, serta berbagai keterampilan lain yang dapat berkontribusi pada pengembangan masyarakat secara keseluruhan ke depannya.

Dengan pertimbangan pengembangan ke depan, program "Airku, Hidupku" memiliki 3 (tiga) tahapan: tahap perintisan dan penumbuhan (tahun 1-2), tahap pengembangan (tahun 3-4), dan terakhir, tahap kemandirian/pelepasan (tahun 5-6). Kecuali saat tahap kemandirian, tim CD BEK sangat terlibat mulai dari proses persiapan hingga proses implementasi, memberi masukan, pemasangan infrastruktur dan kegiatan pendampingan.

Dengan jumlah pelanggan yang meningkat setiap tahunnya, melalui program "Airku, Hidupku", BEK berkontribusi atas peningkatan kesejahteraan masyarakat, sejalan dengan program Millennium Development Goals, khususnya Target 6 dan 7. Per tahun 2015 , air isi ulang "Airku, Hidupku" telah melayani hampir seribu pelanggan desa Benangin 1, 2 dan 5.

Process of identification and mapping of the community's immediate needs has led PT Bharinto Ekatama (BEK) to establishing a CSR program that could help people at Benangin 1, 2 and 5 villages, providing more access to clean water resources.

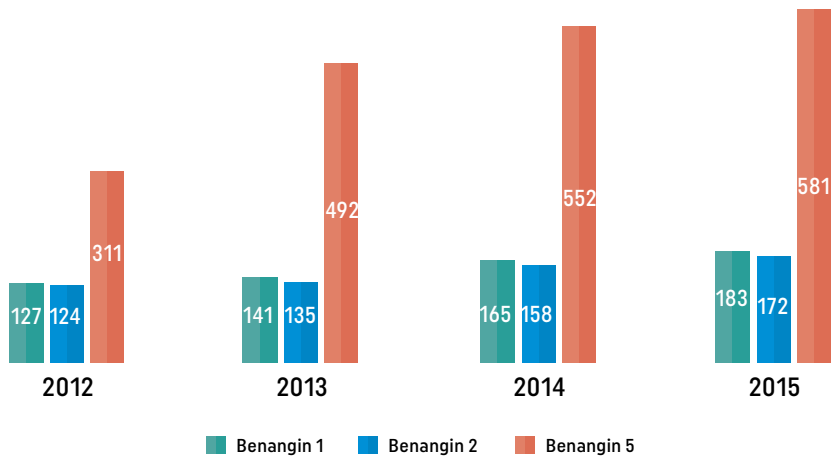
Especially as the villages of Benangin 1, 2 and 5 are located at a high altitude and with lack of proper water infrastructure, people of those villages have been experiencing difficulty in receiving enough supply of clean water for drinking and to support daily activities.

In response to the need, BEK's Community Development team conducts "Airku, Hidupku" program since 2012 that aims to make available and improve the quality of drinking water in that region. In particular, "Airku, Hidupku" program establishes water refilling stations at various locations with management that is done collectively by the community. With this method, in addition to providing clean water, the program also empowers local people to start developing their business skill, teamwork, as well as various other skills that could contribute to the development of the communities as a whole in the future.

With consideration of future development, "Airku, Hidupku" program is conducted in 3 (three) phases: establishment phase (year 1-2), development phase (year 3-4) and, lastly, self-supporting/maturity phase (year 5-6. Therefore, with exception of maturity phase, CD team of BEK is very involved starting from the preparation process up to implementation process, providing ideas, infrastructure and mentoring activities.

With the number of customers increasing every year, we are proud to contribute to the improvement of the welfare of the community as "Airku, Hidupku" program is also in line with the Government's Millennium Development Goals, particularly Goal 6 and 7. As per 2015, "Airku, Hidupku" water refilling stations has been serving almost a thousand customers from all Benangin 1, 2 and 5 villages.

PELANGGAN AIR MINUM ISI ULANG PER TAHUN
CUSTOMERS OF WATER REFILING STATIONS PER YEAR



TANGGUNG JAWAB SOSIAL
SOCIAL RESPONSIBILITIES

HITIM MART

Meningkatnya produksi berbagai makanan lokal membuat masyarakat di sekitar area operasional IMM juga mulai terlibat sebagai produsen makanan lokal, terutama makanan olahan rumahan. Secara khusus, penduduk desa Santan Ilir, Pulau Selangan, Kandolo, Suka Rahmat, Suka Damai dan Bontang Lestari di Kalimantan juga sekarang mulai memproduksi berbagai macam keripik, beras organik, serta makanan lokal lainnya.

Home Industry Team Indominco Mandiri (HITIM) adalah program yang dikembangkan dari program IMM lainnya, yaitu *"One Village, One Product"*, yang berfokus pada pemberdayaan ekonomi masyarakat. Melalui HITIM, produsen lokal bekerja sama dengan IMM dalam memperluas proses produksi atau pasar produk mereka.

Selain itu, IMM mendirikan HITIM Mart agar masyarakat dapat menjual produk-produk mereka, bahkan ke daerah-daerah di luar desa atau komunitas mereka sendiri. Produk yang populer dijual di HITIM Mart, termasuk di antaranya jahe instan, teri Borneo, kerupuk Amplang dan keripik pisang.

