



**Bakrie &
Brothers**

BUILDING INDONESIA

SUSTAINABILITY REPORT

2016

BUILDING INDONESIA

Successful growth is not supported by monetary investment and performance alone. It is only possible thanks to the exceptional people who work at BNBR. It is their passion, expertise, and the values they represent that makes us the company we are today. These values of teamwork, ethics and excellence define BNBR's approach to our work for customers as well as our interaction between colleagues, business partners, local community and other stakeholders.

Sustainability presents one of the biggest opportunities for BNBR to create and to deliver value to the community we serve where ever we operate. As well as helping to drive operational efficiencies, attract top talent and boost productivity.

We are committed to consistently deliver value to customers, investors and all stakeholders by embedding sustainability across our service lines and operations. We are committed to help support the local communities where we operate. We are committed in Building Indonesia.

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“

*PT Bakrie Solusi
Strategis' commitment
to maintain orderly
employment
administration has
motivated me to
remain dedicated
to the company.*

”

Widya Anggreni
Payroll Manager
PT Bakrie Solusi Strategis
Years of Service: 9 years

ABOUT BNBR

ABOUT PT BAKRIE & BROTHERS TBK

PT Bakrie & Brother, Tbk (BNBR) has been actively contributing in building Indonesia through the manufacturing and infrastructure sector for 75 years. BNBR acknowledges the importance of sustainable business that enables our company to provide added value to our stakeholders and lasting benefit for the local community where we operate, and for the people of Indonesia

BUSINESS LINE

We have multiple line of businesses, including mining, manufacturing and general trading. Our business line's portfolio includes: **[102-2]**



Infrastructure

PT Bakrie Indo Infrastructure

Head Office

Bakrie Tower 34th Floor, Jl H.R Rasuna Said,
Jakarta Selatan 12940, Indonesia
Tel : (62 21) 299 12345
Fax : (62 21) 299 41955
http://www.bakrie-brothers.com/#/our_business/infrastructure_projects

Manufacturing

PT Bakrie Building Industries

Jl. Daan Mogot Km 17,3 Jakarta 11850, Indonesia
Tel : (62 21) 619 0208
Fax : (62 21) 619 2950
www.bakrie-building.com

PT Bakrie Autoparts

Jl. Raya Bekasi KM.27 Pondok Ungu, Bekasi 17132, Indonesia
Tel : (62 21) 8897 6601
Fax : (62 21) 8897 6607
www.bakrie-autoparts.com

PT Bakrie Metal Industries

Bakrie Tower 35th Floor, Jl HR Rasuna Said,
Jakarta 12940, Indonesia
Tel : (62 21) 2991 2120
Fax : (62 21) 2991 2211
www.bakrie-metal.com

PT Bakrie Pipe Industries

Bakrie Tower 7th Floor, Jl H.R Rasuna Said,
Jakarta Selatan 12940, Indonesia
Tel : (62 21) 2994 1270
Fax : (62 21) 2994 1267–68–69
www.bakrie-pipe.com

COMPANY MILESTONES

1942-1962

- Established as a general trading & distributor company.
- Pioneered Indonesia's Steel Pipe Manufacturing Industry.

1990-1996

- Initial Public Offering (IPO) of UNSP.
- Licensed to operate fixed wireless telecommunication services.
- Founded PT Bakrieland Development ("ELTY").

2002-2003

- BUMI acquired additional 20% shares of PT Arutmin Indonesia.
- BUMI acquired 100% ownership of PT Kaltim Prima Coal ("KPC") at US\$500 million.

2007-2008

- UNSP expanded its and to 107,000 ha valued at US\$110 million.
- BTEL initiated national expansion worth US\$72 million.
- BNBR acquired ELTY, ENRG, & BUMI, at US\$4.4 billion.
- BUMI acquired Herald Resources, valued at US\$547 million.
- ELTY purchased 75.04% shares of Alberta Utilities at US\$2 million.
- BUMI acquired 44% shares of DEWA at US\$218 million.

1986-1989

- Acquired PT Bakrie Sumatera Plantations ("UNSP").
- Initial Public Offering (IPO) of BNBR.

1997-2001

- Founded PT Energi Mega Persada ("ENRG").
- PT Bumi Resources ("BUMI") acquired 80% shares of PT Arutmin Indonesia.
- PT Bakrie Capital Indonesia acquired 58.1% shares of BUMI.

2004-2006

- PT Bakrie Telecom ("BTEL") conducted IPO and obtained national operation license.
- BTEL launched CDMA based telecommunication service.
- ENRG bought 100% shares of BP.

2010

- Signed an SPA agreement with Vallar, UK worth US\$844 million.
- Founded Bakrie Connectivity data services.
- ELTY acquired 51% shares of PT Bukit Jonggol Asri at US\$111 million and 20% shares of PT Bukit Sentul at US\$17 million.
- BUMI acquired 24% shares of PT Newmont Nusa Tenggara at US\$225 million.
- ELTY acquired Lido Lake Resort (99.99% of ownership) at US\$39 million.

2012

- BNBR completed transaction of divestment upon some ownership in Bumi plc.
- Signed Gas Transportation Agreement (GTA) for Kepodang- Tambak Lorok section.
- Signed of Assets Purchase of KG-Technology by PT Bakrie Tosanjaya (BTJ).

2015

- Official Inauguration of PT. Bakrie Pipe Industries' coating plant.
- PT Kalimantan Jawa Gas ("KJG") started coating its pipes.
- Kalija Phase 1 Infrastructure Project started its gas transportation.
- Visit from the Ministry of Public Work and Housing for CCTW Project groundbreaking.
- Preparation stage of Tanjung Jati A power plant project is approaching completion.

2009

- BUMI acquired 84% of Pendopo Energi Batubara, valued at US\$117 million.
- ENRG signed agreement to purchase 10% stake in Masela PSC Block, valued at US\$90 million.
- BUMI acquired 76.8% of PT Fajar Bumi Sakti, valued at US\$222 million.

2011

- BNBR completed revitalization process, including the quasi reorganization.
- ENRG acquired Offshore North West Java block at US\$212 million.
- Bakrie group established strategic partnership with BORN and decreased debts by US\$1 billion.

2013-2014

- PT Bakrie Pipe Industries (BPI) awarded with significant pipe supply contract by Pertamina EP
- BTJ changed its name to PT Bakrie Autoparts (BA)
- Phase 1 of Kalija infrastructure project initiated.

2016

- Cimanggis-Cibitung Tollways Project continues land acquisition process as well as phase 1 construction.
- First phase of Kalija project has fully operated. Gas transportation carried out according to GTA.

CORPORATE PROFILE

[102-1][102-2][102-3][102-4][102-5][102-6]

Name	: PT Bakrie & Brothers Tbk	
Line of Business	: General trading, construction, agriculture, mining, industry, especially steel pipes manufacturing, building materials and other construction materials, telecommunication systems, electronic and electrical goods, and investment, including equity investments in other companies.	
Address	: Bakrie Tower, 35th – 37 th Floor, Rasuna Epicentrum Jl. H.R Rasuna Said, Jakarta 12940	
Telephone	: 021 2991 2222	
Faximile	: 021 2991 2333	
Homepage	: www.bakrie-brothers.com	
Email	: ir@bakrie.co.id	
Establishment Date	: March 13 th , 1951	
Legal Basis of Establishment	: Deed of Sie Khwan Djioe No.55 dated March 13 th , 1951.	
Authorized Capital	: Rp 49,562,769,356,000 (451,451,975,120 shares)	
Operational Area	: Throughout the Indonesian region	
Number of Employees	: 4,236 (as of December 2016)	
Shareholders	: - Credit Suisse AG Singapore Branch S/A Bright Ventures Pte Ltd (MOU Facility)	20.87%
	: - BNYM S/A Mackenzie Cundill Recovery FD-2039924282	8.79%
	: - Interventures Capital Pte. Ltd.	4.96%
	: - Public (less than 5 %)	70.33%

CORPORATE VISION & MISSION

VISION [102-16]

To become a leading Investment Company and a proxy of the Indonesian economy.

MISSION [102-16]

To maximize shareholder value through profitable investment activities and enhancement of core portfolio's value.

CORPORATE VALUES & PHILOSOPHY

It began with a noble aspiration to improve the quality of life for Indonesia and to become a nation with dignity. H. Achmad Bakrie, founder of BNBR, focused on business development as well as raising the high spirit and honourable goals. Through basic core values that embodies, maintains and bequeathed to the next generation in the Bakrie Group, called the PIAGAM BAKRIE. The said values provide a guidance to balance intellectual, emotional and spiritual elements in order to realize the three pillars of life.

Ke-Indonesiaan, Kemanfaatan and Kebersamaan
(Indonesian-ness, Usefulness and Togetherness) known as TRIMATRA BAKRIE.



TRIMATRA BAKRIE

Bakrie People's perspective, motive and attitude that is proud to be of Indonesian nationality, has global worldview and contributes to global society.

INDONESIAN-NESS

Bakrie People's perspective, motive and attitude that promotes synergy in diversity.

Bakrie People's perspective, motive and attitude that prioritizes the effectiveness and efficiency of resources to enhance the quality of life.

USEFULNESS

**CORE
VALUE**

TOGETHERNESS

**INSTRUMENTAL
VALUE**

INTEGRITY

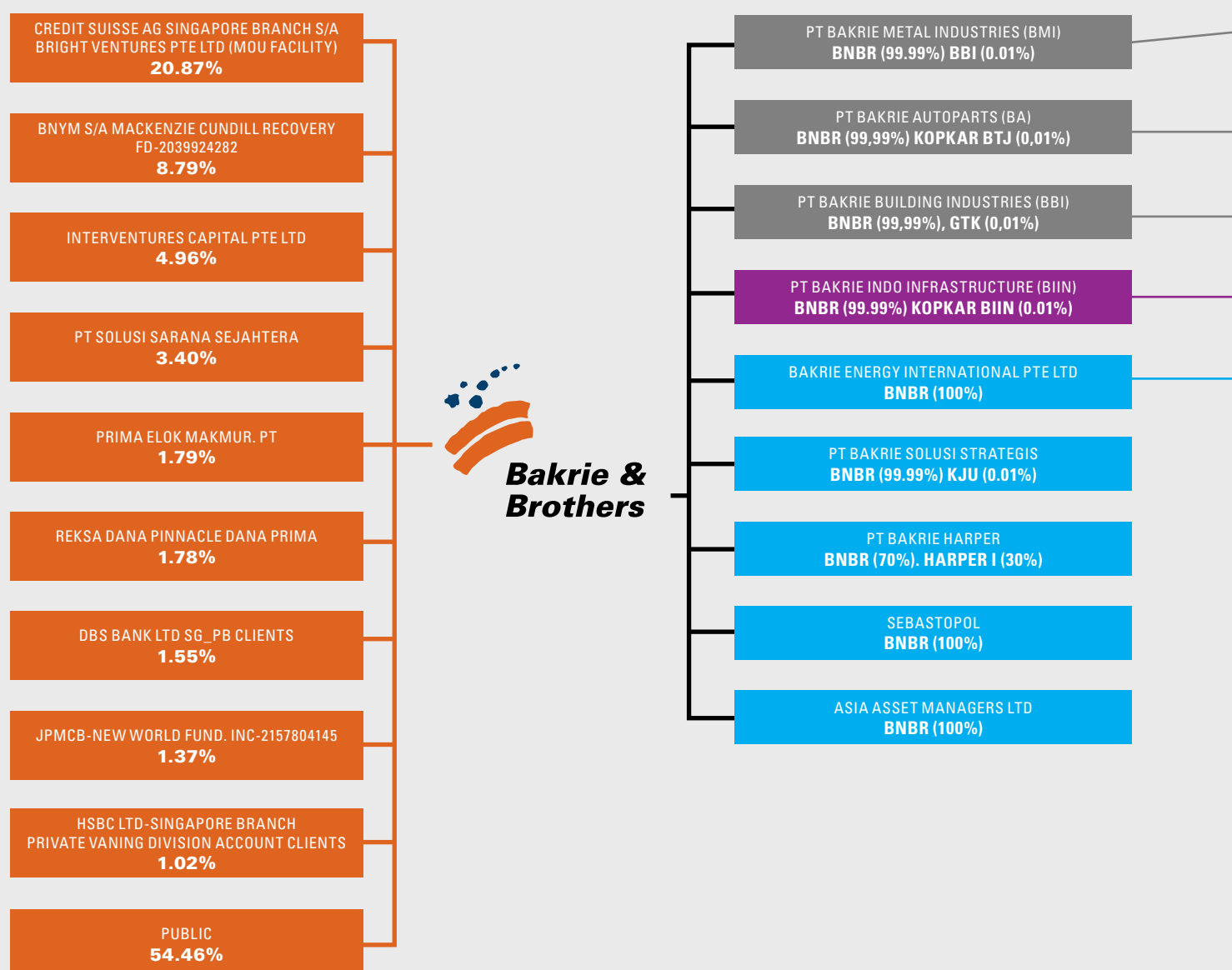
Performing obliged duties earnestly, fervently, loyally, honestly, always respecting the principles of truth and prioritizing national and company interests.

