

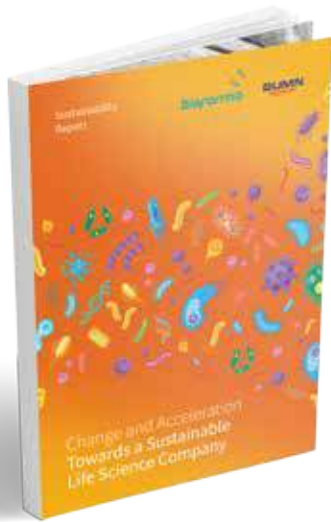
2017
Sustainability
Report



BUMN
Hadir untuk negeri



Change and Acceleration
Towards a Sustainable
Life Science Company



Change and Acceleration Towards a Sustainable Life Science Company

“One of the global challenges in health sector is the necessity of acceleration and change in new vaccine development due to emerging diseases and re-emerging diseases”.

The year 2017 become a milestone with the success of Indonesia being the leader of Center of Excellence of Vaccine and Biotechnology Product Research for Islamic countries. This is an international recognition of Indonesia via Bio Farma as a vaccine and biotechnology product industry that is more advanced compared to other OIC member states. Indonesia is the only OIC member who has WHO-recognized complete immunization vaccines.

In line with Nawacita number 6, namely increasing productivity and competitive power in international market, Indonesian vaccine industry has been successfully and massively marketed in the world. while driving the growth of other developing countries. Bio Farma has managed to increase its products' quality through the spirit of change and acceleration toward sustainable life science company, which is aimed at the betterment of life quality – corresponding with Sustainable Development Goal (SDG) number 3.

Theme Continuity

2016



BIOTECH INNOVATION FOR SUSTAINABILITY

Throughout 2016, Bio Farma continued to innovate in order to improve the quality of life. For this reason, maintaining Gold rating in the annual PROPER assessment that is organized by the Indonesian Ministry of Environment and Forestry displayed a strong commitment made by Bio Farma to continue innovating for future sustainability.

Organizing “Forum Riset Life Science Nasional (FRLN)” or National Life Science Research Forum, with “Challenges Toward National Research Independence in Life Science” as the theme in 2016 became another form of contribution given by Bio Farma within the biotechnology innovation industry to accelerate the down-streaming and commercialization of Life Science products, which have been acknowledged as national products and proud works of Indonesia’s best young talents. Domestically-produced Life Science products will push the availability of affordable biopharmaceutical products for all Indonesian people. Through biotechnological innovation, the Company contributes to Sustainable Development Goals (SGDs), which is by ensuring a healthy lifestyle and promoting the welfare of people at any age.

2015



BIOTECH INNOVATION SUSTAINABLE FUTURE

Through the dedication of all Bio Farma’s personnel and because innovation is our culture, since 2011, we have been determined and committed to producing a wide range of biotechnological innovations. The implementation of Environmentally Friendly and Innovative Business Processes related to the environment and CSR have resulted in Bio FARMA becoming the only Indonesian Pharmaceutical industry to achieve a Gold PROPER from the Environment and Forestry Ministry. In 2015, Biotechnology Innovation resulted in the development of Biological Erythropoietin (EPO), as well as other life science product developments. Now is the time for Bio Farma to continue making biotechnology innovations to create a sustainable future.

2014



BIO FOR SUSTAINABLE LIFE

Powered by competence, experience and a learning process that has lasted for over 125 years, we are here as part of the struggle to save lives and improve the quality of life, playing an important role in shaping the nation’s health thus maintaining it’s civilization over time. With the philosophy “Dedicated to Improving Quality of Life”, we are ready to dedicate our hard work to Global Health Security, through Bio for Life, providing a solution for global prosperity.