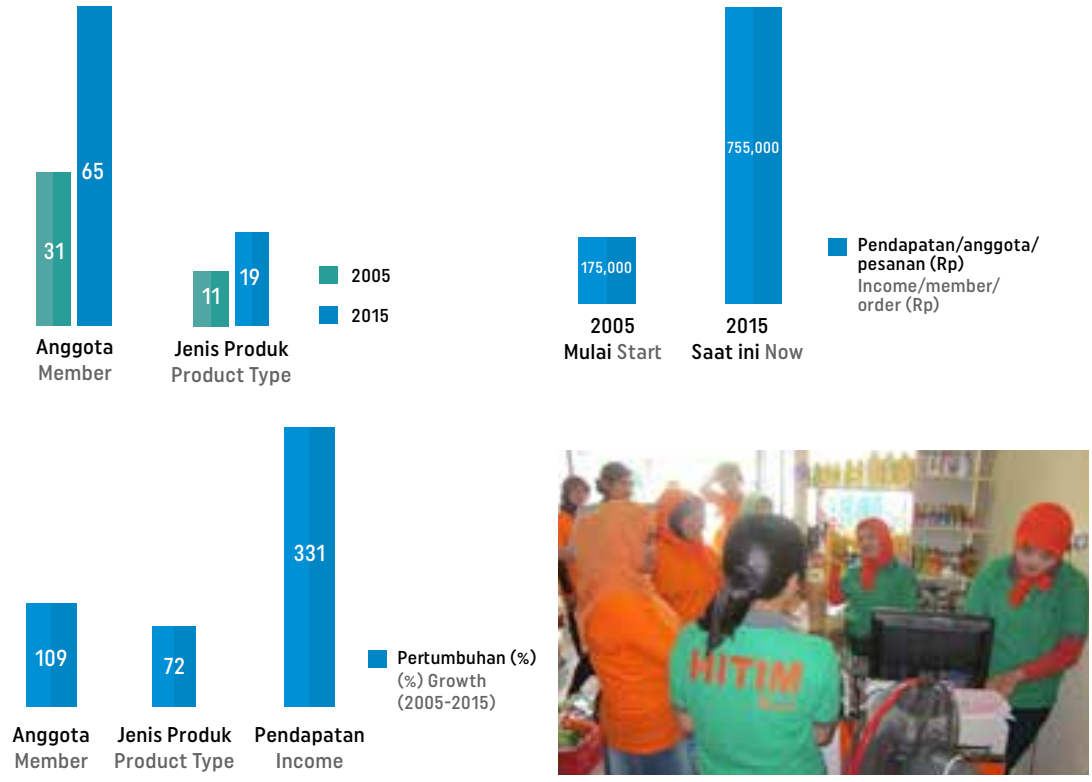
Melalui HITIM dan HITIM Mart, IMM mendukung peningkatan kesejahteraan ekonomi masyarakat dan pemberdayaan perempuan. Hingga 2015, HITIM telah membantu dan mendampingi proses produksi dan distribusi 19 jenis makanan dari 65 produsen lokal (para ibu rumah tangga).

With growing interest on production of various local foods, people from neighboring communities where IMM runs its operational activities are also gradually becoming producers of local food products, especially home made snacks. In particular, people from villages of Santan Ilir, Selangan Island, Kandolo, Suka Rahmat, Suka Damai and Bontang Lestari in Kalimantan Island are also now involved in the production of various chips, organic rice, as well as other local food.

Home Industry Team Indominco Mandiri (HITIM) is a program that is developed from IMM's One Village, One Product program that focuses on economic empowerment of the communities. Through HITIM, local producers cooperate with IMM to expand the production process or the market of their products.

In addition, IMM establishes HITIM Mart in order that people can sell their products to their communities, even those outside their own villages or regions. Popular products sold in HITIM Mart are including instant ginger tea, Borneo's salted baby anchovy, kerupuk amplang and banana chips.

Through HITIM and HITIM Mart, IMM supports the improvement of economic welfare of the people and the empowerment of women from the communities. Up to 2015, HITIM has been assisting and mentoring in the production and distribution of 19 different types of snacks and food products from 65 local producers (housewives from the local communities).



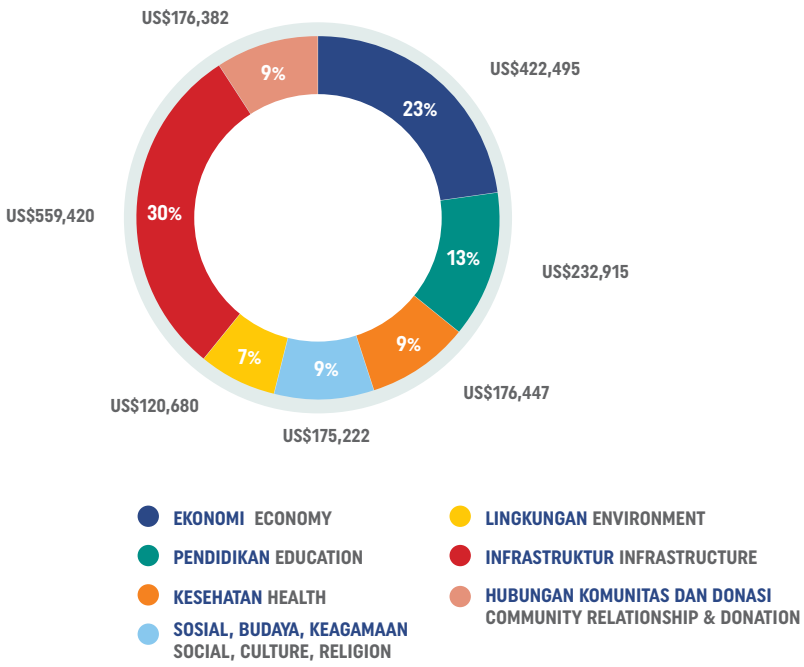
ANGGARAN DAN PENGELUARAN PROGRAM CD PADA 2015

Untuk pelaksanaan program CD sepanjang tahun, ITM mengeluarkan dana sebesar US$1.86 juta, naik sekitar 5 persen dibandingkan tahun lalu. Dari total dana CD 2015, alokasi terbesar terserap di program infrastruktur yang mencapai 30 persen disusul program ekonomi dan pendidikan masing-masing sebesar 23 dan 12 persen. Khusus untuk infrastruktur, alokasi dana tersebut dibagi dalam lima bidang utama yaitu sarana ibadah (36 persen), fasilitas umum (26 persen), sarana ekonomi (17 persen), sarana pendidikan (14 persen), dan sarana kesehatan (7 persen).