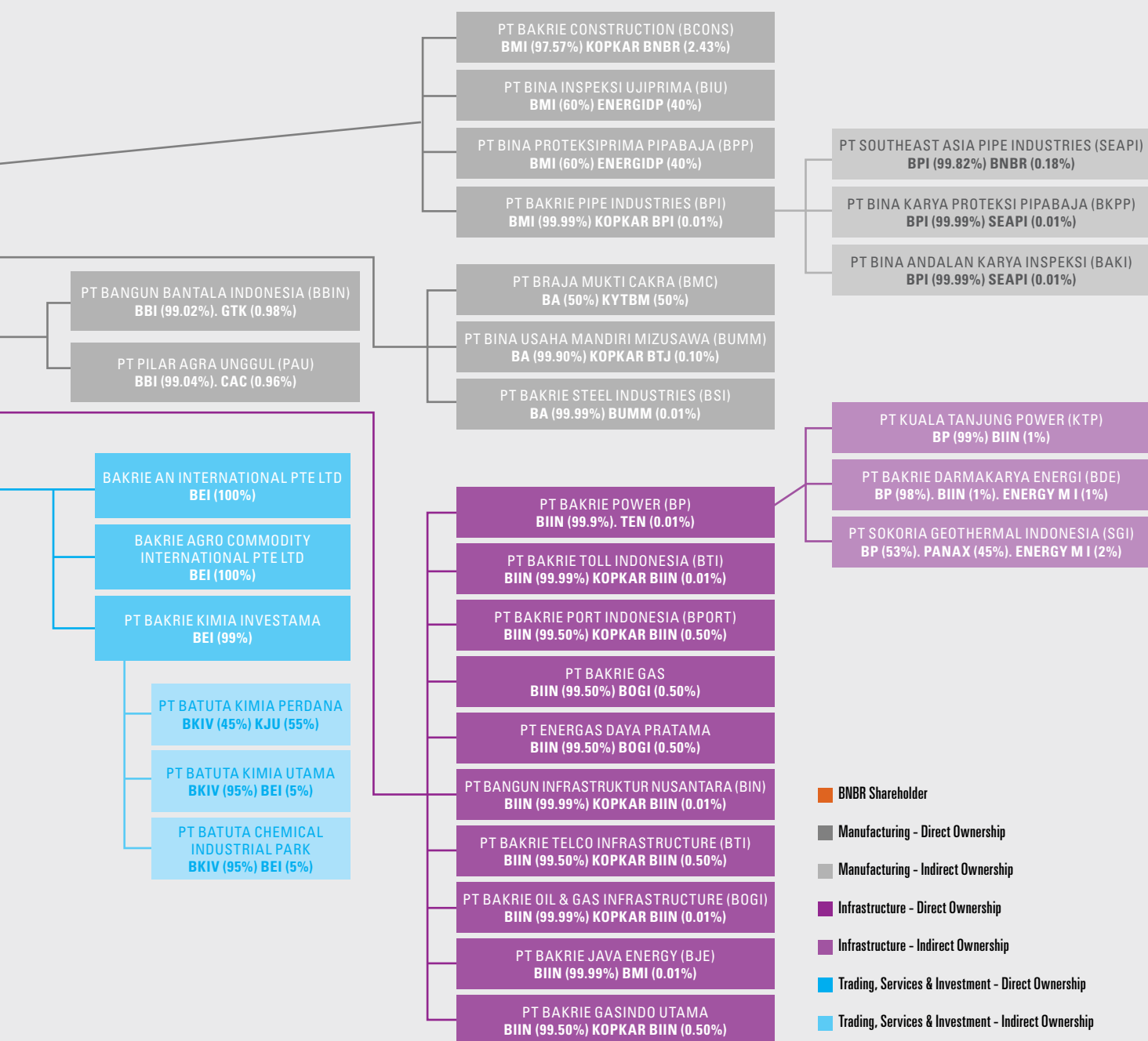
PROFESSIONALISM

Having the intelligence, expertise and worldview that encourages achievement of excellent performance, best quality, through orderly procedure, respecting the value of interpersonal and company relationship with any other parties.



STRUCTURE OF CORPORATE GROUP [102-45]





OPERATIONAL AREA: MAP OF PRODUCT & SERVICES DISTRIBUTION [102-4]





BNBR IN NUMBERS [102-6][102-10]

NUMBER OF EMPLOYEE



4,142

2015

4,236

2016



TOTAL REVENUE

(RP BILLION)

3,337

2015

2,076

2016



TOTAL CAPITALIZATION

(RP BILLION)

4,686

2015

4,686

2016



LIABILITIES

(RP BILLION)

13,131

2015

12,610

2016



EQUITY

(RP BILLION)

(3,908)

2015

(6,052)

2016



TOTAL ASSETS

(RP BILLION)

9,223

2015

6,558

2016



PROFIT (LOSS)

(RP BILLION)

(1,729)

2015

(3,662)

2016

AWARDS & CERTIFICATION



AWARDS IN SUSTAINABILITY

- CSR Award from CSR West Java was obtained by PT Bakrie Pipe Industries



CERTIFICATION

- ISO 14001:2004 was obtained by PT Bakrie Autoparts
- ISO 14001:2004 was obtained by PT Bakrie Building Industries
- ISO 14001:2004 was obtained by PT Bakrie Metal Industries
- ISO 14001:2015 was obtained by PT Bakrie Construction
- ISO 14001:2015 was obtained by PT Bakrie Construction from AJA Europe
- OHSAS 18001:2007 was obtained by PT Bakrie Autoparts
- OHSAS 18001:2007 was obtained by PT Bakrie Building Industries
- OHSAS 18001:2007 was obtained by PT Bakrie Construction
- OHSAS 18001:2007 was obtained by PT Bakrie Pipe Industries
- OHSAS 18001:2007 was obtained by PT South East Asia Pipe Industries
- Zero Accident Award was obtained by PT Bakrie Construction





CEO MESSAGE



Dear Stakeholders,

Indonesia and the global society at large is currently facing a variety of social and environmental issues. These issues include climate change, environmental problems, and scarcity of resources such as energy, water, and food. Furthermore, we also encounter other social problems such as economic inequality and rapid population growth.

BNBR believes that this is not only the Government's responsibility alone to find solutions for these problems. Everybody should work hand-in-hand and take on responsibilities to offer and find solutions to our issues and common problems as a nation and as a part of the global society, this includes organizations and the business communities. To that end, BNBR is committed to take part and work hand-in-hand for a better future through sustainable development.

At this moment in Indonesia, the infrastructure development program is the Government's main priorities. Infrastructures are being developed and constructed not only in big cities, but also in every corner of this nation, hence it can help boost economic equality. BNBR, as a company whose operations are closely linked to infrastructure development fully supports the Government's programs in achieving economic equality throughout Indonesia. By joining hands with the Government, we have been involved in building various strategic infrastructures, namely ports, pipelines, bridges, highways and many more.

Moreover, we continue to broaden and strengthen our roles in finding solutions and alternatives for the nations development, not only socio-economically, but also environmentally friendly; through industrial pipes and environmental friendly building materials are few of these manufacturing industries. We believe through these industries and innovative products, BNBR can help Indonesia in achieving economic development that is good for the people and planet.

From upstream to downstream, we hold onto our corporate responsibility towards the environment. To build in harmony of the environment is our commitment. We are aware that our line of businesses and operations have impacts to the environment. However we are fully committed to implement environmental sound principles in every company's operations.

Synergy with stakeholders towards sustainable development is continuously instilled and implemented throughout the Company's operations and business lines. This has become an important value for our business growth.

We are proud of our accomplishments and we are excited to face the challenges ahead. Personally, I am honored to be trusted to lead this company and the dedicated and hard-working men and women behind those accomplishments. Their ideas, dedication, and hard-work have created some of the most innovative products and works that can impact the future of this company, as well as the people of this nation.

On behalf of the management and all of the employees of BNBR, I would like to thank all of the stakeholders for their continuous support and trust towards this Company. We hope with the provided supports BNBR can continue to contribute and create shared-values for all stakeholders, and especially for the future of Indonesia.

Jakarta,
On behalf of the Board of Directors
PT Bakrie & Brothers Tbk

Bobby Gafur S. Umar
President Director & CEO



“

I feel the constant challenges and am proud to work in an ever developing organization.

”

Ibnu Z. Aslam

Operational Manager

PT Bina Usaha Mandiri Mizusawa

Years of Service: 8 years

ABOUT THIS REPORT

ABOUT THIS REPORT

In our 75th year, BNBR is proud to publish our third corporate sustainability report, which was first published in 2014. We publish regularly updated information on our performance in relation to environmental, social and economical issues. This helps us understand the impacts of our actions on the people and the planet.

BNBR's Sustainability Report is written primarily for investors, customers, non-governmental organisations (NGOs) and others with a particular professional interest in our approach to sustainability. It focuses on the specific environmental, social, and economical issues that contribute to the sustainability of BNBR.

BNBR has been reporting our sustainability performance since 2014. In 2016, our published sustainability report also reported on data from the previous report, which was published on April 2016. **[102-51]**

Our sustainability report refers to the reporting guidelines of Global Reporting Initiatives GRI Standard, this report also contains GRI Index for the convenience of the readers to find information related to specific GRI indicators. GRI Standard reference index can be found on page 64 in this report. **[102-55]**

REPORTING PRINCIPLES

As the fundamental of this report, we use ISO 26000 as our reference which sectioned our business into seven main activities. In this report, we inform all of our activities from operational, financial, governance, human resource, occupational health and safety, environment, to community development. It is our commitment to our stakeholders to report all of the content and data in accurate, comprehensive and trustworthy manner.

REPORTING STRUCTURE

BNBR's Sustainability Report this year has no significant changes in relation to its reporting structure. In addition, there was no restatement of information on this sustainability report from previous period. **[102-48][102-49]**

REPORTING PERIOD

BNBR Sustainability Report is published annually and reports our performance within the period of 01 January 2016 through 31 December 2016. This report also includes historical data from the past two years for its quantitative data on several indicators of GRI Standard. This is done to facilitate data comparability and to show the progress of BNBR performance in achieving our targets. Our report can also be accessed in http://www.bakriebrothers.com/#/investor_relations/annual_report **[102-50][102-52]**

REPORT SCOPE AND LIMITATIONS

This sustainability report covers data and information from our subsidiaries, which consists of manufacturing (PT Bakrie Autoparts, PT Bakrie Building Industries, PT Bakrie Metal Industries, and PT Bakrie Pipe Industries) and infrastructure (PT Bakrie Indo Infrastructure). All financial information in this report are expressed in Indonesian Rupiah (IDR), unless otherwise stated.

REPORT CONTENT DETERMINATION PROCESS

The process of determining the information of this report is compiled based on decision of the stakeholders and BNBR's employees, including our subsidiaries which hold a performing role in economy, social and environment of BNBR.

There are four stages in determining the material and content of the reports, namely: **[102-46]**

- **Stage 1:** Identifying relevant sustainability aspects and boundaries of each aspect.
- **Stage 2:** Prioritizing aspects and sustainability issues to determine material aspects.
- **Stage 3:** Validating materiality of each aspect
- **Stage 4:** Reviewing previous reports

SUGGESTION AND FEEDBACK

BNBR is committed to continuously improve the quality of our sustainability report. We shall accept all the criticism and suggestions from our readers in regards to the sustainability report to: **[102-53]**

Investor Relations

PT Bakrie & Brothers Tbk
Bakrie Tower, 35-37 Floor, Rasuna Epicentrum
Jl. H.R Rasuna Said, Jakarta - 12940 Indonesia
Phone. : (62-21) 2991-2222
Fax. : (62-21) 2991-2333
Website : www.bakrie-brothers.com
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STAKEHOLDER AND MATERIALITY

STAKEHOLDER AND MATERIALITY

We identify priority issues by listening to our key stakeholders and assessing them in light of our strategy, purpose and values. BNBR is committed to engage all of our stakeholders in order to achieve sustainability. **[102-42]**

This Sustainability Report was conducted through quantitative and qualitative surveys, followed by analysis of materiality and in accordance with risk management's principles, namely:

INCLUSIVITY

The stakeholders have direct interest in BNBR businesses and experiencing the impact of the business and operational activities

MATERIALITY

The involvement of stakeholders in identifying and managing the issues that are occurring and will surface in the future.

RESPONSIVENESS

Stakeholders receive benefits from BNBR operations, as well as continuously monitor operational changes of BNBR.