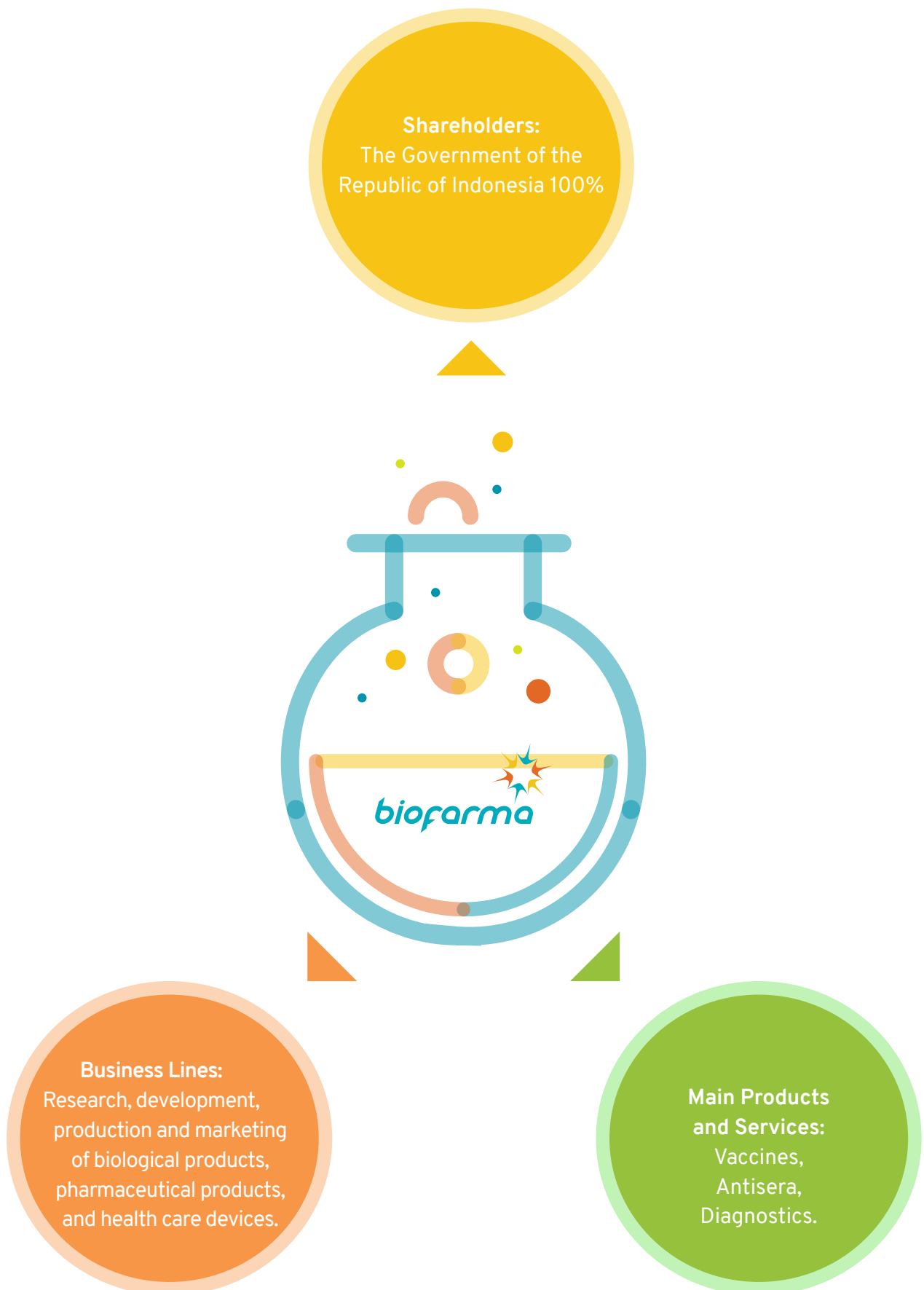
2013

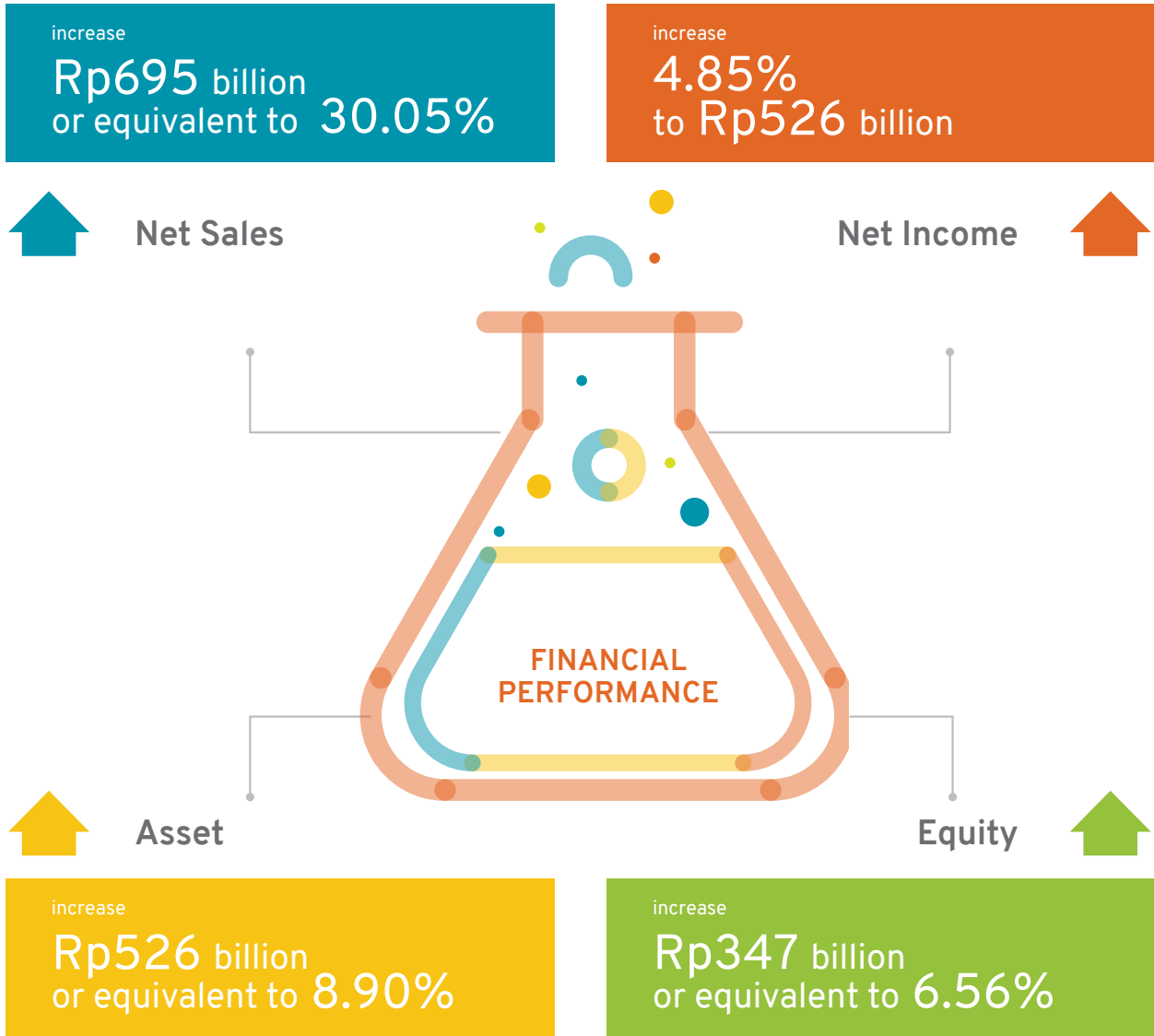


BIOTECHNOLOGY FOR SUSTAINABILITY

Our competence in the field of biotechnology is not only focused on producing globally competitive products and realizing profits. More than that, we at Bio Farma want to dedicate our knowledge to participate in and build community self-reliance. We are excited to apply effective biotechnological innovations for sustainable development of the social economy. Our commitment is to provide optimal contributions to the creation of a better life, offering solutions to achieve global prosperity.

Overview of the Company





NON-FINANCIAL PERFORMANCE:

- ✓ Center of Excellence Research Vaccine Organization of Islamic Cooperation (OIC)
- ✓ CSR 2017 on Pharmaceutical Industry 2017 from Business News magazine, KNKG and Indonesia CSR Society
- ✓ Indonesia Most Admirer Companies from Warta Ekonomi
- ✓ Global Brand 2017 from SWA Magazine
- ✓ PROPER GOLD rating from the Ministry of the Environment and Forestry of Indonesia
- ✓ Best Taxpayer of 2017, category of Property tax, from Bandung Municipal Government
- ✓ 2nd place of Annual Report Award, category Non-Financial Non-Listed SOE Year 2017
- ✓ 2nd place of Sustainability Report, category of Manufacturers 2017

Bio Farma Highlights

January ▶



19-20 January

Bio Farma Annual Work Meeting 2017

2017 is an important moment for Bio Farma to commence strategic partnership to increase market share.



25 - 26 January 2017

Emissions Test for Four-wheeled Vehicles

Bio Farma conducted emissions tests on 1,600 four-wheeled vehicles owned by its employees, its corporate fleet, distribution trucks, and partner-owned vehicles. This Bio Farma's part in environmental conservation in Bandung.

February ▶



1- 2 February 2017

Emissions Test for Two-wheeled Vehicles

Bio Farma also conducted emissions test on two-wheeled vehicles as part of its environmental conservation program in Bandung.



16 - 17 February 2017

GCG Assessment 2016/2017 Outreach

Held in Bio Farma's Multipurpose Hall, the GCG assessment outreach was organized by the Finance and Development Supervision Body (BPKP, Badan Pengawasan Keuangan dan Pembangunan) of West Java.



19 February 2017

Recognition for 100x Blood Donations

Some 129 West Javanese received the Satyalancana for Social Services in Voluntary Blood Donation (DDS, Kebaktian Sosial Donor Darah Sukarela) from Vice President Jusuf Kalla. One of such recipients was Dede Wanda, Head of General Procurement of PT Bio Farma (Persero), who has donated 105 times.

March ▶



6 March 2017

Ethics in Social Media

The Bio Farma's Director discussed social media ethics with employees.



6 March 2017

Farewell Ceremony for the Director of Human Capital

Bio Farma employees bade their farewell to the Director of Human Capital, Andjang Kusumah. The farewell ceremony was held in the multipurpose hall.



6 March 2017

Signing of the Integrity Pact

Bio Farma individuals signed the Integrity Pact as a form of their commitment in implementing GCG.



6 March 2017

Gratuity Outreach from the KPK

Bio Farma held a Gratuity Outreach at the multipurpose hall. Speaking in the event was Giri Supradiono, Director of Gratuity at the KPK.



19 - 20 March 2017

Media Gathering

Bio Farma held a Media Gathering and Workshop at Rancabali, Ciwidey, Bandung Regency. The event was a refresher for the media on the vaccine and life sciences industry. Launched by Bio Farma's Corporate Secretary, M. Rahman Rustan, the event featured Head of the Surveillance and Clinical Trials Division, Dr. Novilia S. Bachtiar, and Senior Researcher Erman Tritama.



21 March 2017

Coffee Morning 2017

Bio Farma's Corporate Communications held its first "Coffee Morning" in 2017. The monthly event has been regularly carried out since 2012.

April



4 April 2017

Refreshment Training and Soft Live Aplikasi Enterprise Risk Management

Bio Farma held the Refreshment Training & Soft Live of the Enterprise Risk Management Application. The event featured Basuki Harjo, Head of ERM & GCG at Bio Farma, who spoke on the history of Enterprise Risk Management (ERM) in Bio Farma. Present in the event was Directors, Heads of Division, and Heads of Department.



5 April 2017

National Coordination Meeting on Intensification of Routine Immunization for 2017

Bio Farma and the Ministry of Health held the National Coordination Meeting on Intensification of Routine Immunization for 2017. Attending the meeting was 100 immunization officers from Health Offices across Indonesia.



6 April 2017

Bio Farma SME Takes Part in Adiwastra Nusantara 2017

Bio Farma entered its Partnership and Community Development Program (PKBL, Program Kemitraan dan Bina Lingkungan) partners in an exhibition held at the Jakarta Convention Center on April 5th-9th, 2017. Its partners are Narista (shoemaker), Nira Fashion (Moslem wear), and Wayang Dewi (wayang miniatures). The exhibition, Adiwastra Nusantara 2017 Warisan Budaya Tak Lekang Zaman (Timeless Heritage), promoted traditional textile products as part of the Pesona Indonesia program.



10 April 2017

Educational Concept Outreach on the Ciletuh Geopark Development

Bio Farma and the Sukabumi Tourism Office held an educational concept outreach on geopark development to stakeholders in Ciletuh, Pelabuhan Ratu.



World Immunization Week 2017 Media Seminar

As a manufacturer of vaccines in Indonesia, Bio Farma supported the World Immunization Week (PID, Pekan Imunisasi Dunia). Bio Farma took part in the PID 2017 media seminar held on Wednesday, April 26th, 2017 at IDAI's head office. Speaking for the theme "Vaccines Work," Bio Farma emphasized that vaccines are effective for people of all ages, especially children and infants.

May ▶



Signing of an MoU between Bio Farma and Osaka University

Indonesia's Bio Farma and Japan's Osaka University signed a Memorandum of Understanding (MoU) on research and education. Signing the memorandum was Director of the Fukusaki Laboratory, Prof. Fukusaki and President Director of Bio Farma, Iskandar.



Flu Vaccine for 325 Sanitation Officers in Sukajadi District

As part of its Corporate Social Responsibility, Bio Farma provided free vaccination and medical care for sanitation officers, Family Welfare Guidance (PKK, Pembinaan Kesejahteraan Keluarga) members, and civil servants in the Sukajadi District, Bandung.



Bio Farma Receives Visit from MUI NTB

Bio Farma received a visit from delegations of the West Nusa Tenggara branch of Majelis Ulama Indonesia. The visit was a follow up on the Immunization Outreach held earlier this year in Mataram by Bio Farma and Ministry of Health.

June ▶



Morning Discussion The Birth of Pancasila: "I am Indonesian, I am Pancasila"

Bio Farma held the Pancasila Week held from May 29th to June 4th, 2017. Initiated by the Ministry of SOE, the discussion was held simultaneously by all SOEs aimed to strengthen and reintroduce the principles of Pancasila, especially to raise interest and awareness of young generations to the values of Pancasila.



Bio Farma Donates to Orphans During Iftar Reception

Bio Farma held an iftar reception for its employees and guests. On the occasion, Bio Farma gave donation and aid to 100 Mosque Custodians worth Rp30 million, 182 orphans worth Rp91 million, and assistance to DKM An-Nuur worth Rp500 million. The symbolic hand over was presented by President Director Iskandar and President Commissioner Ahmad M. Ramli.