BUDGET AND SPENDING FOR CD PROGRAMS IN 2015

For the implementation of CD programs throughout the year, the Company expensed a total US$1. 86 million of funding, 5 percent higher compared to last year. Of the total CD funding in 2015, the largest allocation, 30 percent was absorbed for infrastructure development, followed by economic development and education programs of 23 and 12 percent respectively. For infrastructure, the allocation of funding was divided into five major categories, including places of worship (36 percent), public facilities (26 percent), economic infrastructure (17 percent), educational facilities (14 percent) and health facilities (7 percent).

DANA PER FOKUS *COMMUNITY DEVELOPMENT* PADA 2015
FUNDING PER COMMUNITY DEVELOPMENT FOCUS IN 2015



TANGGUNG JAWAB SOSIAL
SOCIAL RESPONSIBILITIES

TESTIMONI TESTIMONY



Letkol. Kav. ARI PRAMANA SAKTI
Dandim 0906, Tenggarong

Atas nama Kodim 0906 Tenggarong mengucapkan terimakasih banyak Manajement PT Kitadin selama ini dalam komunikasi efektif membuat synergi Koramil bersama masyarakat Tenggarong Seberang dalam pelaksanaan program *Comdev*nya memberikan dampak yang cukup baik dan mendukung program pemerintah dalam bidang Pertanian, Perikanan , peternakan dan pemanfaatan Biogas.

Dukungan semua pihak dan salah satunya program binaan Comdev PT Kitadin menjadi daerah kunjungan lapangan (Desa Bangun Rejo dan Desa Embalut) untuk lomba Pembinaan Satuan Teritorial (Binter) se-Indonesia, Tahun ini Kodim 0906 Tenggarong berhasil meraih juara Pertama kriteria kodim madya terbaik se Indonesia, mengalahkan tiga kodim terbaik lainnya yang masuk peringkat 4 besar diantaranya. Kodim 0104 Aceh Timur, Kodim 1420 Sidrap, dan Kodim 0718 Pati. Dari 302 Kodim se Indonesia.

On behalf of Kodim 0906 Tenggarong, I would like to say thank you to PT Kitadin Management for always be in effective communication making Koramil synergize with Tenggarong Seberang community in implementing the ComDev Programs that has given positive impacts and supports government programs in agriculture, fishery, farms, and use of Biogas.

Due to the support from all parties, and also PT Kitadin foster village ComDev Program as the field visit destination (Bangun Rejo Village dan Embalut Village) for National Teritorial Unit Coaching Competition (Binter), this year Kodim 0906 Tenggarong achieved first place in The Best National Kodim Madya, beating other three best Kodim that went to top 4. namely Kodim 0104 East Aceh, Kodim 1420 Sidrap, dan Kodim 0718 Pati. From 302 Kodims nationally.



WIYONO, MPd.
Kepala Sekolah SMP Negeri 1 Teluk Pandan

Program CSR PT Indominco Mandiri selama ini telah berjalan dengan baik khususnya *support* kepada sekolah yang salah satunya adalah kepedulian terhadap lingkungan.

Manfaat yang kami terima sangat mendukung program-program pendidikan di wilayah teluk pandan. Salah satu dukungan program CSR kepada kami adalah berhasilnya SMP Negeri 1 Teluk Pandan meraih Penghargaan Sekolah Adiwiyata Tingkat Nasional pada tahun ini (2015), berkat partisipasi dan sinergi dari perusahaan. Selain itu kegiatan-kegiatan lainnya adalah program UKS sekolah yang mendapat perhatian penuh dari bidang CSR PT Indominco mandiri dan bantuan beasiswa bagi siswa siswi berprestasi yang rutin di berikan oleh setiap semester.

Harapan kami semoga kerja sama dan sinergi ini terus berlanjut khususnya pembinaan sekolah adiwiyata di wilayah kecamatan teluk pandan.

PT Indominco Mandiri CSR Program has been going on really well especially the for the support towards schools, one of them is about the awareness for the environment.

The benefits that we received have helped the education programs in Teluk Pandan area. One of CSR programs that supported us was the success of State Junior High School 1 Teluk Pandan in achieving the 2015 National Level Adiwiyata School Award thanks to the participation and sinergy from the company. Furthermore, other activities such as school infirmary that had full attention from PT Indominco Mandiri CSR programs and also scholarship for outstanding students which are given regularly every semester.

We hope that this cooperation and sinergy keeps on going, especially in adiwiyata school fostering in Teluk Pandan district.