STAKEHOLDER ENGAGEMENT METHOD

BNBR has various approach in understanding the interest of our stakeholders. Therefore we are committed to facilitate every stakeholder to express their opinions and thoughts effectively, transparently, timely, and to consider the point of views of our stakeholders in decision making. **[102-43]**

STAKEHOLDER GROUPS [102-40]	STAKEHOLDER ENGAGEMENT APPROACHES [102-43]	TOPICS RAISED DURING ENGAGEMENT [102-44]
Investors	<ul style="list-style-type: none"> • Hold regular meetings between Investor Relations and shareholders • Annual General Meeting of Shareholders • Corporate Management Presentation • Quarterly Performance Report • Website 	<ul style="list-style-type: none"> • Risk management • Corporate governance • Strategy and performance • Financial Performance
Customers	<ul style="list-style-type: none"> • Internal Customer Satisfaction Survey • External Customer Satisfaction Survey 	<ul style="list-style-type: none"> • Product and Services • Complaint Handling • Customers facilities at business units • Building quality and handover timeliness
Employees	<ul style="list-style-type: none"> • Employee communication forums • Regulars meetings • Employees events 	<ul style="list-style-type: none"> • Training and Development • Career Path • Remuneration and Benefit
Local Community	<ul style="list-style-type: none"> • Routine community engagement meetings • Community development programs and activities 	<ul style="list-style-type: none"> • Sound and waste management of the property that may impacted the surrounding areas • Economic development • Opportunities to work • Opportunities to be suppliers
Multi-Stakeholders, including NGO and Media	<ul style="list-style-type: none"> • Corporate Reports • Quarterly Performance Report • Press releases • Website 	<ul style="list-style-type: none"> • Risk management • Corporate governance • Business strategy • Financial Performance • Product and Service

MATERIALITY DETERMINATION

BNBR Sustainability Report focuses on various issues and BNBR's achievement in various aspects. The aspects cover economic, environmental and social aspects which are the interests of our stakeholders. Below is our interactive materiality matrix in which the whole issues are grouped based on shareholder's level of interest and the level of importance of BNBR's sustainability. There are 33 topics in the materiality matrix that can be seen in the table below. [102-46]



MATERIAL ASPECT IDENTIFICATION & REPORT BOUNDARY [102-45][102-47][103-1]

NO.	MATERIAL ASPECT	SCOPE AND BOUNDARIES		
		BNBR	SUBSIDIARIES	SUPPLIERS/ CONTRACTORS/ BUSINESS PARTNERS
1	Indirect Economic Impact	✓	✓	
2	Customer Health and Safety	✓	✓	
3	Environmental Management	✓	✓	
4	Product and Service	✓	✓	✓
5	Product and Service Labeling	✓	✓	
6	Local Communities	✓	✓	
7	Economic Performance	✓	✓	
8	Occupational Health and Safety	✓	✓	✓
9	Vendor Management	✓	✓	
10	Employment Practice	✓	✓	
11	Compliance	✓	✓	
12	Anti-Competitive Behavior	✓	✓	
13	Market Presence	✓	✓	
14	Corporate Governance	✓	✓	
15	Human Right	✓	✓	



- | | | |
|-----------------------------|--|---------------------------------|
| 1. Economic Performance | 13. Occupational Health & Safety | 24. Indigenous Rights |
| 2. Indirect Economic Impact | 14. Training & Education | 25. Assessment |
| 3. Procurement Practices | 15. Diversity & Equal Opportunity | 26. Local Communities |
| 4. Environmental Management | 16. Equal Remuneration for Women & Men | 27. Anti-Corruption |
| 5. Product & Services | 17. Labor Practices | 28. Public Policy |
| 6. Compliance | 18. Investment | 29. Anti-Competitive Behavior |
| 7. Transport | 19. Non-discrimination | 30. Customer Health & Safety |
| 8. Vendor Management | 20. Freedom of Association & Collective Bargaining | 31. Product & Service Labelling |
| 9. Overall | 21. Child Labor | 32. Customer Privacy |
| 10. Grievance Mechanisms | 22. Forced or Compulsory Labor | 33. Marketing Communications |
| 11. Employment | 23. Security Practices | |
| 12. Market Presence | | |



“

*The Company's
CSR program
has provided me
with chances to
directly contribute
to people.*

”

Edwin Daniel

Senior Human Capital & General Affairs Manager
PT Bakrie Building Industries
Years of Service: 15 years

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Our reputation and integrity is what drives us to get things done the right way. As BNBR continues to strive to be the leading integrated company in Indonesia, everything that is done is anchored by our Corporate Value of Trimatra Bakrie. Through the application of our values, BNBR have achieved the highest business and ethical standards.

BNBR strives to enhance corporate governance as one of the most important tasks for its management, based on the Company's basic principle, in order to strengthen the trust of our stakeholders. To be a sustainable company, the Company must display a high level of ethics and transparency, as well as a strong foundation for BNBR in everything that is done.

Our comprehensive Corporate Governance structure is the mechanism that helps us define our strategic direction and ensures our industry leadership. BNBR has also established a corporate governance system that maintains business transparency. The system allows us to implement various monitoring systems and effectively manage risks that have the potential of preventing the company from achieving its business goals.

BNBR was ranked 32nd amongst other Top 50 Public Listed Companies with Best GCG practices in 2016, this was based on the ASEAN Corporate Governance Scorecard (ACGS) assessed by the Indonesian Institute for Corporate Directorship (IICD). For the final score, BNBR scored 71.44 points of 100 with "fair" predicate. However, the company scored a 72.69 from Indonesian Institute for Corporate Governance (IICG), qualified for the category "Trusted Company".

CORPORATE GOVERNANCE CHARTER [102-18]

We have developed a Corporate Governance Charter, as a policy, code, and guideline to support and guide our employees as they navigate the complexities of our operations. Our corporate governance standards cover several areas including board evaluation processes, internal controls, risk management and areas of compensation practices. As our commitment to Good Corporate Governance, BNBR conducted socializations of the Charter to all of our people.

The following are the documentation of GCG implementation guidelines by the Company:

1. Corporate Values -> Trimatra Bakries (Indonesian-ness – Usefulness – Togetherness)
2. Company's Ethics
 - Integrity Pacts
 - Company's Code of Conduct
 - Business Conduct Policy
3. Corporate Governance Manual
4. Board Manual
5. Corporate Governance Implementation Policy & Procedures
6. Company's Risk Management System Manual; Risk Management System Policy & Procedures
7. Company's GCG Roadmap
8. GCG Assessment Participation (Internal/Independent)
9. Committee Charters of the Board of Directors
 - Investment Committee Charter
10. Committee Charters of the Board of Commissioners
 - Corporate Governance Committee Charter
 - Audit Committee Charter
 - Risk Management Committee Charter
 - Nomination & Remuneration Committee Charter
11. Internal Audit Charter
12. Compliance Charter
13. Whistleblowing System Policies and Procedures
14. Internal Control System
15. Antifraud and Gratification Acceptance Report Policies and Procedures

GOVERNANCE FRAMEWORK [102-18]

The Company is continuously implements corporate governance in order to achieve the most effective management for catering to the interests of all of our stakeholders. In order to strengthen and improve our Corporate governance principles, we have implemented a corporate governance framework; which manages the relationship between each organ, and our relationship with the shareholders.

BUSINESS ETHICS AND CODE OF CONDUCT [102-16]

At BNBR, we don't only run the business ethically and responsibly because its right to do so, but we also believe that such behavior holds positive impact to our business. Our Code of Conduct ensures that we run our business and operations at a certain standard, allowing us to fulfill our obligations to the many stakeholders we serve.

The code of conduct and business conduct policy contains principles and guidelines of the Company and covers the values and standard of manners of The Company. This Code has been adopted by the Board of Directors and applies to every director, officer and employee and our consolidated subsidiaries.

The BNBR Code Of Ethics consists of a standard for interacting with stakeholders, such as compliance on the Company's laws and policies, prohibition in granting and entertaining stakeholders and prohibition to act that may cause any loss to the Company.

In addition, BNBR has a Business Conduct Policy of The Company which is a compilation of norms and rules that have become the platform of ethics and code of conduct in every actions or expressions regarding matters that are obliged, prohibited, or inappropriate to be performed by employees of BNBR.

GOOD CORPORATE GOVERNANCE STRUCTURE PT BAKRIE & BROTHERS TBK



The implementation and enforcement of Code of Conduct and Business Conduct Policy of BNBR is stipulated in Corporate Governance Guidelines, Board Manual, Conflicts of Interest Guidelines, Integrity Pacts, and Corporate Culture.

The socialization and dissemination of Code of Ethics Document and Business Conduct Policy is periodically conducted through event and portals. Corporate Risk Management (CRM) Division held an annual event called Governance-Risk-Compliance (GRC) Day. While, BNBR disseminates the Code of Ethics through the Corporate Governance Guidelines and company's internal portals. [205-2]

CODE OF CONDUCT DISSEMINATION MECHANISM

THE COMPANY'S CODE OF CONDUCT DISSEMINATION MECHANISM IS ILLUSTRATED AS BELOW:

DIVISION OF HUMAN RESOURCES - LEARNING CENTER
& DIVISION OF CORPORATE RISK MANAGEMENT

Brainstorming Preparation Guidelines for Corporate Ethics, which includes:
Code of Ethics & Code of Conduct

CORPORATE RISK MANAGEMENT DIVISION

Proposal and Evaluation Guidelines for Corporate Ethics

Socialization &
Dissemination
Document
Company Ethics
• Whole Organs
of BNBR
• Business
Units BNBR

Company
Internal Portal
• Whole Organs
of BNBR

Handbook of
Corporate
Governance
(Corporate
Governance Manual)
• Whole Organs
of BNBR

Whole Organs of BNBR comply with all rules and regulations
set forth the guidelines Corporate Ethics

IF ABUSE OCCURS

WHISTLEBLOWING SYSTEM

The Company strives to ensure that all our people implements our code of conduct and business conduct policy. To that end, we have mandated all of employees to sign a working agreement, which included the agreement on compliance towards the company's regulations. For several types of violations, the Company stipulated sanctions through reprimand, warning letters as well as termination of employment.



BNBR RANKED 32ND AMONG TOP 50 PUBLIC LISTED COMPANIES WITH BEST GCG IN 2016 BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD (ACGS) ASSESSED BY THE INDONESIAN INSTITUTE FOR CORPORATE DIRECTORSHIP (IICD).

RISK MANAGEMENT [102-11]

It is essential that business growth plans are supported by an effective Risk Management Framework. Our Risk Management is a common framework for our business management to identify potential events that may affect The Company, manage the associated risks and opportunities and provide reasonable assurance that our Company's objectives will be achieved.

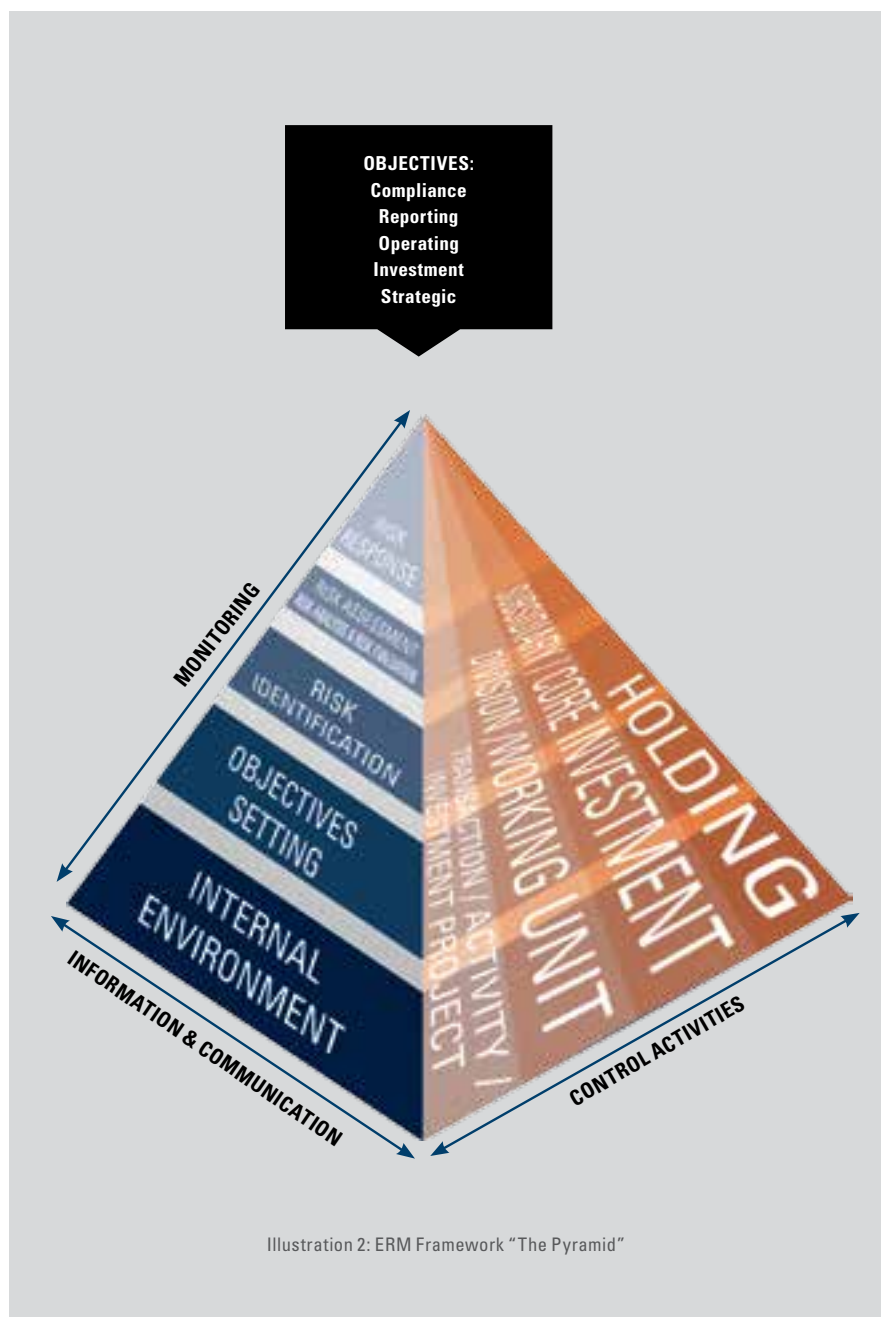
We have defined the risk management process and sets out the activities, tools, techniques and organizational arrangements to ensure that material risks can be optimally identified and managed. It also ensures that appropriate responses are in place to protect BNBR and prevent detriment to our stakeholders.

In 2014, BNBR has established the Corporate Risk Management Division (CRM) to improve the risk management systems by employing a framework that is in line with the ISO 31000 on Risk Management. BNBR's Enterprise Risk Management framework called The Pyramid is described in Illustration below.