16 June 2017

Bio Farma Held Ramadhan Bazaar 1438

The Bazaar (Pasar Murah) was part of Bio Farma's CSR in conjunction with Ramadhan 1438H. The event, aimed for the underprivileged in Cisarua and Sukajadi, offered pre-packaged staple food consisting of 10kg of rice, 2 liters of oil, and 2 kg of sugar sold for Rp25,000 per package.



22 June 2017

Mudik Bareng BUMN with Bio Farma

The Mudik Bareng was held in accordance with the message by the Minister of SOE, Rini M. Soemarno. Pursuant to that message, Bio Farma's Corporate Social Responsibility program held the Mudik Bareng BUMN with Bio Farma 2017 for residents adjacent to the Company's operations, namely Bandung, Bandung Barat Regency, Cimahi, and Bandung Regency.

July



4 July 2017

National Life Sciences Research Forum (FRLN) 2017

Bio Farma held the 7th National Life Sciences Research Forum (FRLN, Forum Riset Life Science Nasional) on August 30th-31st, 2017 in Jakarta. Following the Symposium on the National Life Sciences Research Forum (FRLN) 2016, the 2017 edition adopted the theme of National Self-sufficiency in Research and Innovation in Life Sciences (Kemandirian Bangsa Dalam Riset Dan Inovasi Bidang Life Science). The symposium aims to accelerate self-sufficiency in domestic life sciences research.



7 July 2017

Change of Directors of Bio Farma

As the sole shareholder of Bio Farma, the Minister of SOE honorably released Iskandar from his position as President Director and Mahendra Suhardono as Director of Marketing on July 7th, 2017. Julyman, currently Director of Production, was to serve as Acting President Director until a definitive successor is appointed. On the other hand, former Corporate Secretary, M. Rahman Rustan, was appointed as Director of Marketing.



11 July 2017

GCG Entry Meeting Assessment

Bio Farma held the Entry Meeting Assessment on the implementation of Good Corporate Governance (GCG) 2017 on July 11th, 2017 at Bio Farma's multipurpose hall. The meeting, attended by the Board of Commissioners, Board of Directors, and representatives from the West Java BPKP, was the 6th edition. First held in 2006, subsequent meetings were held in 2007-2008, 2009-2010, 2011-2012, 2014, and 2017.



13 July 2017

Bio Farma Disburses Synergy Partnership Fund

Bio Farma, PT PN X, and PT PN XI signed a cooperation agreement in a synergy partnership program worths Rp11 billion to assist the government program in independence resilience food, especially sugar.



16 July - 24 July 2017

PIC for the West Java BUMN Hadir Untuk Negeri

27 students from high schools and vocational schools across West Java took part in a one week student exchange program to Bangka Belitung and vice versa from July 16th-24th, 2017.

August ▶



1 August 2017

Bio Farma Discusses the Development of the Ciletuh Geopark, Pelabuhanratu

Bio Farma was invited to speak on the role of industry in the development of the Ciletuh National Geopark, Pelabuhanratu (GNCP, Geopark Nasional Ciletuh-Palabuhanratu) in a visit from representatives of the UNESCO Global Geopark (UGG) on August 1st, 2017.



3 August 2017

Bio Farma Provides Free Vaccination for 2,200 Sewage Workers in Bandung

Bio Farma provided Hepatitis B. vaccines, free of charge, for 2,200 sewage and sanitation workers in Bandung. The vaccination took place at Bio Farma's multipurpose hall. The vaccination program was held in conjunction with Bio Farma's 128th Anniversary. Attending the event was Mayor Ridwan Kamil and Julyman, Acting President Director.



8 August 2017

Bio Farma and Bank Mandiri Partners in House Makeover for Veterans in West Java

Bio Farma and Kodam III Siliwangi signed a MoU on House Makeover for Veterans (BRV, Bedah Rumah Veteran) 2017 at the Makodam III Siliwangi Headquarters in Bandung. The Military also signed the memorandum with 10 other SOEs, appointed to carry out the House Makeover for Veterans in West Java. The Makeover was a token of SOEs' appreciation for the veteran's service in the struggle for independence.



10 August 2017

Bio Farma Achieves Very Good Score of 90.494 in the Assessment of GCG Implementation in 2016

Exit Meeting Assessment of GCG implementation at Bio Farma was carried out in 2016, the submission was made by Iman Achmad Nugraha, Head of West Java Province BPKP to Juliman, Acting, President Director Bio Farma and witnessed by Purnomo Sinar Hadi, Assistant Deputy for Fields Industrial and Pharmaceutical Business II Ministry of BUMN and Commissioner Bio Farma, Heridadi.



10 August 2017

Bio Farma Wins 1st Place in the IPTEK Awards 2017 from the Ministry of Research, Technology, and Higher Education

PT Bio Farma (Persero) won the Abyudaya Science and Technology Awards (Anugerah IPTEK Abyudaya) from the Ministry of Research, Technology, and Higher Education (Kemenristekdikti). The Abyudaya is an award for businesses/industry players for innovations that successfully created added value in commerce, economy, and socio-culture. The award was presented by the Minister of Research, Technology, and Higher Education, Mohamad Nasir to the Director of Planning and Development, Sugeng Raharso.



30 August 2017

Bio Farma and LIPI Cooperates in Snake Antivenin Serum Manufacture

Bio Farma and the Indonesian Institute of Sciences (LIPI, Lembaga Ilmu Pengetahuan Indonesia) signed a Cooperation Agreement on the Development of Green Snake Antivenin. The agreement was signed by Julyman, Acting President Director and Dr. Ir. Witjaksono, M.Sc, Director of the Center of Biological Research at LIPI during the National Life Sciences Research Forum 2017 in Jakarta.



29-30 August 2017

National Life Sciences Research Forum (FRLN) 2017

Bio Farma, Ministry of Health, Ministry of Research, Technology, and Higher Education, and 20 higher education institutions representing more than 400 researchers convened in the annual National Life Sciences Research Forum in Jakarta to discuss Research and Innovation in Life Sciences (Kemandirian Bangsa Dalam Riset & Inovasi Bidang Life Science).

September ▶



19 September 2017

Bio Farma Finishes 2nd in the Annual Report Awards 2016

PT Bio Farma (Persero) finished second place in the Annual Report Award 2016 (ARA 2016) in the Non-finance Non-listed SOE category. The awards ceremony was held on September 19th, 2017 at Gedung Dhanapala Jakarta. The ARA 2016 was presented by Nurhaida, Vice Chairman of the Board of Commissioners of the Financial Services Authority (OJK) and Aloysius K. Ro, Deputy for Restructuring and Strategic Plan Ministry of SOEs Julyman, Acting President Director of Bio Farma.



28 October 2017

3 SOEs Hand Over Assistance for Final Year Students Studying at Universitas Lampung

Three SOEs, PT Bio Farma (Persero), PT Kereta Api Indonesia (Persero), and PT ASDP (Persero), handed over educational assistance to nine final year students studying at Universitas Lampung. The ceremony took place on October 28th, 2017 at the Universitas Lampung Football Stadium. The assistance was part of the *BUMN Hadir di Kampus* held simultaneously in 28 universities across Indonesia to commemorate the 89th anniversary of the Youth Pledge (*Sumpah Pemuda*).

October ▶



11 October 2017

Bio Farma Inks Cooperation with UNISBA

Bio Farma and Universitas Islam Bandung (UNISBA) signed a Memorandum of Understanding (MoU) on October 11th, 2017, at Bio Farma's multipurpose hall on the sidelines of the Bandung Meeting on Global Medicine & Health (BaMGM).



28 October 2017

Bio Farma, ASDP, and KAI Hold *Direksi Mengajar* at Universitas Lampung

Three SOEs, PT Bio Farma (Persero), PT Kereta Api Indonesia (Persero), and PT ASDP (Persero), held *BUMN Mengajar* at Universitas Lampung on October 28th, 2017. Attracting some 1,500 attendees, the event was part of the *BUMN Hadir di Kampus* held simultaneously in 28 universities across Indonesia to commemorate the Youth Pledge (*Sumpah Pemuda*).



19 October 2017

Bio Farma Hands Over Latrine Facilities and Household Electrification for a Healthy Bandung

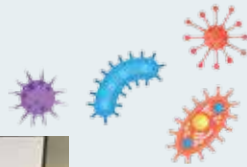
Bio Farma carried out its CSR in Partnership and Community Development Program (PKBL) on Thursday, October 19th, 2017. The program handed over latrine facilities and household electrification for residents in Bandung.



31 October

Implementing Green Computing: Bio Farma Wins 2017 TOP IT & Telco Award

PT Bio Farma (Persero) received the TOP IT award Implementation on Pharmacy Sector from ITech Magazine, in the event Top IT & Telco 2017. The event is also supported by the Ministry of Communication and Information (Kominfo). This award is granted in order to encourage business people, government institutions and SOEs and other institutions to be more aware in addressing IT & Telco development trends, by always updating and developing innovations and IT & Telco solutions.



November ►



6 November 2017

Bio Farma Wins BUMN Performance Excellence Award 2017

Bio Farma and other SOEs won the BUMN Performance Excellence Award 2017 from the SOE Excellence Forum (FEB). The award was presented by the Special Advisor to the Minister of SOE, Sahala Lumban Gaol, to the Acting President Director of Bio Farma in a ceremony held on November 6th, 2017 in Jakarta.