PENGHARGAAN

Berkat komitmen implementasi program-program yang mendukung pengembangan berbagai aspek masyarakat, ITM menerima berbagai penghargaan di tahun 2015, termasuk:

- Award Platinum untuk kategori Smart, Award Platinum untuk kategori Inovasi, Award Silver untuk kategori Hijau atas Tanggung Jawab Sosial Perusahaan kepada Masyarakat melalui Laporan Kegiatan Penanaman Modal (LKPM), yang diberikan Pemerintah Kabupaten Kutai Kartanegara kepada PT Kitadin Embalut pada 7 April 2015.
- Award Platinum untuk kategori Tujuan SDG 8 berupa program peternakan ayam di desa Batalang, Kalimantan Selatan, yang diberikan Kementerian Koordinator Pembangunan Manusia dan Kebudayaan (PMK) dan Lembaga CFCD kepada PT Jorong Barutama Greston pada 29 Juli 2015.
- Award Platinum untuk kategori Tujuan SDG 6 berupa program "Airku, Hidupku" di desa Benangin 5, Kalimantan Tengah, yang diberikan Kementerian Koordinator Pembangunan Manusia dan Kebudayaan (PMK) dan Lembaga CFCD kepada PT Bharinto Ekatama pada 29 Juli 2015.
- Award Platinum untuk kategori Tujuan SDG 6 berupa program *Water Treatment* di desa Santan Tengah, Kalimantan Timur, yang diberikan Kementerian Koordinator Pembangunan Manusia dan Kebudayaan (PMK) dan Lembaga CFCD kepada PT Indominco Mandiri pada 29 Juli 2015.
- Award Platinum untuk kategori Tujuan SDG 12 bidang 1 berupa Daur Ulang Sabut Kelapa di desa Santan Tengah, Kalimantan Timur, yang diberikan Kementerian Koordinator Pembangunan Manusia dan Kebudayaan (PMK) dan Lembaga CFCD kepada PT Indominco Mandiri pada 29 Juli 2015.
- Award Gold untuk kategori Tujuan SDG 3 berupa Kelas Ibu Hamil dan Menyusui di desa Sukarahmat, Kalimantan Timur, yang diberikan Kementerian Koordinator Pembangunan Manusia dan Kebudayaan (PMK) dan Lembaga CFCD kepada PT Indominco Mandiri pada 29 Juli 2015.

AWARDS

With committed implementation of programs that support development of various aspects of communities, ITM has received various awards in 2015, including:

- Platinum Award for Smart category, Platinum Award for Innovation category and Silver Award for Green category for Corporate Social Responsibility to Community through Capital Investment Activity Reporting (Laporan Kegiatan Penanaman Modal - LKPM), which was awarded by Kutai Kartanegara Regency to PT Kitadin Embalut on April 7, 2015.
- Platinum Award for Sustainable Development Goal 8 category through chicken farming program in Batalang village, South Kalimantan, which was awarded by Coordinating Ministry for Human Development and Cultural Affairs and Corporate Forum for Community Development (CFCD) to PT Jorong Barutama Greston on July 29, 2015.
- Platinum Award for Sustainable Development Goal 6 category through "Airku, Hidupku" clean water program in Benangin 5 village, Central Kalimantan, which was awarded by Coordinating Ministry for Human Development and Cultural Affairs and Corporate Forum for Community Development (CFCD) to PT Bharinto Ekatama on July 29, 2015.
- Platinum Award for Sustainable Development Goal 6 category through water treatment program in Central Santan, East Kalimantan, which was awarded by Coordinating Ministry for Human Development and Cultural Affairs and Corporate Forum for Community Development (CFCD) to PT Indominco Mandiri on July 29, 2015.
- Platinum Award for Sustainable Development Goal 12 category through coconut husk fiber recycling program in Central Santan, East Kalimantan, which was awarded by Coordinating Ministry for Human Development and Cultural Affairs and Corporate Forum for Community Development (CFCD) to PT Indominco Mandiri on July 29, 2015.
- Gold Award for Sustainable Development Goal 3 category through program for pregnant and breastfeeding mothers in Sukarahmat, East Kalimantan, which was awarded by Coordinating Ministry for Human Development and Cultural Affairs and Corporate Forum for Community Development (CFCD) to PT Indominco Mandiri on July 29, 2015.

DAMPAK EKONOMI

ECONOMIC IMPACTS



9

Menjalankan kegiatan produksi dari pulau Kalimantan, ITM telah membangun reputasi sebagai produsen batubara yang solid melayani permintaan yang berasal dari pelanggan domestik dan internasional.

Running the production activities from Kalimantan island, ITM has become a renowned coal producer serving demand from both domestic and international customers.



DAMPAK EKONOMI
ECONOMIC IMPACTS

Bagi ITM, keberlanjutan didasari dengan kinerja operasional dan keuangan yang sehat dan memungkinkan Perusahaan untuk terus mampu mendistribusikan manfaat kegiatan dan usaha kepada semua pemangku kepentingan. Untuk mencapai hal tersebut, ITM menjalankan kegiatan usaha dengan cara-cara yang paling efektif, efisien dan inovatif.

For ITM, sustainability begins with a sound operational and financial performance. Thus, this company will grow strong and maintain its presence so as to enable it to distribute the benefits of operations to all stakeholders. To achieve this, ITM ensures that the business runs in the most effective, efficient and innovative way.

TINJAUAN USAHA

Total produksi batubara ITM tahun 2015 adalah 28,5 juta ton, 2% lebih rendah dari volume produksi tahun 2014 sebesar 29,1 juta ton, dan 3% di bawah target pada awal tahun sebesar 29,5 juta ton. Kontribusi terbesar terhadap produksi tahun 2015 berasal dari PT Indominco Mandiri, dengan 13,4 juta ton atau 47% terhadap total. Sementara itu, produksi PT Kitadin Tandung Mayang di tahun 2015 mengalami kenaikan sebesar 39% menjadi 2,5 juta ton di 2015. Rincian lebih lanjut pada angka-angka produksi masing-masing anak perusahaan disajikan di bawah ini.

BUSINESS REVIEW

ITM produced a total volume of 28.5 million tons in 2015, 2% lower than the production volume of 2014 amounted to 29.1 million tons. This was also 3% below the target of 29.5 million tons set at the beginning of 2015. The largest share of the 2014 production volume was contributed by PT Indominco Mandiri, which produced 13.4 million tons or 52% of the total. Meanwhile, production from PT Kitadin Tandung Mayang in 2015 increased by 39% to 2.5 million tons. Further details on each subsidiary's production figures are presented below.