As the commitment of the Board of Directors and all BNBR employees to Enterprise Risk Management (ERM) implementation, we have appointed Risk & Control Self-Assessment (RCSA) Officer. RCSA works closely with the risk and business committee. Responsibility of RCSA are:

- Disseminating and keeping up with the ERM System's Procedure and Policy in the respective work unit or risk-owner in an entity within their scope of duties.
- Collecting and summarizing risk registers of the entity within their scope of duties.
- Collecting the Risk Mitigation Plans and Risk Mitigation Progress Status Reports from the entity within their scope of duties, as well as reporting to the related unit head if there is any risk that has not been dealt with
- Informing the CRM Division if any business entity within their scope of duties is exposed to a risk whose level is beyond the organization's tolerance limit.
- Carrying out annual evaluation of ERM system application in the entity within their scope of duties.
- Facilitating Risk Evaluation Meetings in the entity within their scope of duties.
- Supporting the entity within their scope of duties in educating the topics of risk management to all of its employees and related parties.
- Motivating, driving and maintaining risk awareness culture in the entity

Key risk issues in the level of holdings and subsidiaries has been identified by CRM and we have developed a mitigation strategy to overcome the risk.



WHISTLEBLOWING SYSTEM [205-2]

The Company introduced Whistleblowing System to accommodate reports on violations of the law and ethics that can improve compliance with the regulations and stimulate the growth and development of high ethics culture. It is a part of internal control, particularly to reduce the risk of fraud and non-compliance with laws. Up to 31 December 2016, the Company has not received any violation report.

In 2012, BNBR has instituted a whistleblowing policy through the Policies and Procedures No. 258/BNBR/III/2012 concerning the Implementation of Whistleblowing System. It provides guidelines to report irregularities, impropriety, breaches of laws and regulations, information on the investigation procedure, criteria for disciplinary action including suspension for offending parties and information on the appeals process.

This system is aimed to be a facility for our employees, subsidiaries, and external parties, in reporting on matters, events, or actions that are inappropriate towards the Company's conduct, community norms, prevailing laws and legislations. We periodically conducted the Whistleblowing System advancement for sustainability in accordance with the Company's business development. Moreover, the Regulation and Implementation on Whistleblowing System is disseminated and evaluated continuously to all employees of BNBR.

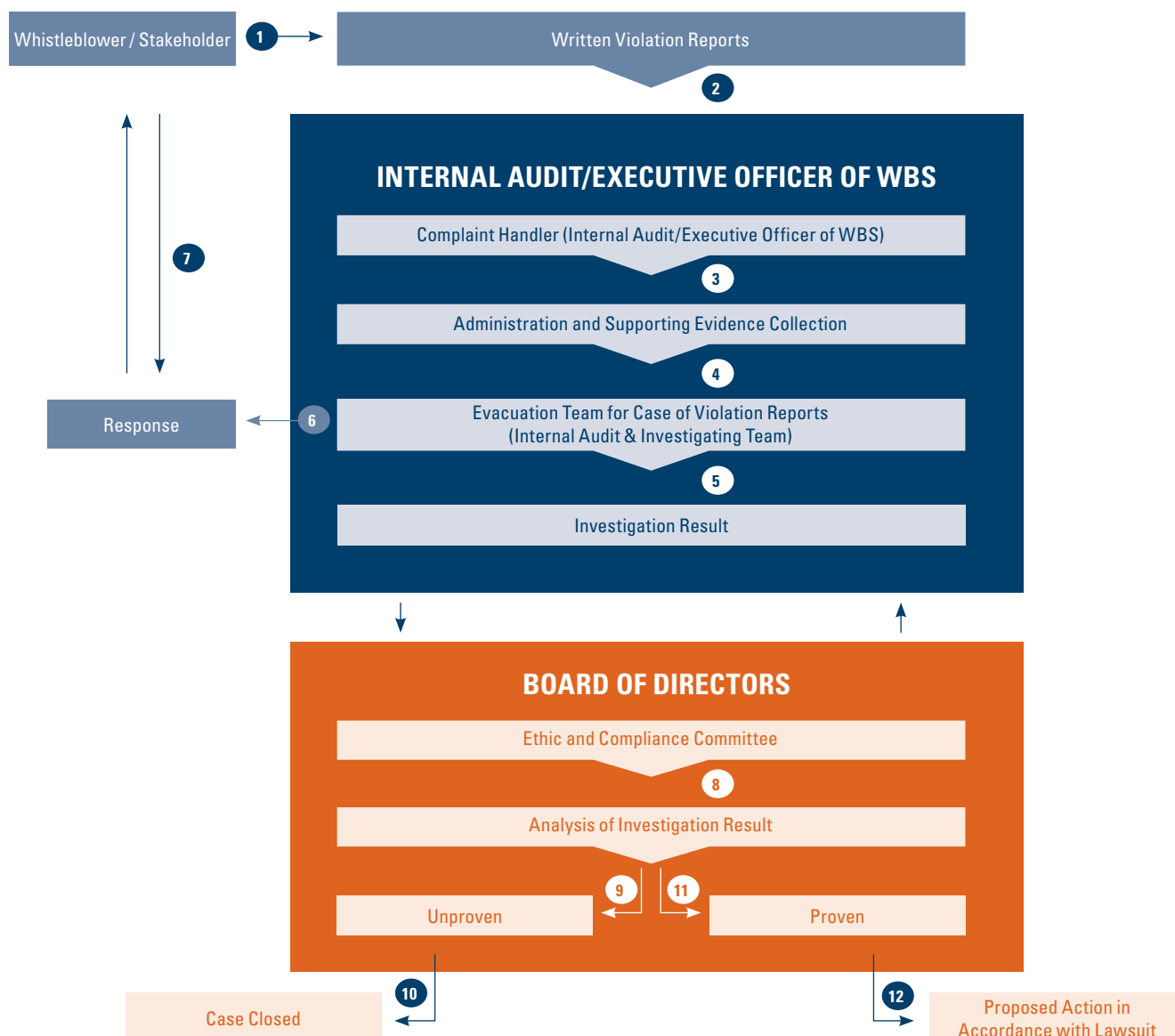
This System is managed professionally by the Ethics & Compliance Committee (ad hoc), assisted by Whistleblowing System Administration Management. In BNBR's Whistleblowing System, we provide Whistleblower protection to the Whistleblowers. The Ethics & Compliance Committee and Whistleblowing System Officer guarantee the confidentiality of the Whistleblowers' identity that provide their personal data and information for communication purposes; including guarantee of confidentiality of the Whistleblowers' identity to the Investigations Team.

INTERNAL CONTROL SYSTEM [102-11]

BNBR continuously adopts Internal Control System from COSO (Committee of Sponsoring Organizations of the Treadway Commissions) approach to secure the Company's investments and assets. In general, the Company's Internal Control System is conducted through the application of the Corporate values, ethics, and employee's integrity, as reflected in the Company's Code of Conduct, Business Conduct Policy, and Integrity Pacts.

The objectives of the Company's Internal Control: financial reporting reliability, operational effectiveness and efficiency, and compliance on prevailing laws and regulations. The Board of Commissioners directly monitors the internal control implementation through the Audit Committee.



WHISTLEBLOWING SYSTEM PROCEDURES CONDUCTED BY THE EMPLOYEES AS ILLUSTRATED BELOW:

ANTI-CORRUPTION MEASURES, TRAINING AND SOCIALIZATION [205-2]

BNBR is firmly committed to the prevention of corruption and bribery across all areas of the organization's operation. We are committed to conducting our operations in a lawful, ethical and professional manner. The Company understands the critical importance of having effective and sustainable controls to combat such crime in order to protect our reputation.

We implement measures which aim to reduce the risk of bribery and corruption from occurring, as far as reasonably possible. BNBR has established mandatory anti-bribery procedures and controls applicable to all employees. We ensure that any suspected case of corruption or bribery is properly investigated and, where appropriate, invoke disciplinary measures and take prompt action to remedy a proven case and prevent any further occurrence.

We clearly communicate this commitment to all personnel and applicable third parties with whom we interact to ensure that our anti-corruption policies, standards, and procedures are communicated to all directors, employees, agents and business partners.

“

BNBR provided great career opportunities, as an example I started out as Secretary to CEO and currently I am trusted as Treasury Manager of Corporate Finance department.

”

Lila L. Gyanto
Treasury Manager
PT Bakrie & Brothers Tbk
Years of Service: 17 years



SUSTAINABLE ECONOMIC PERFORMANCE

SUSTAINABLE ECONOMIC PERFORMANCE



To become a sustainable company throughout our value chain, BNBR makes sure to always follow the laws and regulations implied accordingly, as well as taking actions ethically and fairly towards all of our business partners and stakeholders. Manifestation of our commitment to social justice is also manifested by our cooperation with local business partners to promote the economy within local community.

Currently, the Indonesian Government is aggressively undertaking various development programs in various regions of Indonesia. We are committed to continue our support towards government programs, especially in infrastructure development. Through our subsidiaries and affiliates, the Company sets our strategy and business focus on infrastructure and manufacturing development as BNBR's main business pillar.

The Indonesian government launched various programs for economic equality through a variety of infrastructure developments in Indonesia. We realize that our running business unit activities can greatly assist the government in actualizing Indonesia's national development program. This becomes a main driving force for us to be beneficial and actively contribute to all stakeholders in accordance with our basic values of Trimatra Bakrie.

We are constantly improving the company's value in promoting national economic development. With the network placed in almost all cities, we believe the company will continue to grow in the future and the economic potential of the company will be achieved.

BNBR's potential contribution to Indonesia's infrastructure development in the coming years can be seen in the table below.

BNBR SUPPORTS IN ACTUALIZING INDONESIA'S NATIONAL DEVELOPMENT PLAN [203-1] [203-2]		
SECTOR	TARGET	BNBR'S PRODUCTS AND SERVICES IN SUPPORT OF NATIONAL DEVELOPMENT PLAN
Housing	<ul style="list-style-type: none"> 1,900 Low Income Housing 281,800 housing connection of drinking water supply system 	<ul style="list-style-type: none"> BBI – Fiber Cement based Building Material BPI – Steel pipes for clean water
Food Resources	83,025 units of agriculture machineries	BA – Component for agriculture machineries
Maritime	<ul style="list-style-type: none"> 24 location of seaport 2,500 units of fisheries ship 	<ul style="list-style-type: none"> BIIN – Seaport development BMI – Ship building
Energy	<ul style="list-style-type: none"> 71 unit of renewable energy power plant 312 MW installed capacity of geothermal power plant 10,527 km transmission pipe and gas distribution pipe network 1,86 million barrel of crude oil per day 	<ul style="list-style-type: none"> BIIN – Solar powered power plant development BIIN – Geothermal power plant development BIIN – Gas distribution pipe line development & BPI – Steel pipes for oil and gas sector BMI – Steel structure for oil & gas sector
Tourism	Airport at 10 tourism destination	<ul style="list-style-type: none"> BIIN – Development of airport BPI – Steel pipes for construction
Outskirt areas	4,634 houses in residential areas	BBI – Fiber cement based building material
Underdeveloped areas	30,000 housing in underdeveloped areas	BBI – Fiber cement based building material
Rural Areas	<ul style="list-style-type: none"> 2,868 houses for transmigrants 900 km long bridges 	<ul style="list-style-type: none"> BBI – Fiber cement based building material BMI – Steel bridge construction
Connectivity	<ul style="list-style-type: none"> 40 locations of non-commercialized sea port development 200 km of toll road 8 commercial airport 101 Feeder airport 	<ul style="list-style-type: none"> BIIN – Development of Sea ports BIIN – Development of toll roads BIIN – Development of Airports BPI – Steel pipes for Construction

THE CONTRIBUTION TO THE NATIONAL INCOME THROUGH TAX [203-2]

We are aware of and fully committed in improving the usefulness and contribute to support the growth of Indonesia's development which initiated by the government. Tax is one of the important sources of foreign exchange earnings for the country. In order to increase the contribution apart from infrastructure development, we participated in increasing national revenues through taxes in order to increase the contribution.

In 2016, BNBR has contributed to national revenues through taxes amounting to Rp 22 billions.

SUPPORTING INDONESIA DEVELOPMENT

For 75 years, BNBR has contributed to the infrastructure development in Indonesia. In 2016, We undertake Five projects in infrastructure and manufacturing sector which value exceeding to Rp70 trillion. Several of these projects are:

1. Operation Phase

Phase 1 Kalija valued at Rp3,325 trillion

2. Contruction Phase

- Tanjung Jati A valued at Rp36,554 Trillion
- Cimanggis Cibitung highway valued at Rp8,860 trillion
- Kalimantan Java Pipeline Phase II valued at Rp25,270 trillion

In the manufacturing sector, BNBR involved in increasing production capacity and expanding product markets of building materials and automotive components. Production activities and expansion of the

company will have an indirect impact in supporting local economic development. We always include the local economy as our supply chain through partnerships with distributors, suppliers, business partners, and local communities surrounding our operational area.

Tanjung Jati A Power Plant (PLTU) is coal-fired power plant and it has the capacity of 2 x 660 megawatt (MW). This project is located in West Jawa, in between Cirebon and Indramayu. This project is predicted to generate 9,830 GWH per year, with Availability Factor (AF) and Capacity Factor (CF) amounted to 80%.

Construction for Cimanggis-Cibitung toll road will be commenced in two stages. The first stage was to build a 3.2 km toll road that connects Jagorawi/Cijago toll road with Transyogi main road. This first stage has been started since the the second quarter of 2015 and up to currently the construction has reached 40% completion. The second stage is to build 23.3 km toll road that connects Raya Transyogi main road to Cibitung with land acquisition being our current focus activity.

The phase 1 (Kalija Phase 1) of Kalimantan – Java gas pipeline project, which connects the Kepodang gas field (PCML) through the 200km long pipeline to Tambak Lorok gas power plant, has been in operation since August 2015.