9 November 2017

National Health Day 2017: Bio Farma Receives the *Karya Anak Bangsa* Award in Pharmacy and Medical Devices from Ministry of Health

On the National Health Day 2017, Bio Farma received the Karya Anak Bangsa Award in Pharmacy and Medical Devices. The award was presented by the Minister of Health, Nila F. Moeloek to the Julyman, Acting President Director of Bio Farma during a ceremony held at Jakarta International Expo, Kemayoran.



12 November 2017

53rd National Health Day: Bio Farma Gives 1,000 Flu Vaccinations

PT Bio Farma (Persero) took part in the main event of the 53rd National Health Day in West Java by giving 1,000 flu vaccinations to the public for free. The vaccination took place at the carpark at Gedung Sate, Bandung.

December ►



5-7 December 2017

Conference of Health Ministers of Organisasi Kerjasama Islam (OKI) in Jeddah

Ministry of Health and Bio Farma attended The 6th Islamic Conference Ministry of Health or Pertemuan Tingkat Tinggi Ministry of Health of Islamic State reunion.



5 December 2017

Bio Farma Holds Outreach on Electronic Registration and Examination of Assets of Public Officials (e-LHKPN) as Commitment towards Transparency of Public Officials

Bio Farma held an outreach on Electronic Registration and Examination of Assets of Public Officials (e-LHKPN) pursuant to the Regulation of the KPK No. 7 Year 2016. Public Officials are statutorily required to submit an e-LHKPN to the Corruption Eradication Commission (KPK, Komisi Pemberantasan Korupsi) to ensure a simple, transparent, and easily accessible registration of assets.



5 December 2017

Bio Farma Receives Visit from Thalassemia Support Group

Amidst a routine blood drive held by the Bio Farma Blood Donation Society (Keluarga Donor Darah Bio Farma) on Tuesday, December 5th, 2017, Bio Farma received a visit from Thaller B227, a Thalassemia Support Group. In her remark, Ibu Keke, Director of Thaller B227, said that the aims of their visit were to meet blood donors from Bio Farma, speak on the benefits from received by thalassemia patients from donors, experience sharing on thalassemia and its support groups, and introduction to thalassemia patients.



18 December 2017

Bio Farma Wins Its Fourth GOLD PROPER

Bio Farma won its fourth Gold PROPER (Environmental Performance Assessment Program - Program Penilaian Kinerja Pengelolaan Lingkungan) from the Ministry of Environment and Forestry. The award was presented by the Vice President, Jusuf Kalla to Bio Farma's Director of Human Capital and General Affairs, Disril Revolin Putra.



21 December 2017

Public Information Disclosure

Bio Farma won the Public Information Disclosure Awards.

| Awards



05 APRIL 2017

Name of Award:

Top CSR 2017 in Pharmaceutical Industry

Event:

The 2017 TOP CSR Award

Organized by:

Business News Magazine, National Committee on Governance Policy (KNKG) and Indonesia CSR Society

05 APRIL 2017

Name of Award:

Iskandar as a Top Leader on CSR Commitment 2017

Event:

The 2017 TOP CSR Award

Organized by:

Business News Magazine, National Committee on Governance Policy (KNKG) and Indonesia CSR Society

19 MAY 2017

Name of Award:

Indonesia Most Admired Company category Pharmacy

Event:

IMACO Awards 2017

Organized by:

Warta Ekonomi



14 JULY 2017

Name of Award:
Zero Accident Award
Event:
Zero Accident Award 2017
Organized by:
Ministry of Manpower, Republic of
Indonesia

10 AGUSTUS 2017

Name of Award:
Abyudaya 2017
Event:
Abyudaya Science and Technology
Award
Organized by:
Ministry of Research, Technology, and
Higher Education (*Kemenristekdikti*)



11 SEPTEMBER 2017

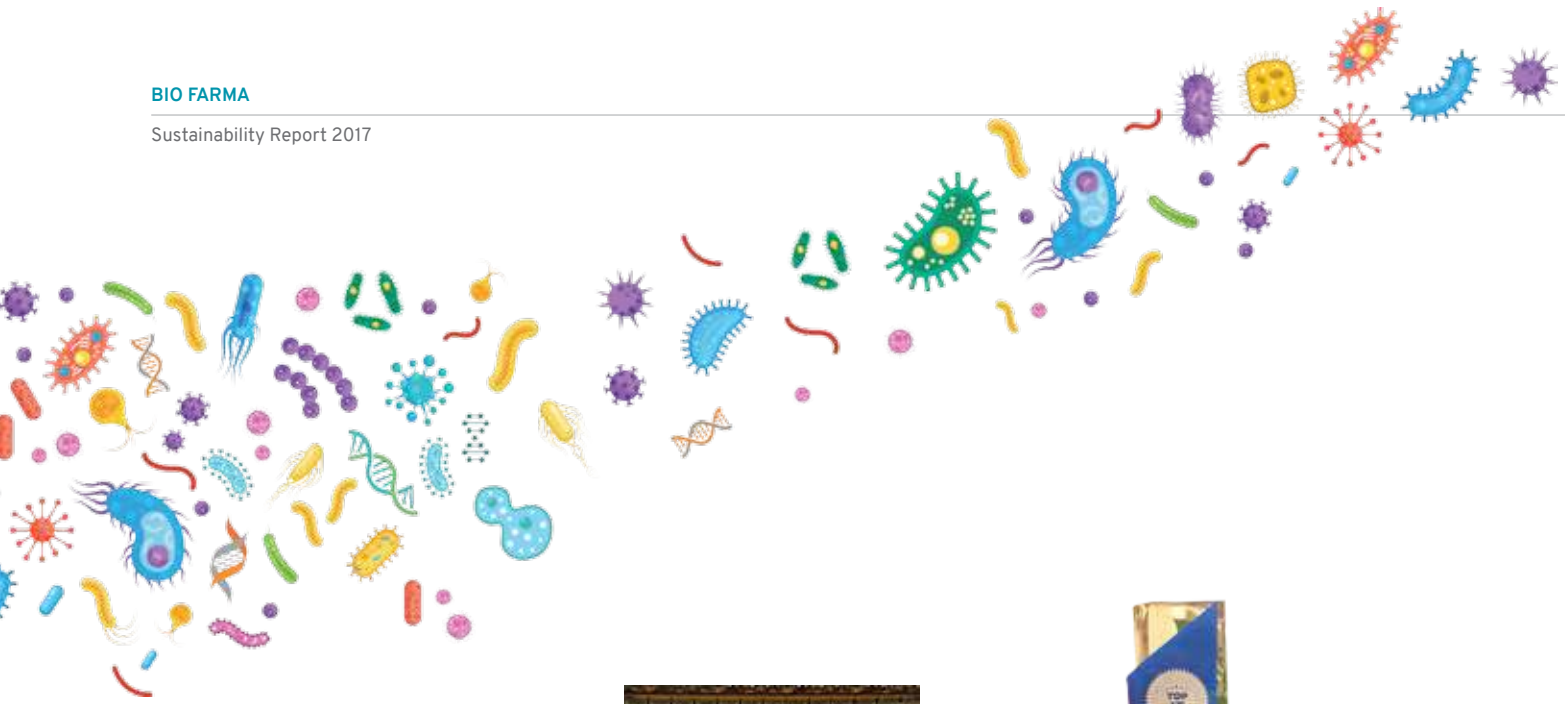
Name of Award:
Bio Farma as Social Business Innovation
Award 2017 category Pharmaceuticals
Event:
Social Business Innovation Award 2017
Organized by:
Warta Ekonomi

11 SEPTEMBER 2017

Name of Award:
The Best Green CEO 2017 category
Pharmaceuticals
Event:
Green CEO Award 2017
Organized by:
Warta Ekonomi

19 SEPTEMBER 2017

Name of Award:
2nd place in the category of Non-
Financial Non-listed State Owned
Enterprise
Event:
Annual Report Award 2017
Organized by:
The 2017 Annual Report Award
Committee



19 SEPTEMBER 2017

Name of Award:
Bio Farma as Indonesia Living Legend Companies 2017

Event:
Indonesia Living Legend Companies 2017

Organized by:
SWA

29 SEPTEMBER 2017

Name of Award:
The Most Popular Company category Pharmacy

Event:
International Public Relations Association (IPRA)

Organized by:
Warta Ekonomi

31 OKTOBER 2017

Name of Award:
TOP IT Implementation on Pharmacy Sector

Event:
Top IT & Telco Award 2017

Organized by:
ITech Magazine



06 SEPTEMBER 2017

Name of Award:

BUMN Performance Excellence Award 2017

Event:

SOE Exports Forum (FEB)

Organized by:

Ministry of State-Owned Enterprise, Republic of Indonesia

09 SEPTEMBER 2017

Name of Award:

Award of the National Children's Works in the Field of Pharmacy and Medical Devices

Event:

Ministry of Health Award 2017

Organized by:

Ministry of Health, Republic of Indonesia

06 DECEMBER 2017

Name of Award:

Favorite Customs Partners

Event:

MITA Evaluation Semester II 2017 MITA Semester II Tahun 2017

Organized by:

Directorate General of Customs Office of Customs Main Service Type A Tanjung Priok



08 DECEMBER 2017

Name of Award:
Best Taxpayers in 2017 under
property tax category
Event:
Bandung City Regional Tax Award
Organized by:
Bandung Regional Government

18 DECEMBER 2017

Name of Award:
Environmental Management
Performance Assessment Program
(PROPER) with a predicate of Gold
Event:
Environmental Management
Performance Assessment Program
(PROPER)
Organized by:
Ministry of Environment and
Forestry of the Republic of Indonesia

21 DECEMBER 2017

Name of Award:
Bio Farma is ranked IV under State-
Owned Enterprises Category
Event:
Rating of Public Information Openness
in 2017
Organized by:
Central Information Commission of the
Republic of Indonesia

Certification



Type of Certification:
ISO 9001:2015
No. Certification:
JKT0403953
Validation:
26 June 2019
Issued by:
PT Lloyd's Register Indonesia, for and on behalf of Lloyd's Register Quality Assurance Limited, United Kingdom (LRQA - UK)



Type of Certification:
ISO 14001:2004
No. Certification:
JKT0500340
Validation:
12 July 2018
Issued by:
PT Lloyd's Register Indonesia, for and on behalf of Lloyd's Register Quality Assurance Limited, United Kingdom (LRQA - UK)



Type of Certification:
OHSAS 18001:2007
No. Certification:
JKT0500339
Validation:
12 June 2018
Issued by:
PT Lloyd's Register Indonesia, for and on behalf of Lloyd's Register Quality Assurance Limited, United Kingdom (LRQA - UK)



ISO 14001: 2004 Certification

Bio Farma receives ISO 14001: 2004 Certification on corporate responsibility to environment.