ANAK USAHA SUBSIDIARIES	PRODUKSI (JUTA TON) PRODUCTION (MILLION TONES)		PERUBAHAN CHANGES (%)
	2015	2014	
PT Indominco Mandiri	13.4	15.0	(11)
PT Trubaindo Coal Mining	7.3	7.2	1
PT Kitadin			
- Tandung Mayang	2.5	1.8	39
- Embalut	1.2	1.3	(8)
PT Bharinto Ekatama	2.8	2.5	12
PT Jorong Barutama Greston	1.3	1.3	-
Total	**28.5**	**29.1**	**(2)**

Volume penjualan batubara ITM turun 3% dari 29,0 juta ton di 2014 menjadi 28,2 juta ton di 2015. India, Jepang dan China merupakan pembeli terbesar, dengan volume sebesar 14,9 juta ton atau 53% total penjualan ITM. Di tahun 2015, ITM membuka pasar baru ke Bangladesh untuk menambah portofolio pelanggan.

ITM's coal sales declined 3% year-on-year in volume, from 29.0 million tons in 2014 to 28.2 million tons in 2015. India, Japan and China are the biggest buyers of ITM's coal, with a combined sales volume of 14.9 million tons, or 53% of the total. ITM penetrated new market in Bangladesh last year to expand the Company customer base.

Laju peningkatan penjualan terbesar menurut negara adalah India, dengan tingkat kenaikan 69% dari 3,2 juta ton di tahun 2014 menjadi 5,4 juta ton pada tahun 2015. ITM mengalihkan penjualan ke India, karena penurunan signifikan permintaan impor China dan karena adanya perubahan kualitas produksi batubara. Di saat bersamaan, Perusahaan tetap memfokuskan penjualan ke pasar Indonesia untuk memenuhi kebutuhan domestik. Penjualan ITM ke pasar domestik naik 3% dari 3,7 juta ton di tahun 2014 menjadi sebesar 3,8 juta ton di tahun 2015.

The largest increase in sales in percentage terms was seen in India, with a 69% year-on-year growth, from 3.2 million tons in 2014 to 5.4 million tons in 2015. ITM diverted sales from China to India due to significant China import cut back and change of ITM's product quality. At the same time, the Company still on the Indonesian market to fulfill domestic consumption. ITM's coal shipment to the domestic market increased from 3.7 million tons in 2014 to 3.8 million tons in 2015, amounting to a year-on-year growth of 3%.



Di tahun 2015, rata-rata harga jual batubara ITM turun 16% dari US$67,1/ton menjadi US$56,4/ton, selaras dengan penurunan indeks harga spot Newcastle sekalipun ITM telah mengganti produksi batubara dengan jenis kalori yang lebih rendah. Penjualan batubara ITM mencatatkan penurunan sebesar 18% dari US$1.927,0 juta di tahun 2014 menjadi sebesar US$1.575,2 juta di tahun 2015.

Lokasi tambang ITM saat ini tersebar di enam wilayah usaha pertambangan yang semuanya saat ini dalam tahapan beroperasi dan berproduksi, masing-masing di bawah pengelolaan satu anak perusahaan. Empat daerah konsesi ITM berlokasi di Kalimantan Timur, satu di Kalimantan Selatan, dan satu terletak di dua provinsi, yakni Kalimantan Timur dan Kalimantan Tengah. Salah satu lokasi tambang milik ITM, yaitu TDM (Tandung Mayang) yang dikelola oleh PT Kitadin telah memasuki masa akhir produksi di tahun 2015.

ITM's average selling price declined 16% year-on-year in 2015, from US$67.1/ton to US$56.4/ton in line with a decline of average spot Newcastle prices despite ITM's coal blended to a lower quality product. More lower quality product. ITM's coal sales recorded a declining total revenue of 18%, from US$1,927.0 million in 2014 to US$1,575.2 million in 2015.

ITM's mining locations are currently spread across six mining concession areas, all of which are currently operational and in production, each under the management of one of the Company's subsidiaries. Four concession areas are located in East Kalimantan, one in South Kalimantan, and the other one in both East Kalimantan and Central Kalimantan. One of ITM's mining area, TDM (Tandung Mayang) managed by PT Kitadin has entered the mine closure stage in 2015.

DAMPAK EKONOMI
ECONOMIC IMPACTS

Pada akhir tahun 2015, estimasi total sumber daya batubara ITM (terbukti dan tereka) telah mencapai 1.617 juta ton, dengan total cadangan sebesar 223 juta ton. Perhitungan dan penyajian angka-angka tersebut berdasarkan Standar Pelaporan Batubara Internasional ("kode JORC"), berdasarkan estimasi yang dilakukan oleh pihak-pihak yang kompeten berdasarkan Kode JORC.

MANAJEMEN HUBUNGAN PELANGGAN [G4-DMA]

Upaya-upaya juga terus dilakukan untuk mengoptimalkan manfaat kerjasama antara ITM dan pelanggan. ITM memastikan stabilitas kualitas batubara yang pelanggan butuhkan dalam kegiatan operasional mereka. Selain itu, ITM menyediakan berbagai layanan yang bertujuan meningkatkan kepuasan pelanggan dan mengurangi permasalahan yang mungkin dialami pelanggan dalam operasional sehari-hari.

Secara khusus, ITM menciptakan program layanan purna jual yang bertujuan memberi dukungan kepada pelanggan melalui pemberian solusi teknis masalah operasional sehari-hari. Tim disiapkan untuk memberi layanan pendukung dan bantuan baik di lapangan atau melalui media misalnya *online* atau panggilan konferensi.