SUSTAINABLE PARTNERSHIP WITH SUPPLIERS [203-2]

The main source of the company's revenue is derived from products sales from manufacturing sector and construction services in the oil and gas sector. The Company has various types of products in manufacturing sector, including steel pipes, construction materials, automotive components and other types of products.

We ensure that our human resources are consistently high qualified and competence professionals, including in the provision of construction services for the oil and gas sector, especially in oil and gas engineering equipment support. In addition, the economic benefits are distributed for supply of raw materials and transport services from operating activities reached 80% this year. This showed we managed to elevate win-win strategic cooperation with our suppliers, in which also support the sustainability of our business.

Furthermore, this cooperation is also aimed to stimulate and improve the local economy. Thousands of suppliers are involved in our daily operational activities. We are committed and cohere to the principle of mutual trust, open communication, and togetherness with our supplier.

To that end, we constantly strive to build a strong and continuous partnership with our suppliers. We conduct routine supplier performance assessments that aims to help maintain the quality of supplied goods and services. This become the company's commitment to fulfill all criteria set in contract agreement with our suppliers and applicable government regulations.

GOODS, SERVICES AND OPERATIONAL BUSINESS RESPONSIBILITY

The company's business progress cannot be separated from customer trust and the quality of goods produced. We always emphasize our business operations' responsibility. The company always attests and verify that the goods produced will give benefits and values to our products and services.

We always emphasize the quality of the products and provide the best service for our customers. In maintaining the quality of products, we implement the international standard ISO 90001: 2008 - which is applied consistently. Furthermore, we also involve with independent survey institute to conduct an inspection towards the company's commitment to carry out production and guarantee scheme according to set and agreed standards.

In addition, we also apply health and safety standards to the products, ranging from material collection phase, the production process, and until the distribution phase. We are making sure that each of our operations are supported by a mechanical system and workers are equipped with personal protective equipment, and at the same time always complying with the standard process of distribution of transport procedures.

We realize that our operational activities would impact to the health and safety of our customers. Therefore, we apply strict production processes, followed by clear information on instruction manual on the product's packaging and brochure. Also, we keep our products under observation according to applicable regulations over their impact on health and safety. Each product from manufacturing sector contains product information and its specifications, that is: **[416-1] [417-1]**

- SNI index number.
- The name / logo of the manufacturer company.
- Product name.
- Weight and thickness (for pipe and steel plate).
- Customer service phone number for any complaints or inquiries.

This is the company's commitment to comply with and obey the rules and regulations, as well as holding corporate responsibility for the clear information given to the customers, as stipulated in Law No. 8 year 1999 regarding consumer protection.

BNBR: BUILDING INDONESIA

The Government of Indonesia has formulated the 2017 Development Work Plan which consists of five National Development Priorities. With its capabilities, BNBR may participate in building Indonesia and benefiting from the opportunities created by the development plan.

-  : **SECTORAL TARGET OF DEVELOPMENT**
-  : **BNBR SUBSIDIARIES' PRODUCT AND SERVICES TO SUPPORT DEVELOPMENT**



DEVELOPMENT OF HIGH PRIORITY SECTOR

FOOD RESOURCES

83,025 units of agriculture machineries

BA Component for agriculture machineries

MARITIME

24 location of seaport

BIIN Seaport development

2,500 units of fisheries ship

BMI Ship building

ENERGY

71 units renewable energy power plants

BIIN Solar powered power plant development

312 MW installed capacity of geothermal power plant

BIIN Geothermal power plant development

10,527 km transmission pipe and gas distribution pipe network

BIIN BPI Gas distribution pipe line development
Steel pipes for oil & gas sector

1.86 million barrel of crude oil per day

BMI Steel structure for oil & gas sector

TOURISM

Airports at 10 Tourism Destination

BIIN BPI Development of airport
Steel pipes for construction

EQUALIZATION AND REGIONAL

OUTSKIRT AREAS

4,634 houses in residential areas

BBI Fiber cement based building materials

UNDERDEVELOPED AREAS

30,000 self-help housing in underdeveloped areas

BBI Fiber cement based building materials

RURAL AREAS

2,868 transmigrant houses

BBI Fiber cement based building materials

900 km long bridges

BMI Steel bridge construction

CONNECTIVITY

40 locations of non commercialized sea port development

BIIN Development of sea ports

200 km of toll road

BIIN Development of tol roads

8 commercial airports
101 feeder airports

BIIN BPI Development of airports
Steel pipes for construction



RELATIONSHIP MANAGEMENT & CUSTOMER SATISFACTION ASSESSMENT

We always put forward our integrity and professionalism as it is instrumental value of BNBR. It is important for us that we provide the best service with sincerity, passion, loyalty, and honesty. We realize that our company's business is run as business of trust. Therefore, we include quality after-sales services in every opportunity that we meet customers.

Besides having individual customers, we also serve major companies as a major part of our customer base, who are mostly involved in infrastructure projects, construction services (for steel products / pipes and building materials) and automotive (for parts).

We evaluate and make improvement that aims to elevate our product and service quality. We develop after-sales service programs that aim to ensure customers' satisfaction especially towards our products over the use and product life-cycle.

We believe clear information about our products or services to customers is one of our responsibility towards the customers. This is in accordance with ISO 26000 concerning customer.

Our priority is the customers obtain factual and accurate information in terms of marketing aspects, as well as fair practices in applying contract agreement according to the prevailing law and regulation. This is part of our customer confidentiality and protection policy in handling customer database, accessible service information, and provision of after-sales service to our products and services for all customers.

MAINTAINING EFFECTIVENESS AND EFFICIENCY IN OUR OPERATIONAL ACTIVITIES

Current global economic conditions that tend to slow down will affect Indonesia economic conditions. As part of our response and risk mitigation effort towards this challenge, we continue to run various programs as our business sustainability initiatives. Effectiveness and efficiency are our two main key words in running our operational activities. Increase energy electricity efficiency is one of our main business sustainability initiatives. We believe that this initiative will have a wide impact not only on the environment but company cost-saving especially during economic slowdown.

CONTINUOUS IMPROVEMENT

We believe that progress and improvement are the nuts and bolts to for us to be able to advance forward and strive in this competitive industry. Therefore, the company consistently assess and evaluate our performance and operational activities to seek opportunities of improvements. We also made necessary adjustments to achieve our optimum level in our operations.



“

Challenging yet family-like work environment has provided me with enthusiasm for performing my daily tasks.

”

Bima Indrayana
GM Sales & Marketing
PT Bakrie Autoparts
Years of Service: 20 years

**RESPECTING
OUR EMPLOYEES**

RESPECTING OUR EMPLOYEES

BNBR understands the importance of human resources that we have. Our success relies heavily on safety, ability and motivation of the workforce that we have. BNBR respects human rights equality, and diversity at our workplace. Also, we uphold fair and ethical work culture. In addition, we also implemented high commitment to the culture of work safety.

A commitment to honor our employees is a very important fundamental to BNBR in running our business. Providing a safe and comfortable workplace is essential in maintaining good labor and inspiring them to be able to do great things. We believe this is the best way in order to be a good company. We respect their values and human rights of every internal employees as well as employees within external circles.

BNBR values diversity; whether the differences in ethnicity, age or gender. We regard these differences as one of our company's asset. Also, BNBR is actively striving against all forms of discrimination in recruiting our employees and at day-to-day interaction in the workplace.

BNBR believes employee satisfaction and well-being is our company's foundation of success. We have implemented a range of strategies and policies to attract, expand and maintain the loyalty of the employees to be able to achieve our company's target and vision. Our practices and policies in the workplace have been designed to be based on the principles of fair compensation, equal opportunity and employees' workplace health and safety prioritization and other commitments that ensure the rights of our employees.

OUR EMPLOYEES

The human resources that we have is the cornerstone of BNBR's development and success; as well as being fundamental to the purpose and future growth of the company. A powerful work program enable us to attract, maintain and connected with the best employees to serve customers and provide added value to our shareholders. Throughout 2016, we have recruited new employees as many as 173 people, while 79 resigned. [401-1]

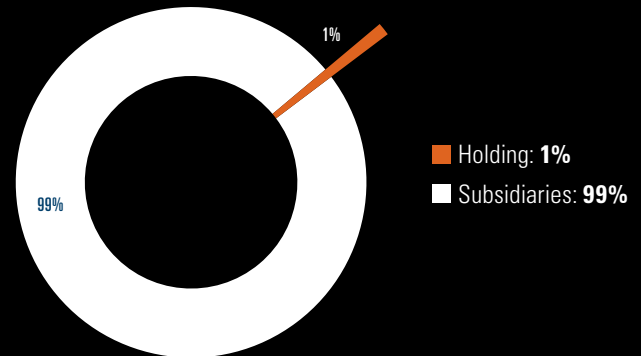
EMPLOYEE COMPOSITION BASED ON GENDER [102-8]		
GENDER	2015	2016
Female	285	295
Male	3,857	3,941
TOTAL	4,142	4,236

EMPLOYEE COMPOSITION BASED ON EMPLOYMENT STATUS [102-8]		
STATUS	2015	2016
Permanent	2,634	2,652
Direct Contract	771	691
Outsourcing	737	893
TOTAL	4,142	4,236

EMPLOYEE COMPOSITION BASED ON EDUCATION LEVEL [102-8]		
EDUCATION LEVEL	2015	2016
Doctoral Degree	3	2
Master Degree	90	84
Bachelor Degree	638	658
Diploma	281	700
Senior High School	2,715	2,465
Junior High School	299	234
Elementary School	116	93
TOTAL	4,142	4,236

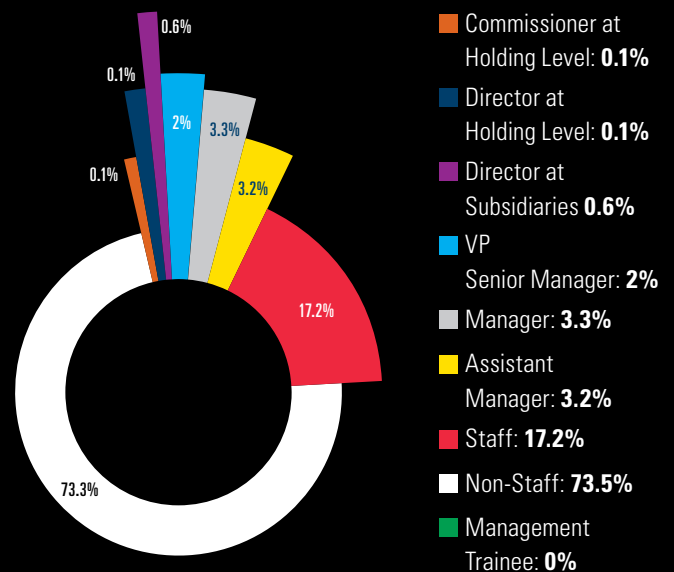
**EMPLOYEE COMPOSITION BASED ON
ORGANIZATION LEVEL [102-8]**

ORGANIZATION LEVEL	2015	2016
Holding	55	56
Subsidiaries	4,087	4,180
TOTAL	4,142	4,236



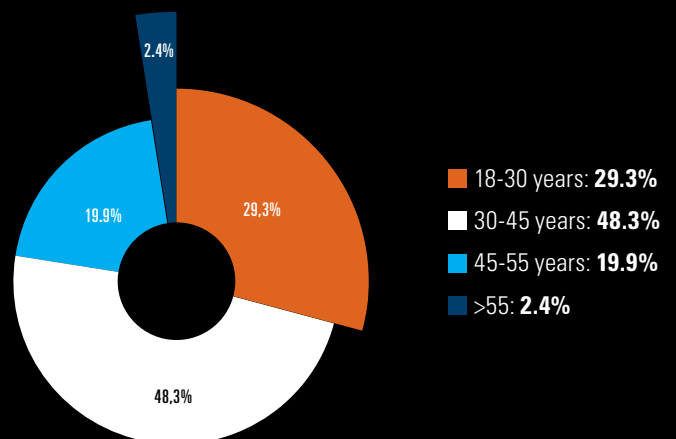
**EMPLOYEE COMPOSITION BASED ON
POSITION [102-8]**

POSITION	2015	2016
Commissioner at Holding Level	4	3
Director at Holding Level	4	4
Director at Subsidiaries	26	23
VP/Senior Manager	82	84
Manager	169	137
Assistant Manager	124	134
Staff	865	712
Non-Staff	3,254	3,043
Management Trainee	10	2
TOTAL	4,142	4,236



**EMPLOYEE COMPOSITION BASED ON
AGE GROUP [102-8]**

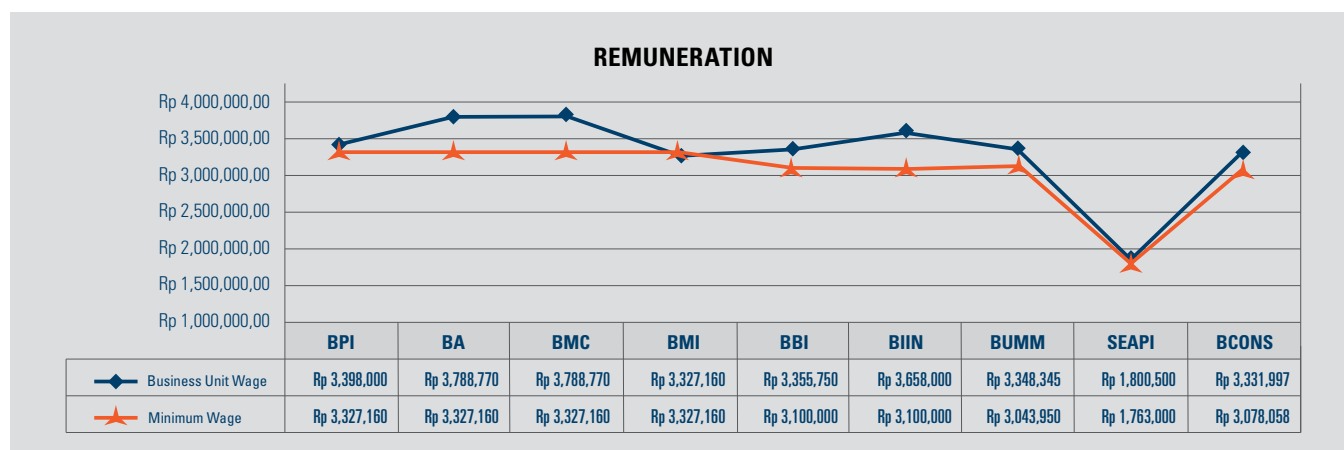
AGE	2015	2016
18-30 years	1,284	1,241
30-45 years	1,914	2,048
45-55 years	843	844
> 55 years	101	103
TOTAL	4,142	4,236