Our Excellence

“

For 128 years, Bio Farma has contributed in disease prevention through the fulfillment of vaccine products to more than 130 countries in the world. Fulfilling its role as a state-owned enterprise specializing in producing Vaccine and Antisera, Bio Farma has always prioritized the fulfillment of national vaccine needs. Moreover, as a global scale producer who has pre-qualifications from WHO, Bio Farma also collaborates with various internationally renowned institutions to ensure the availability of vaccine on a global scale.

Bio Farma's Role at Global Level



Organization of Islamic Cooperation (OIC) Vaccine Manufacturer Group



Islamic Development Bank's Self Reliance in Vaccine Programs (IDB-SRVP) Center of Excellence for Biological



Collaborating Partner



Developing Countries Vaccine Manufacturers Network



International Vaccine Institute (IVI)



World Health Organization



unicef

Bio Farma is a National Asset, assigned by the Government to be a vaccine and antiserum state-owned enterprise. It currently grows into a life science company. Since it was founded 128 years ago, Bio Farma has contributed to the increasing of the nation's life quality and played a significant role in prevention of diseases, be in Indonesia or in the world. Over 130 countries have made use of Bio Farma's vaccine products, particularly developing countries. Fifty countries among them are members of Organization of Islamic Cooperation (OIC). Bio Farma plays a role at global level by meeting the needs of vaccine products of more than 130 countries in the world, of which 13 vaccines have been WHO-pre-qualified at global scale (Vaccine PQ).

With a production capacity of about 2 billion doses a year, Bio Farma is the largest company in Southeast Asia. We prioritize most the domestic needs by procuring national vaccines including those for the Outbreak of Diphtheria in 2017, for pilgrims, as well as for the world's needs through WHO and UNICEF.

Bio Farma also plays a strategic role in meeting the demands of vaccines and maintaining vaccine availability at global level as well as cooperating with international organizations below: Organisation of Islamic Cooperation (OIC), IDB, Bill & Melinda Gates Foundation, Developing Countries Vaccine Manufacturers Network (DCVMN), International Vaccine Institute (IVI), World Health Organization (WHO) and UNICEF.

Indonesia, with Bio Farma, as World's Vaccine Centre of Excellence



On December 7, 2017, the Sixth Session of the Islamic Conference of Health Ministers in Jeddah ratified the edesignation of Indonesia as Centre of Excellence on Vaccine and Biotechnology Products. This is made more official through OIC Resolution on “Self-Reliance in Supply and Production on Medicines, Vaccines and Medical Technologies. The resolution approves, among others, the framework of establishing Centre of Excellence in Indonesia and requesting the Indonesian government to expedite the process of its establishment. This trust is an acknowledgment for the performance of the Indonesian Government as regards vaccine industry and biotechnological products that is more advanced compared to other OIC members in general. Indonesia is the only OIC member who has WHO-recognized complete immunization vaccines.

A number of countries appreciate the efforts of the Indonesian Government and are of the opinion that the establishment of Centre of Excellence on Vaccine and Biotechnological Products is very important for OIC's self-reliance in the provision of vaccines and biotechnology products. It is expected that through this Centre of Excellence, joint research on vaccine and biotechnology product availability can take place. The purpose of this is to be able to together develop vaccines with independent technology to address health issues that occur or may occur in the future in OIC member states.

The sixth session of the OIC conference discussed Health in All Policies (HiAP) and passed five resolutions on the implementation of OIC Strategic Health Program of Action (SHPA), on health situation in Palestine, and the

Conference Declaration. In the exhibition held during the conference, Indonesia demonstrated a few best practices of “Pembangunan Indonesia Sehat”(or “Development of Healthy Indonesia”), hajj health care and Indonesian pharmaceutical industry,

In the ministerial-level conference, Indonesian health minister called on OIC members' health ministers to amplify health cooperation among them, especially in the implementation of OIC Strategic Health Programme of Action (SHPA) 2014-2023 and the Sustainable Development Goals (SDGs) of 2030.

The health minister also presented on the efforts of health development in Indonesia in accordance with OIC SHPA, including the implementation of International Health Regulation (2005) and the Joint External Evaluation, mother & child health and nutrition programs, and the efforts towards pharmaceutical and health device independence. Other topics presented are Indonesia's readiness to become Centre of Excellence on Vaccines and Biotechnology Products of OIC, implementation of hajj health care Istithaah, preparedness in facing global health menace and the mitigation of health crisis.

OIC member states appreciate Indonesia's active role as the thematic chairman for cooperation on mother's and child's health and nutrition for two periods, i.e. 2013-2015 and 2015-2017. Under the leadership of Indonesia, several activities have taken place, including training on KIA Book for OIC member states. During the 2017-2019 period, Indonesia would take a new role as the chairman for cooperation field of vaccine, drugs and health care device, together with Malaysia.

Prioritizing Domestic Needs



As a state-owned enterprise and vaccine and antisera manufacturer, Bio Farma is committed to the support of the Government in meeting the vaccine needs, particularly diphtheria vaccines. With a total production capacity of about 2 billion doses a year, it becomes the largest manufacturer in Southeast Asia. Bio Farma has met the national needs of vaccines. It plays an active role in increasing vaccine product availability and independence of production in developing countries and Islamic countries. This is aimed to maintain global health security.

Facing the Outbreak Response Immunization (ORI) or vaccination following an outbreak of disease, Bio Farma continues producing vaccines (particularly for diphtheria) at

its maximum capacity. Vaccines containing diphtheria consist of DT, Td and DTB-HB-Hib. The amount produced has included the amount of national immunization needs and for the needs of ORI.

Bio Farma is prepared for meeting the needs of diphtheria vaccines. It is estimated that such amount would be able to meet the Government's needs, either for regular immunization programs or diphtheria outbreak prevention. The total diphtheria vaccines that we would produce in 2018 is 19.5 million vials, an increase from previously 15 million. The number of work days would be increase to support this.

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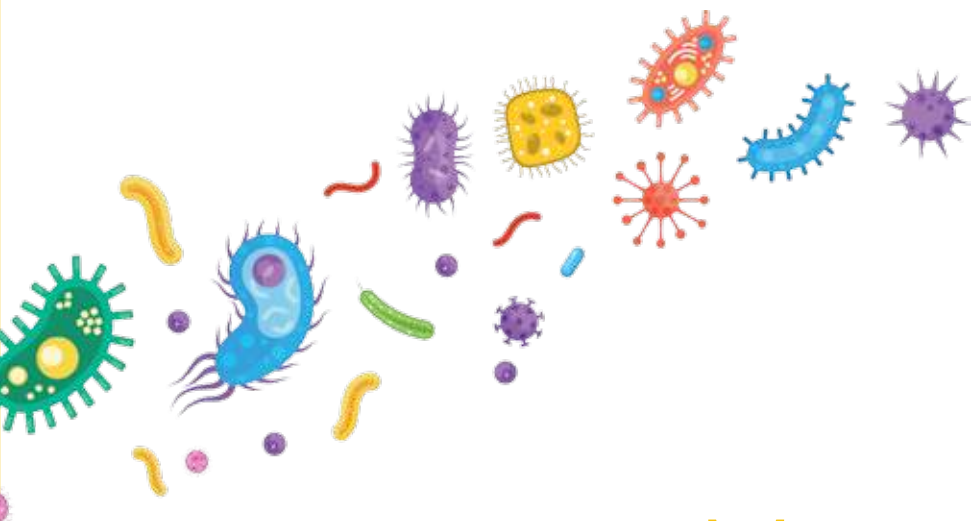
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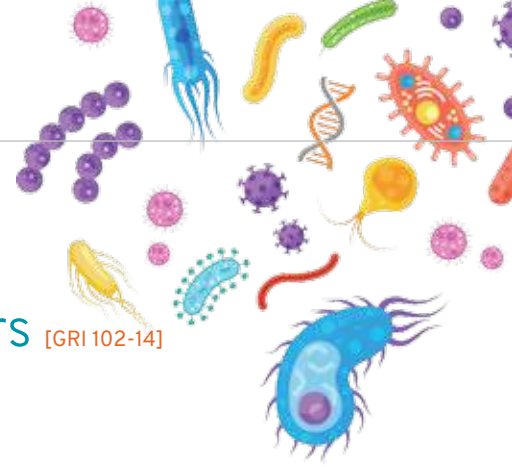




Management Report

“

It is never easy for a company to ford the challenges posed in its 128 year history. Yet, Bio Farma stands firm. Our commitment towards good corporate governance (GCG) and the principles of sustainability – profit, people, and planet – are factors to our longevity.