ITM terus mendapat dukungan loyalitas pelanggan seiring meningkatnya jumlah pelanggan premium. Oleh karena itu, ITM menghargai pelanggan setia melalui penyediaan layanan khusus dan tambahan bagi pelanggan tertentu, sesuai kategori silver, gold atau platinum berdasarkan hubungan bisnis yang terbangun selama ini dengan ITM.

Perusahaan yakin bahwa melalui upaya ekstra dalam menjaga hubungan dengan pelanggan, ITM dapat terus mendapat dukungan yang dibutuhkan untuk keberlanjutan bisnis.

Pada 2015, ITM mendapatkan hampir 100% umpan balik dalam Survei Kepuasan Pelanggan, prestasi yang menunjukkan telah terciptanya loyalitas pelanggan. Dari Survei tersebut, ITM secara keseluruhan mendapat respon positif, akan tetapi tetap membuat penyesuaian yang diperlukan sesuai saran dan keluhan dalam survei. [G4-PR5]

At the end of 2015, total estimated coal resources of ITM (proven and probable) stood at 1,617 million tons, with total reserves amounting to 223 million tons. These figures are prepared consistent with International Coal Reporting Standards ("JORC Code"), based on estimates prepared by competent persons under the JORC Code.

CUSTOMER RELATIONSHIP MANAGEMENT [G4-DMA]

Efforts are also made to optimize mutual benefits that both ITM and our customers can receive from one another. ITM ensures to provide the stability of coal quality that our customers can use in order to maintain their operations. In addition, ITM provides various services that could enhance customers' satisfaction and reduce the overall difficulties that our customers might have in their daily operations.

ITM has particularly established our after-sales service program which aims to support our customers with providing technical solutions to their daily operational issues. The team is equipped to perform related support and ready to provide help both onsite or through utilizing various media including online media or conference call.

ITM is proud to possess customer loyalty as the number of premium customers has been steadily increasing. Therefore, ITM appreciates loyal customers through providing special and additional services to certain customers, which have been categorized into silver, gold or platinum according to business relationship and history with ITM.

The Company believes that through constantly going the extra mile in our relationship with our customers, ITM can continuously have the support that we need for the sustainability of our business.

In 2015, we nearly have 100% feedback on Customer Satisfaction Survey, an achievement that proves our customer loyalty. From the Survey, ITM is pleased to have overall positive responses, while also will be making necessary adjustments for any suggestions and complaints that we receive from the survey. [G4-PR5]

PROFIL PELANGGAN ITM PADA 2015 ITM'S CUSTOMERS PROFILE IN 2015

NEGARA COUNTRY	JUMLAH PELANGGAN NUMBER OF CUSTOMERS	PRODUK PRODUCT	INDUSTRI INDUSTRY
Jepang	17	Sub Bituminuous - Bituminuous	Power Plant, Steel, Garment, Paper Industries
India	9	Sub Bituminuous	Power Plant, Aluminium Factory, Bricks Industry
China	6	Sub Bituminuous	Power Plant
Indonesia	5	Sub Bituminuous - Bituminuous	Power Plant, Cement, Nickel, Pulp & Paper
Thailand	4	Sub Bituminuous	Power Plant, Cement
Taiwan	3	Sub Bituminuous - Bituminuous	Power Plant
Malaysia	1	Sub Bituminuous	Power Plant
US	1	Sub Bituminuous	Power Plant

MANAJEMEN KUALITAS BATUBARA

Menjaga kualitas batubara menjadi hal penting dalam strategi ITM untuk memberikan produk dan layanan terbaik. Dengan situasi pasar yang semakin kompetitif, dibutuhkan upaya ekstra dari perusahaan agar tetap terdepan dan dapat mempertahankan loyalitas pelanggan.

Oleh karena itu, ITM menerapkan praktik-praktik terbaik di seluruh lini produksi agar kualitas dapat dipertahankan, mulai dari proses produksi di fasilitas pertambangan dan stockpile hingga proses pengangkutan dan pengiriman ke kapal pelanggan.

Sebagai pedoman, kerangka kerja manajemen mutu ITM mencakup 5 (lima) aspek, termasuk:

- Menjaga konsistensi kualitas batubara sesuai kontrak,
- Mendengarkan suara pelanggan demi peningkatan kualitas,
- Memperhatikan keluhan pelanggan terkait pasokan produk,
- Fleksibilitas dalam jadwal pengiriman menyesuaikan kontrak, dan
- Menyediakan layanan total termasuk saat penggunaan batubara di pembangkit listrik pelanggan.

Dari berbagai kebutuhan pelanggan ini, ITM melakukan upaya terus-menerus untuk meningkatkan kualitas proses dan produk kami, termasuk melalui partisipasi para pelanggan memberikan masukan dan rekomendasi.

Secara khusus, ITM menggunakan metode *blending* dalam mencampur berbagai tipe batubara untuk mencapai tingkat kualitas yang diinginkan. Sesuai kebutuhan pelanggan, tingkat kualitas batubara akan terus dipertahankan agar dapat digunakan dalam kegiatan operasional pelanggan.

COAL QUALITY MANAGEMENT

Maintaining the quality of our coals is important as a part of ITM's strategy in delivering best products and services. With producers in the market that are getting more competitive, it requires an extra effort for company to stay ahead of the competition and maintain customers' loyalty.

Therefore, ITM employs best practices throughout our production line in order that quality can be maintained starting from production process at our mining facility and stockpile up to transporting and shipment processes to reach the customer's destination.

As a guideline, ITM's quality management framework covers 5 (five) aspects, including:

- Maintaining coal quality consistency in accordance with what is required in the contract,
- Listening to customers' voice for quality improvement,
- Taking notice of customers' complaints on supply of product,
- Flexibility in shipping schedules following what is specified in the contract, and
- Providing a total service for the use of our coal in our customers' power plants.