REMUNERATION

BNBR is committed to implement the provision of fair compensation. We recognize that workforce with specialized skills, motivated, and good interaction capability are crucial for the achievement of growth objectives. We do not discriminate employees based on gender for their salary. Differences in remuneration given is due to the differences in levels, performance assessment's achievement, position / job-title and the length period of employment. Our remuneration structures always comply with government regulations related to minimum wage. Our total remuneration in 2016 amounted to Rp 239 billion. **[202-1]**

REMUNERATION COMPARISON OF ENTRY-LEVEL WAGE STANDARD IN BNBR AND SUBSIDIARIES AGAINST LOCAL MINIMUM WAGE TERMS



Remuneration & Benefits [401-2]	Permanent	Contractual
Wages and salaries	✓	✓
Support for celebrations on religious holidays	✓	✓
Transport Allowance	✓	✓
Annual Leave	✓	✓
Working Period Reward	✓	✓
Production Services Reward	✓	
Employee health insurance / BPJS Kesehatan	✓	✓
Worker Social Security (BPJS Tenaga Kerja)	✓	✓
Meal Allowance	✓	✓
Positional Allowance	✓	✓
Employees' Family Grief Allowance	✓	✓
Shift Allowance	✓	✓

Remuneration & Benefits [401-2]	Permanent	Contractual
Employee Attendance Incentives	✓	✓
Telecommunication Allowance	✓	
Maternity leave	✓	
Marriage Allowance	✓	
Haji/Umroh Bonus	✓	
Company clinic	✓	✓
Yearly bonus	✓	✓
Mortgage	✓	✓
Recreation	✓	✓
Replacement Allowance		✓
Family Allowance	✓	
Education Allowance	✓	

The company highly acknowledges the fine and superior performance of our employees. Also, we want our employees to grow together with BNBR. Therefore, the company provides bonuses to employees based on the company's performance and individual's performance. We conduct performance appraisals for all our employees every year accordingly.

TRAINING AND DEVELOPMENT

BNBR has a strong commitment to continue to improve employees' potential and competence through several training programs, learning and development. We believe in the importance of learning while working. Our employees have been through various training and mentoring that led by the managers. We believe that our employees' development is the key to a successful future for the company. We have established a development center to improve our worker's skills.

We collaborate with Bakrie Solusi Strategis (BSS) / Bakrie Learning Centre (BLC), in developing Talent Management's System as a long term sustainable program. This system consists of several steps, such as:

1. Talent assessment and identification
2. Implementation of the Bakrie Succession Plan
3. Implementation of the Bakrie Leadership Development Program
4. Formulation and socialization of the Bakrie values, or Trimatra Bakrie
5. Carrying out of Bakrie Engagement Programs



1367 EMPLOYEES
JOINED BNBR'S TRAINING AND
DEVELOPMENT PROGRAMS IN 2016
WITH A TOTAL INVESTMENT OF
RP. 1.7 BILLION.

**NUMBER OF PARTICIPANTS AND
COST OF TRAINING PER TRAINING CATEGORY [404-1]**

Training Category	Number of Participants	Cost of Training (in Rupiah)
Management and Leadership Training	513	589,363,265
Functional Skill Development Training (Finance, HR, Marketing, Operation, Legal)	276	805,972,200
ISO and Continuous Improvement Related Training	577	305,766,535
Corporate Values Training	1	2,500,000
TOTAL	1,367	1,703,602,000

EMPLOYEE RIGHTS [102-41]

BNBR attends to the rights for all employees. We believe that everyone should be treated fairly and with dignity. BNBR commit to obey the Labor Law No. 13 of 2003; the company has applied a minimum age limit of 18 years for each employee. The company offers equal opportunity for everyone to be employed, receive training and develop their careers in accordance with their competence and performance. In addition, all our employees have the freedom to join trade unions of their choice and have access to collective bargaining.

Name of Trade Union	Number of Members
<i>Serikat Pekerja Metal Indonesia (SPMI)</i>	411
<i>Serikat Pekerja Seluruh Indonesia (SPSI)</i>	1,145
<i>Serikat Pekerja Bangunan dan Pekerjaan Umum (SPBU)</i>	0
<i>SP INTERNAL</i>	98
TOTAL	1,684

HEALTH AND SAFETY

Work-safety is non-negotiable for BNBR. Work-safety program has been designed to ensure a healthy and safe workplace for all employees. We realize the importance of health and work-safety; as well as ensuring the protection and welfare of employees and third parties in each operational activity of the company.

BNBR strive to ensure a safe working environment, and improve the health of our employees. BNBR provides a variety of programs and facilitates in supporting employee safety and health programs which include health clinics and recreational and sporting events for all employees. We believe that a better health and welfare of employees will support higher productivity, reduce costs and improve competitiveness.

It is our commitment to ensure that BNBR has a work culture that is based on a culture of work-safely. It is based on the values and culture of our company that respects the values of Bakrie Trimatra: Indonesian-ness, Usefulness and Togetherness. In addition, our employees are actively involved in identifying and managing risk on an ongoing basis to improve environmental performance, occupational health and safety of our operations. **[404-3] [102-16]**

EMPLOYEE PENSION FUND AND COOPERATIVES

BNBR concern deeply about the welfare of its employees because they constitute as a major asset and a strategic partner in developing the business. We provide a variety of welfare facilities in the form of employee cooperation (*Koperasi Karyawan- Kopkar*), Bakrie Pension Fund Program, a health clinic, cafeteria, educational assistance for excel children of employees, recreational and sport activities for all BNBR employees.

BNBR also assists the employee needs to provide guidance to the development of cooperative organizations through the BNBR Employee Cooperation (Kopkar). This employee cooperation contains savings and loan system, shops and the provision of office stationery. In addition, we do not forget our employee welfare when they reach retirement age; we enroll every employee in pension with define benefit through Bakrie's pension fund, which the arrangement of pension contribution by the employees are not mandatory.



“

Togetherness, the family-like atmosphere, as well as the spirit to continuously grow and thrive are the major qualities I've always felt in PT Bakrie Pipe Industries

”

Deddy Kurnia
Chief Operations Officer
PT Bakrie Pipe Industries
Years of Service: 22 years

COMMUNITY EMPOWERMENT

COMMUNITY EMPOWERMENT

BNBR makes sure that a healthy and harmonious relationship with the communities surrounding our area of operations is maintained. This relationship becomes the foundation in building the shared values in order for both the company and surrounding community can coexist and grow together in a sustainable manner.

BNBR realizes the importance of social responsibility to all stakeholders and the communities surrounding our operational area. This social responsibility is our strategic investment in implementing CSR sustainability.

We believe that our ability to thrive depends on community progress surrounding our operational area. We take on a collaborative approach by working with the community and their local government to ensure that our presence became a catalyst in social and economic growth sustainability in improving the quality of education, health and jobs.

In carrying out social activities, BNBR and its subsidiaries cannot be separated from our philosophy "*Bakrie Untuk Negeri*" with the core values of "Trimatra Bakrie" which is stipulated in the Charter of Bakrie. From this philosophy we divide some community development programs into several activities, namely "*Cerdas Untuk Negeri*", "*Sehat Untuk Negeri*", "*Peduli Untuk Negeri*", and "*Kemitraan Untuk Negeri*" which in the end can improve the quality of life of the communities where ever we operate.

All of our CSR activities refer to ISO 26000 standards, which have been ratified in Bakrie CSR Conference on June 10th, 2011. [203-1][203-2] [413-1]

CORPORATE SOCIAL RESPONSIBILITY VISION AND MISSION [102-16]

BNBR CSR activities grounded in the philosophy of "*Bakrie Untuk Negeri*" in which has an inside base value called "Bakrie Trimatra". All these values embodied in the Charter of Bakrie and supervised by the agency named Management Board for Bakrie Untuk Negeri (BP BUN).

High aspiration shall not made us forget our origin.

PIAGAM BAKRIE

BERAWAL DARI SEMANGAT UNTUK MENERUSKAN
OTA-OTA LUPUR YANG DIARUT, DIJAJARKAN DAN DIKANDONG
OLEH HAJI ACHMAD BAKRIE

DENGAN LANDASAN NILAI-NILAI LUPUR
BAKRIE UNTUK NEGERI

DAN MENYUDUK PASTORALNYA NILAI DASAR
UNTUK MELAKUKAN PERAKTIF YANG MEMPERKUR
SEMANGAT KE SATUAN DALAM KERCACARAN
DUNA MENINGKATKAN KUALITAS HIDUP YANG LEBIH BAK
BERTA MELAKUKAN BANGSA YANG BERMARTABAT
MELALUI KEGIATAN WIRALISANA KELAS DUNA
DALAM

GERAKAN BAKRIE UNTUK NEGERI

TERKEMBANGAN KONFORMASI NILAI-NILAI DASAR KELUARGA BESAR BAKRIE
YANG MENCIPTAKAN KESIMPULAN TIGA DIMENSI PILAR KEBERUKUPAN
SPIRITUAL, INTELEKTUAL DAN EMOSIONAL
YANG DISERUT:

TRIMATRA BAKRIE

KERENDAHAN - KEMAKNEAN - KEBERIFAN

JAKARTA, 10 FEBRUARI 2011
ATAS NAMA BEGASIP INSAN BAKRIE

ABUJAL BAKRIE RUSMANIA B. KUSUMAJUNG BERNAN D. BAKRIE INDIRA G. BAKRIE

THE PHILOSOPHY

THE CORE VALUES

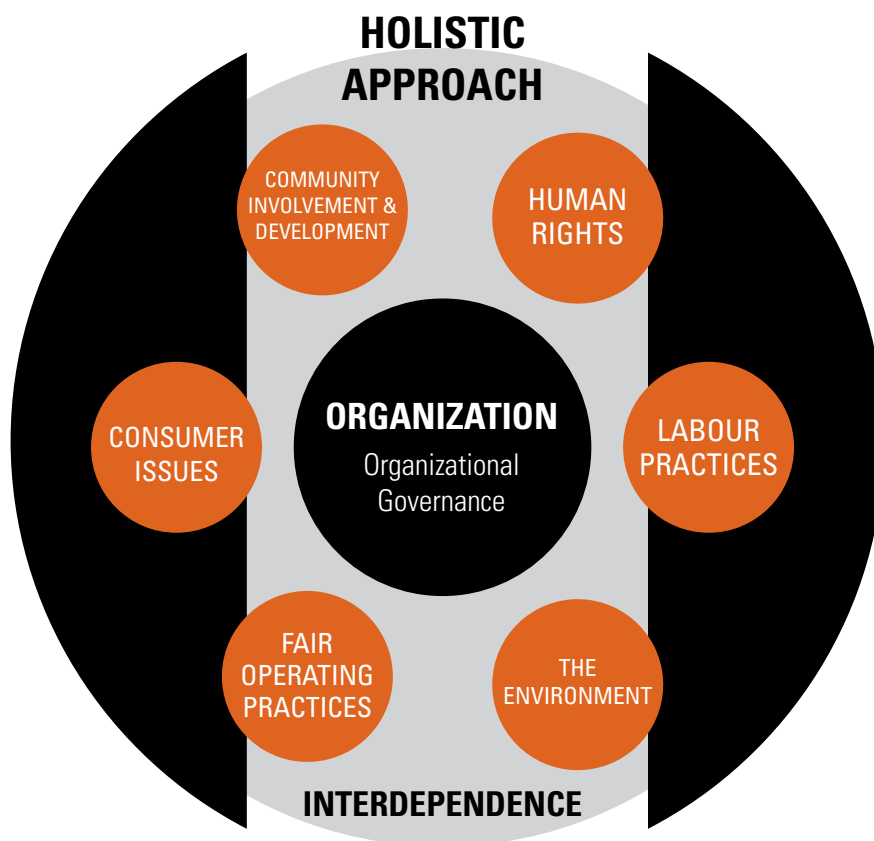
Basic philosophy of “*Bakrie Untuk Negeri*” is a modern textuality of the Founder Group Bakrie’s mandate, Bakrie H.Ahmad (1916-1988), which state “Every rupiah earned by Bakrie must be beneficial to many people”. This philosophy has been visualized in the form of the company logo, the logo-shaped has stretch of earth and seven stars which represent the efforts to reach the goals as high as possible, though must remain walking on a solid ground. Another interpretation, it also means no matter how great, big and high the ideals, Bakrie will forever never forget where to stand and rest our resolution.