Remarks from Board of Commissioners [GRI 102-14]



The Board of Commissioners also appreciates, and is proud of, all the policies and measures that the management has taken in realizing Sustainable Development Goals (SDGs). We must be aware that as an industrial player, Bio Farma bears a responsibility to always assure and control the impacts of operational activities to the environment and communities.

Farid Wajdi Husain

President Commissioner

Our Most Respected Stakeholders and Shareholders,
Assalamualaikum Warahmatullahi Wabarakatuh,

Bio Farma's actively developing humanity has been ongoing for 128 years, quite a long journey. We are committed to global health security. Over 130 countries have made use of Bio Farma's products, notably developing countries. Bio Farma's reputation has also been acknowledged by WHO and UNICEF, which use Bio Farma's vaccines.

The Board of Commissioners appreciates the efforts that the management has been taking for the purpose of better life quality; the management has implemented environmentally friendly operational programs and taken into account social aspects, while increasing the Company's profitability



The Board of Commissioners also appreciates, and is proud of, all the policies and measures that the management has taken in realizing Sustainable Development Goals (SDGs). We must be aware that as an industrial player, Bio Farma bears a responsibility to always assure and controls the impacts of operational activities to the environment and communities.

The Board of Commissioners hands a mandate that Bio Farma keeps enriching the good relations between the Company and the communities as well as other stakeholders which have supported the Company's existence so far. Bio Farma's involvement in the fields of culture, health, education and economy of the communities is a manifestation of sincere intention and will of improving people's life quality.

We equally appreciate the Board of Directors' efforts which are aimed at building the Company's largest asset, its people. Building the human resources so as to be competent and excellent is very significant in Bio Farma's readiness in facing

the competition in global pharmaceutical industry. Employee's prosperity has been in good care, through good remuneration system, employee potential development and convenient working atmosphere.

While facing many challenges, Bio Farma has given significant contribution to the Government and the general public, both from economic and health aspects. This is the reason that the Board of Commissioners is very much assured that Bio Farma shall have bright future, by applying three main principles of sustainability, i.e. profit, planet and people.

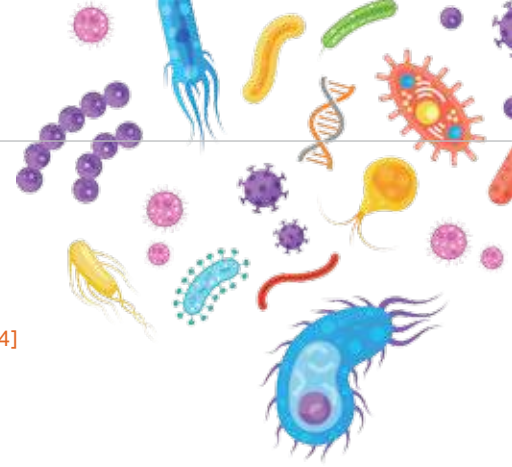
On behalf of the Board of Commissioners, I would like to thank all the stakeholders who have supported Bio Farma's growth all this time. Especially the Board of Directors and all lines of Bio Farma's employees, who have sincerely dedicated themselves for the improvement of life quality of Indonesia and the world in general.

Bandung, May 2018

On behalf of the Board of Commissioners



Farid Wajdi Husain
President Commissioner



Remarks from Board of Directors [GRI 102-14]



The world is changing rapidly, especially in science and technology – which includes the field of biotechnology or life sciences. In response, Bio Farma strives to strengthen its competitive advantage through knowledge-based and R&D-based driven solutions. We have conducted studies, developed vaccine research and technology, and prepared the company’s development roadmap for years to come.

M. Rahman Roestan

President Director

Esteemed Stakeholders,
All praises be to Allah SWT, that thanks to His blessings, Bio Farma continues to contribute to the nation and the world. We present Bio Farma’s contribution in this Sustainability Report 2017 – our sixth edition thus far. This report is prepared as a mark of Bio Farma’s transparency and accountability in economic, environmental, and social affairs.

It is never easy for a company to ford the challenges posed in its 128 year history. Yet, Bio Farma stands firm. Our commitment towards good corporate governance (GCG) and the principles of sustainability – profit, people, and planet – are factors to our longevity. We have implemented a number of strategic measures to be at the forefront of life sciences companies.

CHANGE AND ACCELERATION

The theme of our report is “Change and Acceleration.” The world is changing rapidly, especially in science and technology – which includes the field of biotechnology or life sciences. In response, Bio Farma strives to strengthen its competitive advantage through knowledge-based and R&D-based driven solutions. We have conducted studies, developed vaccine research and technology, and prepared the company’s development roadmap for years to come. Bio Farma has always innovated and developed new products, and cooperated with institutions and universities, both national and global. We have sent our employees to study and train both domestic and abroad to ensure that this company is at the cutting-edge of life sciences and able to compete in the global pharmaceuticals industry.

ECONOMIC AFFAIRS

The world has recognized Bio Farma for supplying 60% of the world’s polio vaccine demand. Despite the global achievement, Bio Farma always gives particular focus to national vaccine needs. In 2017, Bio Farma generated an economic value of Rp3,126,729,143,545, up 26% year-on-year. Indeed, the maintenance of year-on-year growth has provided significant financial results for the company and its stakeholders.

Our contribution is also demonstrated by our tax payments of Rp538,060,168,000 in 2017, jumping 78% compared with the previous year. In 2017, Bio Farma is one of the largest taxpayer in West Java. Furthermore, Bio Farma has paid Rp236,410,000,000 in dividends to the State, an increase from Rp1,297,000,000 in the previous year.

ENVIRONMENTAL AFFAIRS

Bio Farma has carried out a number of environmental conservation programs to place itself as a green industry actor – a company that implements environmentally friendly business process, effective and efficient energy usage, and sustainable use of natural resources. To name a few of such programs, we employ programs to reduce energy usage and greenhouse gases emission. Our energy consumption in 2017 was 170,313 kWh, less 0.5% than the previous year. We have reduced water usage by 2.3% or 4,882 m3 compared with 2016. Our efforts are recognized by our fourth GOLD PROPER awarded by the Ministry of Environment and Forestry on behalf of the Indonesian Government. The award is recognition of Bio Farma’s compliance with Government regulations in environmental management and sustainable community development programs.



SOCIAL AFFAIRS

Our commitment in social affairs is described in our Corporate Social Responsibility programs, which has adopted ISO 26000: 2010 Guidance on Social Responsibility. In 2017, we disbursed Rp3,443,898,080 in programs that benefitted local communities. Bio Farma has conducted environmental conservation programs, including mangrove planting, husbandry of the Garut sheep breed, development of the Ciletuh Geopark. Since 2010, we have planted 52,300 mangrove trees to reduce coastal abrasion and enhance environmental conservation. Bio Farma actively supports the Ciletuh Geopark to be officially endorsed into the list of UNESCO Global Geoparks (UGG). We are proud to be a company that works actively in the 1,280 km2 geopark – as stipulated by a Decree of the Governor of West Java.

HUMAN RESOURCES AFFAIRS

We recognize that Bio Farma's achievements and competitiveness in the global market are the result of the dedication of 1,316 professional and highly competent Bio Farma individuals. Although we have in place an IT-based HR management system, we never overlook the fundamentals that underpin productivity: work-life balance. We have prepared work-life balance programs and facilities to improve the quality-of-life of our employees so that they are better-off physically, mentally, and spiritually. A perfectly balanced work, family, social, and collegial life enables our employees to lift their productivity.

In conclusion of these remarks, we would like to express our gratitude to our stakeholders and our employees, whose dedication and energy made possible the company's sustainability performance in 2017. It is our mutual vision that in years to come, Bio Farma remains the spearhead of life sciences companies that makes the world a healthier place for all.