With customer's requirements and needs in mind, ITM employs continuous efforts of improving the quality of our process and products with participation from our customers who provide feedback and recommendations.

In particular, ITM blends various coal types in order to achieve certain level of coal quality. Following a customer's requirements, the coal quality level will be maintained according to what is specified in the contract to be able to be used for the customer's operation.

DAMPAK EKONOMI
ECONOMIC IMPACTS

Proses *blending* dilakukan di port terminal ITM di bawah koordinasi Departemen Quality Maintenance ITM dengan kerjasama dari berbagai pihak, termasuk petugas kapal, surveyor dan karyawan ITM lainnya, berdasarkan Standard Operating Procedures di port.

Selain terus-menerus melakukan peningkatan kualitas, ITM menciptakan program loyalitas pelanggan khusus dengan tipe keanggotaan Platinum dan Gold yang bertujuan untuk memberikan manfaat tambahan kepada pelanggan ITM yang telah bermitra dengan Perusahaan kami selama jangka waktu tertentu. Per akhir 2015, ITM memiliki total 13 pelanggan Platinum dan 24 pelanggan Gold.

Melalui integrasi kualitas batubara dan pelayanan yang terbaik, ITM berharap dapat membangun nilai jual yang dapat menjaga reputasi kuat di pasar.

DAMPAK EKONOMI UNTUK MASYARAKAT LOKAL DAN PEMBANGUNAN DAERAH [G4-DMA]

Dalam menjalankan operasional, ITM berusaha agar dapat berdampak pada kesejahteraan pemangku kepentingan. Seiring pertumbuhan usaha, ITM juga mendukung pertumbuhan masyarakat sekitar serta pihak-pihak terkait dalam rantai pasokan. Untuk itu, ITM selalu menjaga komunikasi dan hubungan dengan para pemangku kepentingan serta memberi berkontribusi pada pertumbuhan dan pengembangan para pemangku kepentingan.

ITM mempekerjakan sejumlah besar karyawan lokal di berbagai wilayah operasi. Inisiatif ini diyakini membantu masyarakat dalam meningkatkan kualitas hidup melalui sumber penghasilan tetap dan yang lebih baik. Selain itu, ITM bermitra dengan 10 kontraktor pertambangan besar dan kecil. Hal ini dapat menjadi kesempatan baik dalam mendukung perluasan dampak usaha ITM terhadap ekonomi lokal karena bertambahnya bisnis akan membuka kesempatan kerja yang lebih besar lagi bagi masyarakat setempat.

Selain itu, ITM berupaya memberdayakan ekonomi lokal melalui pelaksanaan program mata pencaharian alternatif atau *Income Generating Activities* (IGA) yang merupakan bagian dari inisiatif *Community Development* (CD). Melalui IGA, ITM menyelenggarakan berbagai program dan memberikan seminar dan pelatihan yang dapat membekali masyarakat lokal dalam menjalankan dan mengelola bisnis mereka sendiri.

The blending is conducted at ITM's port terminals and closely coordinated by ITM's Quality Maintenance department with cooperation from various parties, including vessel officers, surveyors and other ITM employees, according to loading port's Standard Operating Procedures.

In addition to making continuous improvements on the quality, ITM creates a special customer loyalty program with Platinum and Gold memberships that aim to provide additional benefits to ITM's customers that have partnered with our Company for a certain period of time. By the end of 2015, ITM has a total 13 Platinum customers and 24 Gold customers.

With integration of implementations of best coal quality and excellent service, ITM aims to establish a selling point to maintain a strong reputation in the market.

ECONOMIC IMPACTS TO THE LOCAL COMMUNITIES AND REGIONAL DEVELOPMENT [G4-DMA]

In running the operations, ITM seeks to also make an impact to the well being of related stakeholders. As ITM grows, the Company also strives to support the growth of the communities neighboring the operational areas, as well as related parties down the supply chain. Therefore, ITM maintains ongoing communication and relationships with the stakeholders, in addition to providing support that will contribute to their growth and development.

ITM has been employing a large number of local people at various operational sites. This initiative is believed to be able to help them to improve their quality of life by providing a steady and better income. In addition, ITM has been partnering with 10 mining contractors, both large and small. This opportunity can be something that can be utilized to extend the impacts that ITM makes on the local economy as with more business there will be an even bigger employment opportunity for the local people.

In addition, ITM seeks to empower the local economy through supporting the implementation of Income Generating Activities (IGA) program which is a part of our Community Development (CD) initiative. With IGA, ITM establishes programs and provides seminars and trainings that can equip local people in running and managing their own businesses.

Lebih lanjut, dengan pertumbuhan nilai ekonomi dan keuntungan, ITM berkontribusi terhadap pembangunan daerah melalui pembayaran pajak dan royalti kepada Pemerintah. Pada 2015, ITM membayar pajak dan royalti sebesar US$271,4 juta, 10% lebih rendah dari total US$300,3 juta pada 2014, seiring dengan menurunnya jumlah produksi batubara kami.

Further, with any growth in our economic value and profits, ITM contributes to the regional development through consistent submission of tax and royalty to the Government. In 2015, ITM paid US$271.4 million, in tax and royalty, which is 10% lower than US$300.3 million in 2014, inline with the decline of our total coal production volume.