“Trimatra Bakrie” serve as the basic values of BNBR which has three dimensions, that is: **[102-16]**

1. *Ke-Indonesiaan* (Indonesian-ness) is a perspective, the motives and actions of Bakrie’s personnel who is proud as an Indonesian national, has global perspective and make contributions to the world community.
2. *Kemanfaatan* (Usefulness) is a perspectives, motives and actions of Bakrie’s personnel prioritizing resources’ effectiveness and efficiencies to improve better quality of life.
3. *Kebersamaan* (Togetherness) is a perspective, motives and actions of Bakrie’s personnel in promoting the synergy in diversity.

IMPLEMENTATION OF ISO 26000

BNBR in implementing ISO 26000 focuses on seven main subject, i.e. Organizational Governance, Human Rights, Labor Practices, Environment, Justified Operational Practices, Customer Issues and Community’s Engagement and Development. The depiction of the interaction of the company can be viewed as follows:

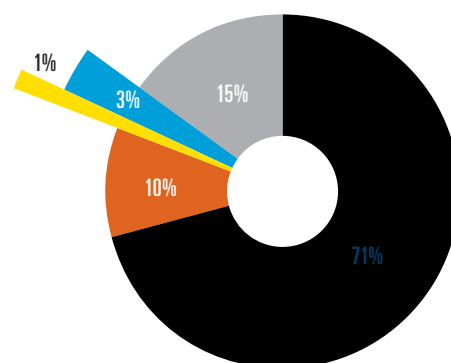


ISO 26000 is a reference base for BNBR in conducting CSR programs or day-to-day business operations .

BNBR CSR activities are varied; They are conducted through its subsidiaries and they also channeled through *Badan Pengelola Bakrie Untuk Negeri* (BP BUN), which was inaugurated on 17 August 2007. BP BUN is an Institutions that run the synergy function of CSR activities of companies within the Bakrie Group including BNBR. All CSR activities of BNBR and Bakrie’s subsidiaries are adapting BP BUN program as the basis for CSR activities which can be seen from the following fund expenditure. **[203-1][413-1]**



CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE		
CSR Program	Description	Expenditure (Rupiah)
<i>Peduli Untuk Negeri</i>	■ Social and religious sector	980,165,600
<i>Cerdas Untuk Negeri</i>	■ Formal and non-formal education sector	141,477,905
<i>Hijau Untuk Negeri</i>	■ Environmental sector	10,000,000
<i>Sehat Untuk Negeri</i>	■ Health sector	41,556,950
<i>Kemitraan Untuk Negeri</i>	■ Community development sector	214,090,608
TOTAL		1,387,291,063



OUR DEVOTION FOR THE NATION, FOR INDONESIA



SEHAT UNTUK NEGERI (HEALTH SECTOR PROGRAM)

BNBR is concerned about public health surrounding BNBR operational area. We want to improve the quality of their lives because health is an important aspect to human.

In Indonesia, where BNBR perform operational activities, there are still many people who need medical assistance. There are still lots of people who are less fortunate and consequently getting access to health care are difficult. Adding to that, many people still do not understand the importance of health for themselves and their families.

Through some social activities aim at communities surrounding the BNBR operational area such as health education activities around BPI, blood donors and fogging residential area surrounding the SEAPI plant. This year, "Sehat Untuk Negeri" program has distributed fund amounted to Rp 41.6 million. **[203-1][413-1]**



CERDAS UNTUK NEGERI (EDUCATION SECTOR PROGRAM)

Education is the most crucial thing for everyone, BNBR provides the opportunity and chance to acquire bright future through "*Cerdas Untuk Negeri*" program. **[203-1][413-1]**

The progress of a nation depends on the quality of future generations. BNBR realize that many children and young adults experience some limitations in getting a good education. They were supposed to be the future for Indonesia, however they will become a burden for the government and the family due to their lack of training and education.

We have taken various initiative to improve people's abilities so that they are self-sufficient and have a better quality of life.

In education, BNBR provide work experiences through an internship program for university/college students and high school/high school equivalent students in BPI. In addition, BNBR provides scholarships and counseling on working world for top students through BBI. The total funds distribute to support this program amounted to Rp 141 million.



PEDULI UNTUK NEGERI (SOCIAL AND RELIGIOUS SECTOR PROGRAM)

Social facilities and infrastructure is essential to the daily life of each person. BNBR realize the importance of this infrastructure for all the activities of the employees and the communities surrounding BNBR operational area. BNBR implemented their concern in the *"Peduli Untuk Negeri"* program. **[203-1][413-1]**

In the field of social and religion, BNBR and his group perform a variety of activity that is implemented by BP BUN. Activities conducted under this program include the construction of houses of worship, religious festivals encouragement and catering and administering the facilities and infrastructure for the people around the factory. Total funds has been contributed under this program amounted to Rp 980 million.



KEMITRAAN UNTUK NEGERI (COMMUNITY DEVELOPMENT SECTOR PROGRAM)

BNBR supports local communities by creating jobs for local communities surrounding the operational BNBR. We buy products and services from local suppliers which we are supporting the local businesses with these activities; therefore we continue to support the program *"Kemitraan Untuk Negeri"*. **[203-1][413-1]**

Program activities *"Kemitraan Untuk Negeri"* include employing people around the factory area to help the BNBR daily operations as office boys, security guards, driver, cleaning service attendees and employees' cafeteria management. In addition, we also undertake special activities related to partnerships with local communities in managing waste in the area of the BPI, as well as the cultivation of vacant land around the SEAPI factory. The total funds have been dispatched for this program amounted to Rp 214 million. Local communities has been significantly affected through this program. The benefit receive by the public such as skill development and lower poverty levels.

“

Through my work at PT Braja Mukti Cakra, I have proven that Indonesian made automotive component products are deemed highly competitive in the global market.

”

Sofyansyah

Production & Engineering Manager
PT Braja Mukti Cakra
Years of Service: 8 years

ENVIRONMENT

ENVIRONMENT

BNBR have developed a comprehensive strategy in mitigating energy conservation and climate change. We are fully committed to comply with any regulations related to the environment.

Facing the 21st century, increasing complex issues and climate change has become one of biggest challenges the world faces today. In Indonesia, climate change is generally marked by changes in average daily temperatures, rainfall patterns, sea level, and climate variable. As a company engaging in manufacturing, infrastructure and investment sector, BNBR is aware of such issues and is committed to contribute in reducing the impact of climate change.

Operational wise, BNBR have developed a comprehensive strategy for conservation of energy mitigate climate change. We are fully committed to comply with all relevant regulations on environmental issues such as the Environmental Impact Analysis (*Analisis Mengenai Dampak Lingkungan* -AMDAL), Environmental Management Effort (*Upaya Pengelolaan Lingkungan* -UKL) and Environmental Monitoring Effort (*Upaya Pemantauan Lingkungan* -UPL) in every part of our operations. We have prepared these reports and convey our efforts to our shareholders. Green Technology, Green Product and Green Building are BNBR three pillars that used as references in continuously developing green technology products.

These approaches below are our implemented commitments in protecting the environment:

1. Environmental Management is a part of our operations in compliance to relevant regulations and our standard operating procedure. It also elaborates in ISO certification and regulation of Ministry of Environment and Forestry (*Kementerian Lingkungan Hidup and Kehutanan* -KLHK).
2. Social Responsibility for the environment with "*Hijau Untuk Negeri*" as theme.

ENVIRONMENTAL COMMITMENT AND CERTIFICATION

BNBR has been implemented to carry high environmental standards in compliance with national laws and international standards. We set strict performance standards, implementing environmental management which is in accordance with international standards, and has obtained the certification of Corporate Performance Rating Program (PROPER); The company

system implementation and procedures are in accordance with the Regulation of the Ministry of Environment No.6 in 2013.

The following is several of the certification received by BNBR: **[102-12]**

BA	ISO 14001:2004 from Certification Agency TÜV SÜD PSB Pte Ltd
BBI	ISO 14001:2004 from British Standards Institution
BCons	ISO 14001:2004 from Bureau Veritas Certification
BMI	ISO 14001:2004 from AJA Europe Ltd

In addition, we also conducted an assessment or evaluation of the environmental impacts that occur on each company's operational activities and our certified and non-certified subsidiaries as our commitment to contribute in preserving the environment.

ENVIRONMENTAL MANAGEMENT PROGRAM

BNBR understands the impact that may occur on the environment either before, during or at the end of our operations. Therefore, we constantly try to limit and reduce environmental impact that may occur during company's operations as well as supporting low carbon transition for the future.

We have implemented several environmental management programs throughout 2016. Such programs include management and conservation of water, electricity, fuel consumption and waste handling.

WATER CONSERVATION AND MANAGEMENT

The cornerstone in our efforts to deal with quality and water conservation are ensuring water efficiency in each of our operations. BNBR has been utilizing the water for supporting several activities

namely in transportation spraying, operational in reducing dust, equipment cleansing and as well as for other purposes.

BNBR has always strived to maintain water's supply and quality. We have developed a water circulation system as part of water conservation program. The sewage treatment plant used a closed cycle in recycling the water, to prevent the intervention of the water supply. This water conservation is done through several posters and stickers as part of our socialization programs.

In 2016, we did not receive any complaints from our surrounding communities about the water quality and availability linked to our operations. We believe BNBR has successfully managed and maintain the water supply and its quality both for community usage and water supply for our operations through various water conservation efforts. **[303-2]**

ELECTRICITY AND FUELS USAGE

Electricity is the most important source of energy for human life in their activities for both industrial and daily life. BNBR is running the company's operations using fuels and electricity as the energy source. Therefore, fuel conservation and electricity efficiency are our priority. Creative solutions have been applied in each of our operations to save these energies.



OUR APPROACHES HAVE RESULTED
IN REDUCING ELECTRICAL ENERGY
ASSUMPTION AVERAGING
AT **62%** COMPARED WITH
PREVIOUS YEAR. **[302-4]**



2016 ENERGI CONSUMPTION [302-1]

Electricity Consumption (KWH)	TOTAL
2015 (KWH)	323,226,496.00
2016 (KWH)	102,477,479.00



Fuel Consumption (Liter)	TOTAL
2015 (Liter)	630,845.40
2016 (Liter)	452,202.00

**Electricity Consumption does for 2016 does not include BCONs*

**Fuel Consumption for 2016 does not include BFU*

We realize that efficiency and energy conservation is a key element towards future sustainable energy. BNBR continues to seek collaboration within our organizations in the fields that can increase involvement with every segment of our businesses and their business activities in implementing organization-wide energy efficiency efforts.

EMISSION CONTROL

Our company emissions mostly come from BNBR's subsidiaries operations and activities that are related to cement production, foundry activities, galvanizing and asbestos particles.

Therefore, BNBR has adopted the latest technology to improve efficiency in the operations of the company to reduce emissions. We also perform periodic maintenance on the facility to control the emissions of Ozone Depleting Substances (ODS) at the minimum level.

In addition, we also seek to reduce emissions from other substances/chemicals that have the potential in damaging the ozone layer, such as CFCs from air-conditioning and fuel emissions. Replacing CFCs as a coolant in air-conditioning installation is one of the environmentally friendly method used to reduce the emissions.

WASTE MANAGEMENT

The company's operational activities can generate both hazardous and non-hazardous waste. It is important for us to protect the environment and reduce the long-term risks due to inadequacy in waste and recycling management. Therefore, we implement an effective waste management practices.

We are implementing the 3R policy in our manufacturing process in waste handling, which consist of:



Some of the company's operations may generate hazardous waste, as well as few emissions that might have negative impact on the surrounding environment. Therefore in accordance with current regulations, we continue to treat waste water till the end of treatment processes which is disposal. Also, we used alternative oil as part of alternative fuel utilization program in our industries. Some hazardous wastes are temporarily stored in special storage and periodically sent to the certified management for further processing.

BNBR have built and manage the installation of waste water treatment as part of company's waste water management process. Water treatment's quality always being monitored and tested regularly in certified laboratory, the results will then be reported to *Biro Lingkungan Hidup Daerah* (Regional Environmental Bureau).

ENVIRONMENTAL MONITORING PROGRAM

BNBR constantly strive to reduce company's operational activities that might cause some impacts on the natural environment and surrounding communities. We have conducted a detailed assessment on its potential impact on the environment, social value and health. Also, we are committed in conducting regular monitoring in minimizing any environmental damage on surrounding environment near production area.

These monitoring activities include monitoring quality of water, air, soil contamination, noise, water biota that are found in the surrounding area of the operation. In addition, we also cooperate with third parties in conducting our independent assessment.

Company's environmental impacts parameter includes waste water management, solid waste management, noise intensity, air quality and biological factors. Throughout 2016, monitoring of these parameters show that indicators of contaminants from company's operations do not exceed the environmental quality standards regulated by the government for all solid, water, noise and air quality contaminants.



ENVIRONMENTAL SOCIAL RESPONSIBILITY PROGRAM

We have assessed the potential impact of our activities, as well as trying to manage and reduce the effects on the environment and the life of local community. BNBR has developed an environmental program implemented through the company's Corporate Social Responsibility program called "*Hijau Untuk Negeri*". This program covers various aspects related to environment, one of them is environment conservation and efficiency of natural resources and energy as one of them.

In 2016, we have done various activities related to the environment as part of "Green for Nation" ("*Hijau Untuk Negeri*") program. These include Tree Plantation Program which is done around the company's factory,

The program summed at Rp 10,000,000 with Bakrie Pipe Industries as the biggest contributor to "*Hijau Untuk Negeri*". The company not only planted trees within the operational area, but also in the area around the plant by donating about 1000 trees to Medan Satria district. The company also encourage our employees to join our environmental preservation program, including cleaning up river systems around the area that has been clogged up by rubbish in the surrounding areas. This river also flows through BPI plant area. On top of that, the company donated rubbish bins and carts to support waste collectors in our communities.