May 2018

On behalf of the Board of Directors



M. Rahman Roestan

President Director

| Directors



1. Adriansjah Azhari
Planning & Development Director

2. Disril Revolin Putra
Human Resources Director

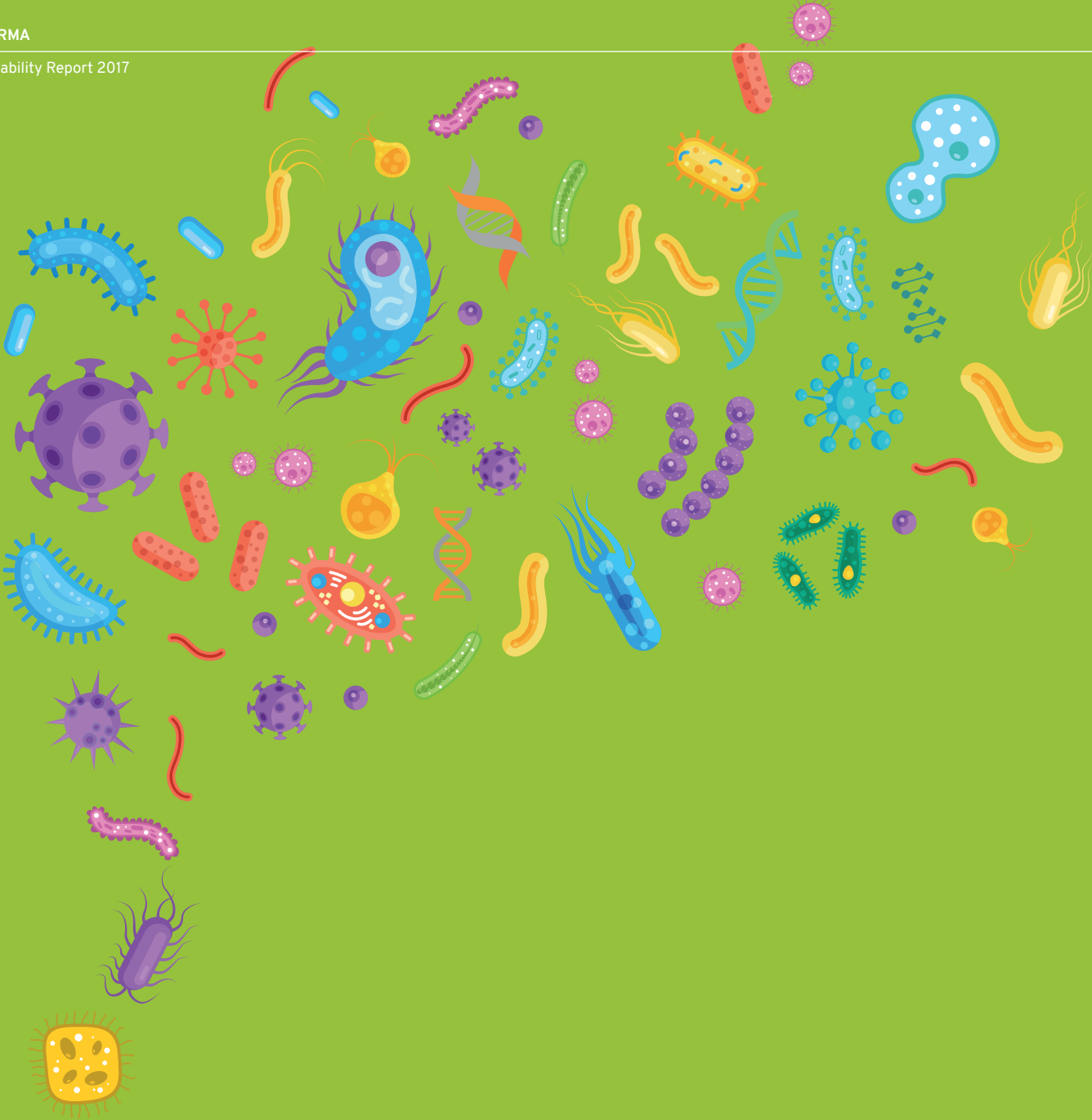
3. M. Rahman Roestan
President Director

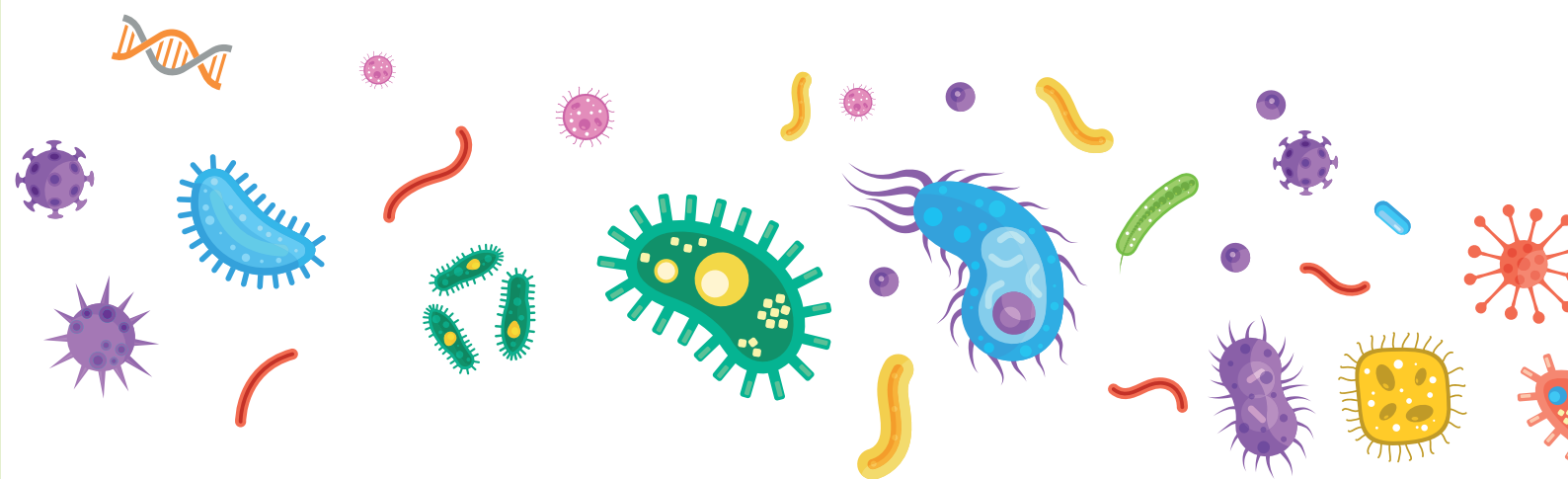
4. Sri Harsi Teteki
Marketing Director

5. Juliman
Production Director

6. Pardiman
Finance Director







About This Report

“

This report is the sixth sustainability report published and contains details on the company's economic, environmental, and social performance.

The theme chosen for this 2017 Report was Change and Acceleration towards a Sustainability Company. The publication of this report is aimed so that the stakeholders can assess to what extent Bio Farma fulfills the responsibility to sustainability according to economic, environmental, and social dimensions.

About This Report



This report provides a number of disclosures of specific topics regarding sustainability initiatives, implementation of social responsibility activities, services to customers, environmental management and economic performance that stakeholders need to know. In determining report content, we applied four main principles namely Stakeholder Inclusiveness, Materiality, Sustainability Context, and Completeness.

Welcome to the PT Bio Farma (Persero) Sustainability Report 2017 PT Bio Farma (Persero).

This report is the sixth sustainability report published and contains details on the company's economic, environmental, and social performance. This sustainability report 2016 has the theme of Biotech Innovation for Sustainability. Meanwhile, for Sustainability Report 2017, the theme chosen was Change and Acceleration towards a Sustainability Company.

[\[GRI 102-51\]](#) [\[GRI 102-52\]](#)

The publication of this report is aimed so that the stakeholders can assess to what extent Bio Farma fulfills the responsibility to sustainability according to economic, environmental, and social dimensions (Triple Bottom Line). In addition, the role of Bio Farma

in achieving Sustainable Development Goals (SDGs) can be evaluated through this report. Bio Farma considers that the sustainability of the company is not only limited to continuing business activities for generations that have been affected by our presence for more than 128 years, but also for future generations with all their rights to the sustainability of the earth. At the end of the report (page 135), we display cross references of this report with SDGs 2030.

REPORTING STANDARD

This report is prepared in accordance with the GRI Standard: Core Options. This report has obtained the Materiality Disclosures Service from GRI (See page 40). In addition, this report has also been checked for compliance with the GRI Standard by NCSR (See on page 129). [\[GRI 102-54\]](#)

As in the previous years, this report provides a number of disclosures of specific topics regarding sustainability initiatives, implementation of social responsibility activities, services to customers, environmental management and economic performance that stakeholders need to know.

To assist in finding GRI Standard disclosure applied in this report, we provide the GRI disclosure number on each related page in parentheses in red. While you can see the complete GRI index list on page 130-134. **[GRI 102-55]**

To date, we have not assigned an external independent assurer to conduct assurance services for Bio Farma's sustainability report. **[GRI 102-56]**

REPORTING PERIOD AND BOUNDARY

This report also covers the reporting period from January 1st to December 31st, 2017. This report focuses on a description of a number of disclosures of specific topics determined based on the principle of materiality in the context of sustainability, including governance, HR management, economic performance, environmental management and implementation of social and environmental responsibility programs, empowerment and environmental conservation initiatives. **[GRI 102-46, GRI 102-50]**

Bio Farma is a single business entity having no subsidiaries. The report boundary within the organization therefore only covers Bio Farma and all divisions within the company and for specific topics including suppliers and vendors. **[GRI 102-45]**

In our business process, Bio Farma is assisted by various parties, such as suppliers and vendors (supply chain) in the form of goods and services. Suppliers who support Bio Farma's business processes must go through a rigorous selection phase so that Bio Farma's reputation for compliance with superior standards is maintained.

CHANGES WITH THE PREVIOUS YEAR

During 2017, there was not any significant change related to organizational structure, company ownership and supply chains; nor was there a significant change in the location of the company's operating area. As well there is no restatement on last year's sustainability report.

[GRI 102-10, GRI 102-48, GRI 102-49]

REPORT CONTENT DETERMINATION PROCESS AND BOUNDARY ASPECTS

[GRI 102-46]

The process of determining the content of this report consists of 4 (four) steps.