KINERJA EKONOMI ECONOMIC PERFORMANCE [G4-EC1]

(US$ Ribu/US$ Thousand)

DESKRIPSI	2015	2014*	Perubahan Change (%)	DESCRIPTION
PEROLEHAN NILAI EKONOMI				**ECONOMIC VALUE GENERATED**
Pendapatan	1,589,409	1,942,655	(18)	Revenue
Pendapatan Bunga Bank dan Deposito	4,378	6,271	(30)	Interest Income from Bank and Deposits
Hasil Investasi pada Anak Perusahaan	-	-	-	Net Profit from Associated Companies
Pendapatan/(Pengeluaran) Selisih Kurs	(4,838)	(717)	575	Gain/(Loss) from Forex Differential
Pendapatan/(Pengeluaran) Lain-Lain	(53,676)	20,541	(361)	Other Incomes/(Expenses)
Jumlah Nilai Ekonomi Diperoleh	1,535,273	1,968,750	(22)	Total Economic Value Generated
PENDISTRIBUSIAN NILAI EKONOMI				**ECONOMIC VALUE DISTRIBUTED**
Biaya Operasional	1,107,468	1,445,557	(23)	Operating Costs
Gaji Karyawan dan *Benefit* Lainnya:				Employees Salary and Benefit:
- Karyawan - Operasional	40,646	38,769	5	Employees - Operation
- Karyawan - Administrasi dan Penjualan	12,268	14,834	(17)	Employees - Administration and Selling
Jumlah Gaji Karyawan dan *Benefit* Lainnya	52,914	53,603	(1)	Total Employee's Salary and Other Benefit
PEMBAYARAN KEPADA PENYANDANG DANA:				**PAYMENT FOR FUNDS PROVIDER**
- Pemegang Saham (Dividen)	114,538	200,065	(43)	Shareholders (Dividend)
- Bank (Bunga Pinjaman)	-	-	-	Creditors (Interest)
Jumlah Pembayaran kepada Penyandang Dana	114,538	200,065	(43)	Total Payment for Funds Provider
Pengeluaran untuk Pemerintah (Pajak, Royalti, dan sebagainya)	271,444	300,292	(10)	Expenses for Government Obligation (Tax, Royalties, Etc)
Pengeluaran untuk Masyarakat	1,864	1,967	(5)	Community Development Expenses
Jumlah Nilai Ekonomi yang Didistribusikan	1,548,326	2,001,484	(23)	Total Economic Value Distributed
Nilai Ekonomi yang Ditahan Sebelum Dividen	101,485	167,331	(39)	Economic Value Retained Excluding Dividend Paid
NILAI EKONOMI YANG DITAHAN	**(13,053)**	**(32,734)**	**(60)**	**ECONOMIC VALUE RETAINED**

*Disajikan kembali untuk mengadopsi penerapan Pernyataan Standar Akuntansi Keuangan (PSAK) No. 24 "Imbalan Kerja"
*As restated to implement the adoption of Statements of Financial Accounting Standards (SFAS) No. 24 "Employee Benefits"

SKALA BISNIS PERUSAHAAN SCALE OF THE COMPANY'S BUSINESS

DESKRIPSI	2015	2014*	DESCRIPTION
Total Liabilitas & Ekuitas (US$ ribu)	1,178,363	1,310,494	Total Liabilities & Equity (US$ thousand)
Liabilitas (US$ ribu)	343,806	425,874	Liabilities (US$ thousand)
Ekuitas (US$ ribu)	834,557	884,620	Equity (US$ thousand)
Total Penjualan Bersih (US$ ribu)	1,589,409	1,942,655	Total Net Sales (US$ thousand)
Total Produk yang Dijual (ribu ton)	28,167	28,986	Total Product Sold (thousand of tons)
Total Aset (US$ ribu)	1,178,363	1,310,494	Total Assets (US$ thousand)

*Disajikan kembali untuk mengadopsi penerapan Pernyataan Standar Akuntansi Keuangan (PSAK) No. 24 "Imbalan Kerja"
*As restated to implement the adoption of Statements of Financial Accounting Standards (SFAS) No. 24 "Employee Benefits"

LAPORAN PENGECEKAN SESUAI GRI G4 *CORE*

STATEMENT GRI G4 CORE IN ACCORDANCE CHECK

Laporan Pengecekan Sesuai *GRI G4 Core*

National Center for Sustainability Reporting (NCSR) telah melakukan pengecekan sesuai *GRI G4 Core* atas Laporan Keberlanjutan PT Indo Tambangraya Megah Tbk 2015 ("Laporan"). Pengecekan dilakukan untuk memberikan gambaran tentang sejauh mana kriteria *GRI G4 Core* telah diterapkan dalam Laporan tersebut. Pengecekan ini bukan merupakan opini atas kinerja keberlanjutan maupun kualitas informasi yang dimuat dalam Laporan tersebut.

Kami menyimpulkan bahwa Laporan ini telah menyajikan pengungkapan-pengungkapan, baik sepenuhnya maupun sebagian, sesuai dengan kriteria *GRI G4 Core*.

Jakarta, 28 Februari 2016

Statement GRI G4 Core In Accordance Check

The National Center for Sustainability Reporting (NCSR) has conducted a GRI G4 Core in Accordance Check on the PT Indo Tambangraya Megah Tbk 2015 ("Report"). The check communicates the extent to which the GRI G4 Core criteria has been applied in the Report. The check does not provide an opinion on the sustainability performance of the reporter or the quality of the information provided in the report.

We conclude that this Report has presented disclosures, either fully or partially, in accordance with GRI G4 Core criteria.

Jakarta, 28 February 2016

National Center for Sustainability Reporting

Elmar Bouma
Direktur Director

INDEKS GRI G4 *CORE*

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DAMPAK EKONOMI
ECONOMIC IMPACTS

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	G4-EN14	Pengelolaan dampak keanekaragaman hayati	Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	89
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LAPORAN KEBERLANJUTAN
SUSTAINABILITY REPORT

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