“

Working as a human resources specialist provides me with a never ending learning curve through my daily interaction with various types of employees.

”

Desmiar Susanty
Human Capital Section Head
PT Braja Mukti Cakra
Years of Service: 15 years

OCCUPATIONAL HEALTH & SAFETY

OCCUPATIONAL HEALTH & SAFETY

BNBR believes that safety, quality, and productivity are all closely interrelated. The company undertakes proactive safety and health activities annually to work toward eliminating industrial accidents, and occupational illnesses. The guiding principle for BNBR is that all employees return home safely to their loved ones each and every day.

BNBR strives to embed a safety first mindset, both on- and off-the-job, in our employees and their families. We maintain an unrelenting focus on protecting our people and assets by living safety every day and by conducting initiatives to improve our safety performance and that of our contractors. The company understands that our success is underpinned by our commitment to protect our people and those who work for us.

BNBR has established a safety and health policy to eliminate hazardous elements at the plant area and improve the employees' health and quality of life. We are creating a safe working environment by making sure everyone thoroughly fulfills the roles, responsibilities and procedures of their respective ranks, which is the core of safety management. The company also complies with all relevant legislations, aiming to exceed these standards wherever we operate.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

Occupational Health and Safety, driven by our Company Values, is an integral part of our business, and must be incorporated into every action we undertake. There is no activity so important or urgent that cannot be done in an appropriate, healthful and safe way.

We care for our people. Each employee, contractor and visitor has the right to a safe working environment. By consistent and continuing efforts, accidents and occupational illnesses can be prevented. BNBR aims to maintain a safe and healthy work environment for its employees, contract labor and visitors, and therefore is committed to do all that is reasonably feasible

As our highest commitment towards OHS, we adopt the management system OHSAS 18001:2007 with a periodical certification from a competent third party. We provide employees with equipment, training, and best practices to achieve zero incidents. We want our employees to return to their families safely every day.

In the process, we engage the employees, family and subcontractors to actively take part in the process of planning, developing and improving the OHS procedures throughout the

operations areas. We believe leadership factor as the basis in improving the occupational health and safety performance.

Every unit leader are responsible for the safety of his team and shall consistently set higher standards through the examples and conducts of safety. As part of our OHS System, we have developed a framework for managing risks and compliance to law and regulations.

OHS POLICIES

Our company's objective is to continue to develop and improve our occupational health and safety policy through a systematic approach that minimizes the adverse impact of the company's activities on safety and health. Our policies became the guideline to create healthy and safe working environment, and ensure that all activities had no negative impact to the environment.

The Company creates and maintains a health and safety policies that ensures compliance with the Regulation No. 1 year 1970, Health regulation No. 23 year of 1992 and Collective Labor Agreement (PKB) in each subsidiaries, as well as in the Holding Company. Health and Safety Policy, which was ratified on January 25th, 2013. BNBR is committed to be compliant with legal requirements and regulations associated with our activities and ensure implementation of other OHS legal regulations and requirements **[403-4]**

Over the years, BNBR has developed strategies and policies on the implementation of OHS, including:

- identifying and evaluating aspects and potential threats to the occupational health and safety,
- determining the risk control and its acceptable impacts,
- complying with the laws and regulations, and other relevant requirements,
- preventing work accidents, injuries, illness and polutions,
- ensuring control towards hazardous conditions and behavior that has potential to cause incident and injury during work, and
- ensuring continuous improvement in OHSAS implementation

OHS COMMITTEE

We have OHS committees to promote work health and safety and prevent injury and disease within Company's operation. Our OHS committee in the form of Committee of Occupational Health and Safety Development (P2K3), consisted of Health Unit and Safety Unit. The member of P2K3 are the employees appointed from each unit, and collectively they monitor the compliance of all elements towards OHS related regulatory. The total member of P2K3 from manufacturing business unit is 111 employees. **[403-1]**

Description of P2K3's functions, position, duties and responsibilities, are stated in articles and chapters of PKB in subsidiaries, as follows: **[403-4]**

- PKB from PT Bakrie Autoparts (BA) Chapter VIII article 55
- PKB from PT Bakrie Building Industries (BBI) Chapter VII article 30
- PKB from PT Bakrie Construction (BCons) Chapter VIII article 58
- PKB from PT Bakrie Pipe Industries (BPI) Chapter VII article 45.

As stated in the PKB, all subsidiaries had conducted responsibility related to OHS, including: providing Self Protection Tools (APD), forming collective committee of OHS Management, involving employees representative in inspection activities, organizing education and training regarding work safety procedure, and Implementing periodical check on fire extinguishers.

OHS PERFORMANCE

We seek to ensure that all our facilities are well designed, well operated and well maintained to run safely. We have rigorous controls in place and monitor indicators that focus on the strength of these controls to prevent incidents. We follow industry standards for measuring our safety performance. It is our objectives to achieve Zero accident.

Our subsidiaries in manufacturing business had recorded the following safety performance: **[403-2]**

OCCUPATIONAL SAFETY PERFORMANCE 2016

	MAJOR INJURY		MINOR INJURY		LOST-TIME INJURY	
	2015	2016	2015	2016	2015	2016
Bakrie Autoparts	4	0	21	6	4	242
Bakrie Building Industries	0	4	8	6	0	8
Bakrie Metal Industries	0	0	2	27	0	0
Bakrie Pipe Industries	0	0	7	5	0	0
TOTAL GROUP HEALTH & SAFETY PERFORMANCE 2016	4	4	38	64	4	250

Although imperfect, we are fully committed on our safety performance and are devoted for continuous improvement in the implementation of our safety policy. As our procedures, we do a thorough evaluation after incident and accident. Moreover, we ensure our people aware and implement OHS-based operating procedures, according to the accredited standards.



**9,023,497 OF SAFE
WORKING HOURS WAS
RECORDED AT PT BAKRIE CONSTRUCTION
FROM THE OF PERIOD NOVEMBER 1ST, 2009
TO NOVEMBER 30TH, 2015 .**

**THIS ACHIEVEMENT WAS AWARDED BY
THE MINISTRY OF LABOR OF THE REPUBLIC
OF INDONESIA ON MAY 1ST 2016**

OHS TRAININGS

We believe that most, accidents are preventable, and “less safe” behaviors are the primary cause of injuries, fatalities and “near misses” accidents. As a result, BNBR’s efforts focus on driving behavior changes, while also continuing to advance system improvements in BNBR. Conducting a strategy to improve our OHS performance, namely trainings and socialization.

OCCUPATIONAL HEALTH

The “health” part of health and safety remains a key driver for BNBR. We recognize the impact that health issues such as heart disease, diabetes, smoking and obesity can have on the well-being of our employees, as well as on the cost of providing health care to our work force. By helping employees to prevent serious diseases and effectively manage chronic conditions, we can have a positive impact on our employees’ quality of life and our bottom line.

It is our commitment to provide healthcare to all employees, including health facilities and treatment cost. To maintain the employees’ health, we conducted a thorough medical examination to all employees, as an early detection of any symptoms of certain illness, caused by the operations activities or other common causes.

In our business operations, BNBR maintains comprehensive occupational health programs to assess the risk of exposure to occupational health hazards. Every job task includes an evaluation of physical hazards, as well as the potential consequences related to occupational illness. As our commitment to OHS, The company also organized counseling activities for employees, especially regarding the serious illness and illness caused by work.

A black and white portrait of a man with short hair, smiling, wearing a light-colored button-down shirt. The background is blurred, showing what appears to be an industrial or construction site.

“

*I believe BMI will
become a respected
EPC company that
is able to fulfill
infrastructure needs in
the oil and gas sector.*

”

Romel Saab
Talent Management Manager
PT Bakrie Metal Industries
Years of Service: 7 years

GRI STANDARD

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MANAGEMENT PROFILE

BOARD OF COMMISSIONERS



Irwan Sjarkawi
President Commissioner &
Independent Commissioner



Nugroho I. Purbowinoto
Commissioners

Armansyah Yamin
Commissioners

BOARD OF DIRECTORS



A. Amri Aswono Putro
Director



Bobby Gafur S. Umar
President Director

R.A. Sri Dharmayanti
Director

Dody Taufiq Wijaya
Independent Director

SENIOR EXECUTIVES PROFILE



Indra Ginting
Chief Strategic
Business Development Officer

Hendrayanto Marta Sakti
Executive Vice President
of Corporate Finance



Anandh Haridh
Chief Investment Officer

PT BAKRIE & BROTHERS TBK

Senior Management



Bachril Bachtarudin

Head of Corporate
Finance

Bayu Bimo Nimpuno

Head of Corporate
Communications

Ruddyar

Head of Group Accounting

With full awareness in the importance of Good Corporate Governance (GCG), BNBR is committed to continue enhancing the quality of its GCG implementation consistently and continuously in line with the Corporate values. BNBR refers to the best practices in determining the Company's business process, control and standard operating procedures.



Christofer A Uktolseja
Head of Corporate Secretary &
Corporate Legal

Edwin Ridwan
Head of Equity Trading

Okder Pendrian
Head of Human Capital & Office Support

Andri Kabul
Act. Head of
ERM Policy & Process

PT BAKRIE METAL INDUSTRIES

Senior Management of Business Unit

Bakrie Metal Industries (BMI) started its steel pipe manufacturing business in 1959 under the name “Talang Tirta”, it originally produces conduit pipe for general use. In 1984 the company expand its business to fabrication service, which specialty is in corrugated steel and bridge. In 1985 BMI established its EPC business with the operation of its heavy industrial steel fabrication facility in Sumunraja, Banten. Today BMI is well known for its high quality steel pipes (oil & gas and general purposes) and nation wide acclaimed EPC and fabrication expertise.



Mas Wigrantoro
Chief Executive Officer



Prama Prafitrarto
Chief Operations Officer

Indra P. Jacobalis
Chief Corporate Affair Officer

Rachmat Harimurti
Chief Commercial Officer

PT BAKRIE PIPE INDUSTRIES

Senior Management of Business Unit

As one of the subsidiary company of PT Bakrie & Brothers Tbk, which is established in 1981, PT Bakrie Pipe Industries (BPI) became the largest and most prominent steel pipe manufacturer in Indonesia.

BPI produces various steel pipes and has established a coating plant in 2013 to strengthen its position as the leader of steel pipe business in South East Asia. The application of the latest technology and highly motivated professionals are the strong points of this new facility.

Experienced in manufacturing process for more than 54 years, with efficient and effective management team along with creative, innovative, reliable professionals and full integrity; these qualities have earned BPI its customers confidence in doing repeat order and long term contracts.



Iskandar I. Daulay
Chief Marketing Officer

Esti Rochyati
General Manager
Human Resources
& Admissions



R. Atok Hendrayanto
Chief Executive Officer

Ira Wibisono
Chief Financial Officer

Deddy Kurnia
Chief Operations Officer

Arief Djoko P
Chief Logistic Officer

**Bambang Banyudoyo**

Director of Bakrie Oil & Gas Infrastructure

Chandra Devi Muharam

Head of Legal & Admin Bakrie Indo Infrastructure

AD Erlangga

Director of Bakrie Indo Infrastructure



PT BAKRIE INDO INFRASTRUCTURE

Senior Management of Business Unit

Bakrie Indo Infrastructure (BIIN), a wholly owned subsidiary of Bakrie & Brothers, was established in 2008 as the development of Infrastructure Division.

As a holding company with diverse infrastructure assets in Indonesia, BIIN capitalizes on its vast infrastructure experience and regional expertise. Its objective is to invest in lucrative, high-growth toll road, power, oil & gas, port, and telecommunication infrastructure projects. The current Government of Indonesia plans to spend up to USD408 billion in the next four years on infrastructure projects. As a result, BIIN presents a compelling and unique opportunity to invest in Indonesia's burgeoning economy across a diverse array of infrastructure projects.

Krisnaraga Syarfuhan

Director of Bakrie Indo Infrastructure



Yogi Pratomo Widhiarto
Chief Executive Officer

Yayan Primayanto Apandi
General Manager Commercial

Erti Sri Santi
General Manager Finance

PT BAKRIE BUILDING INDUSTRIES

*Senior Management
of Business Unit*

Established as a Joint Venture with an Australian company in 1976, PT Bakrie Building Industries (BBI) is currently one of the pioneers of building materials manufacturers in Indonesia which delivers "Total Building Solution" for domestic and international market. Today BBI is well known as producer of high quality building materials such as fiber cement roofing, ceiling and partition, as well as wood substitution products. Supported by experts in building material industry and a vast network of 80 loyal distributors, BBI is set to be a forefront solution company in innovation, energy efficiency and environmental protection.



Cipto Firmansyah
General Manager
Business Development

Jisman Hutasoit
Chief of Technology &
Operation Officer

PT BAKRIE AUTOPARTS

*Senior Management
of Business Unit*

PT Bakrie Autoparts (BA) was established in 1975 under the name PT Bakrie Tubemakers which produced malleable pipe; the Company then changed its name to PT Bakrie Tosanjaya (BTJ). In 1983 BTJ expand its capacity by producing automotive component for vehicle and heavy duty equipment. The Company continuously enhance its production expertise and capacity, succeeding in achieving partnership with global player in automotive industry and started its export to several overseas market in 2003. In 2014 BTJ transformed to become an integrated manufacturer of auto component as PT Bakrie Autoparts.



Boy Andoko Purnadie
Director & CEO



Mila Wijaya Kusuma
Chief Financial Officer

Bambang Indra Maryono
Chief Strategic Business Development Officer

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