The first step; Identification, which is to identify important (material) topics in the context of sustainability. In addition, the location where these aspects occur (boundary) must be identified as well.

This identification process was carried out through a Focus Group Discussion (FGD) attended by the Sustainability Reporting Team consisting of various elements in Bio Farma. In the forum, a materiality test was conducted on all important topics available in the GRI Standards by filling in the working papers by all attending participants so that a list of important topics/materials including the boundary can be obtained. This FGD was conducted at Bio Farma Head Office, Bandung, on May 21st, 2018.

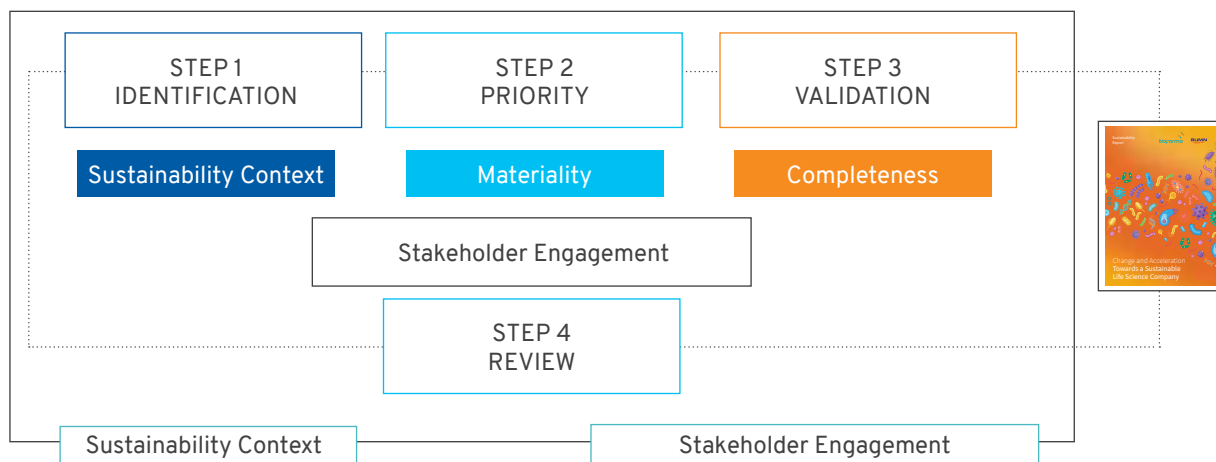
Second Step; Priority, which is to set up priority level on topics or sustainability issues identified in the previous step in order to determine the materiality level of important issues to be reported. This process is carried out using the same working paper as in the first step by asking questions about the impact and influence of these aspects for stakeholders and companies. Then these important topics are grouped into a number of issues and a survey is then conducted to determine the level of materiality by sending questionnaires to stakeholders including internal companies. This process is carried out based on the principle of materiality and stakeholder inclusiveness. We present the results of this survey in the form of infographics page 41 (Materiality Level).

Third step; Validation, which is to validate the material topics based on the principles of completeness and stakeholder engagement. Through this process, we can also identify the topic specific disclosure of the GRI Standard to be reported along with Management Approach (see page 40).

Step Four; Review, which is to consider feedback and review on the previous annual reports in order to improve this report (See Flowchart of Report Content Determination Process).



Flowchart of Report Content Determination Process



PRINCIPLES FOR DETERMINING REPORT CONTENTS [GRI 102-46]

In accordance with GRI Standards, we applied 4 (four) main principles in determining report content, namely:

1. Stakeholders Inclusiveness: this principle requires that in the reporting process, stakeholders should be involved, ranging from determining the report content to providing feedback/response on the published report.
2. Materiality: this principle requires that reports must contain material/important issues or topics needed by stakeholders in making decisions.
3. Sustainability Context: this principle requires that reports contain issues in the context of sustainability which are relevant to Bio Farma.
4. Completeness: this principle requires reports to be prepared with a clear scope for certain reporting periods and supported by complete data for the particular scope and reporting period.

LIST OF MATERIAL TOPICS AND BOUNDARIES [GRI 102-47] [GRI 103-1]

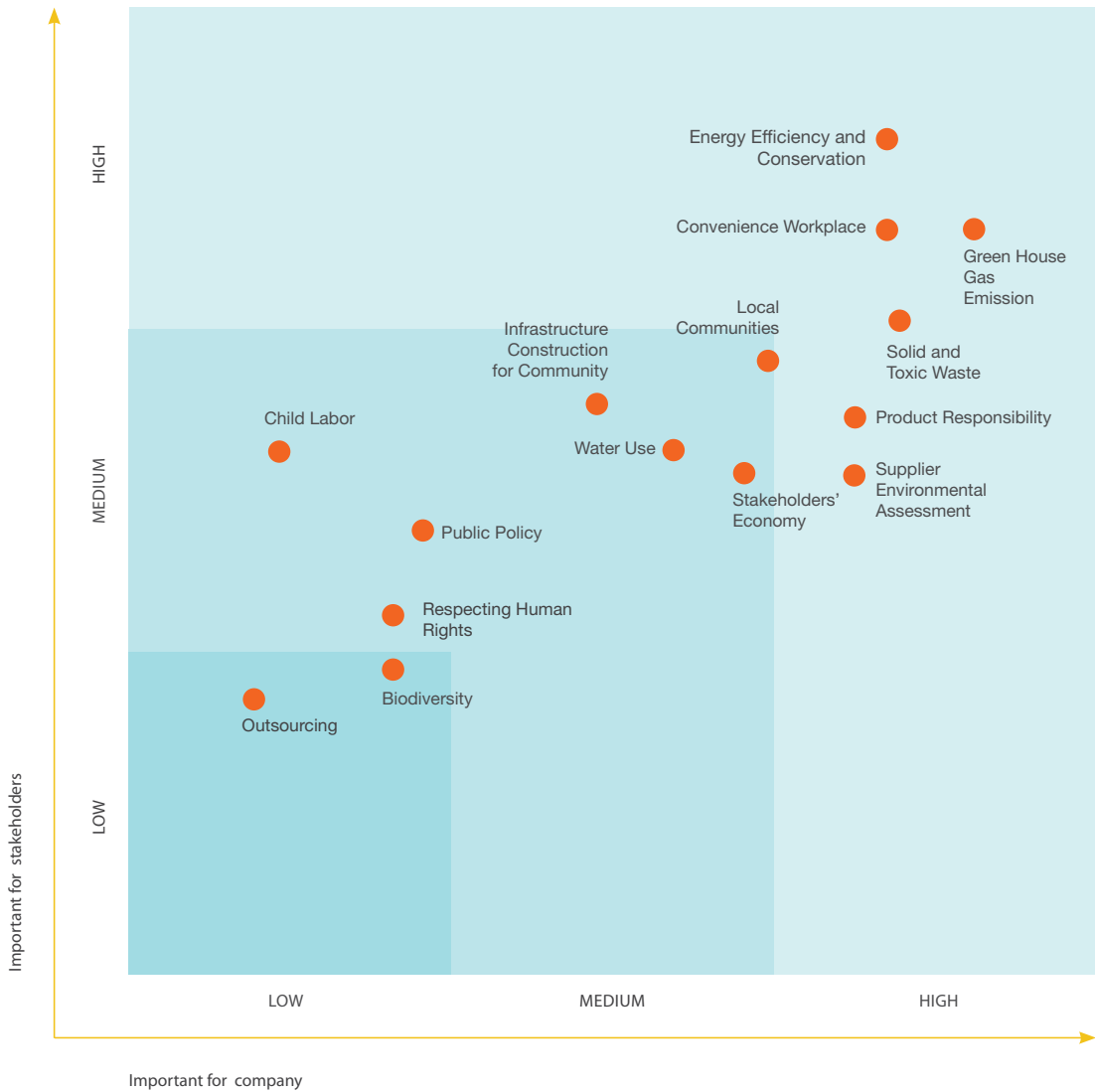
From the process of determining the report content as stated above, we have identified several material topics, boundaries and GRI standard disclosure, as follows:

LIST OF MATERIAL TOPICS AND BOUNDARY [GRI 102-47]

Material Topics	Why Material [GRI 103-1]	GRI Standard Disclosure Number	Boundary	
			Within Bio Farma	Outside Bio Farma
Economic Performances and Impacts	Significantly affects stakeholders	201-1, 201-3, 203-1, 203-2	✓	
Energy	Significantly affects sustainability	302-1, 302-3	✓	✓
Water	Significantly affects sustainability	303-1	✓	
Emission	Significantly affects sustainability	305-1, 305-2, 305-4 305-5, 305-7	✓	✓
Waste	Significantly affects sustainability	306-2	✓	
Environmental compliance and supplier selection	Significantly affects sustainability	307-1, 308-1	✓	✓
Employment and industrial relations	Compliance towards law and regulations	205-1, 205-2, 401-1 401-2, 402-1	✓	
Workplace convenience	Significantly affects employees	202-1, 403-1, 403-2 403-4, 404-2, 405-1 405-2	✓	
Non-Discrimination	Significantly affects employees	406-1	✓	
Local communities	Significantly affects stakeholders	413-1	✓	
Product responsibility	Significantly affects consumers	417-1, 417-2, 417-3	✓	

MATERIALITY LEVELS

The following description illustrates materiality levels of each topic discussed in this report. Materiality levels were obtained from workshop and discussions in Focus Group Discussion (FGD) with the stakeholders.

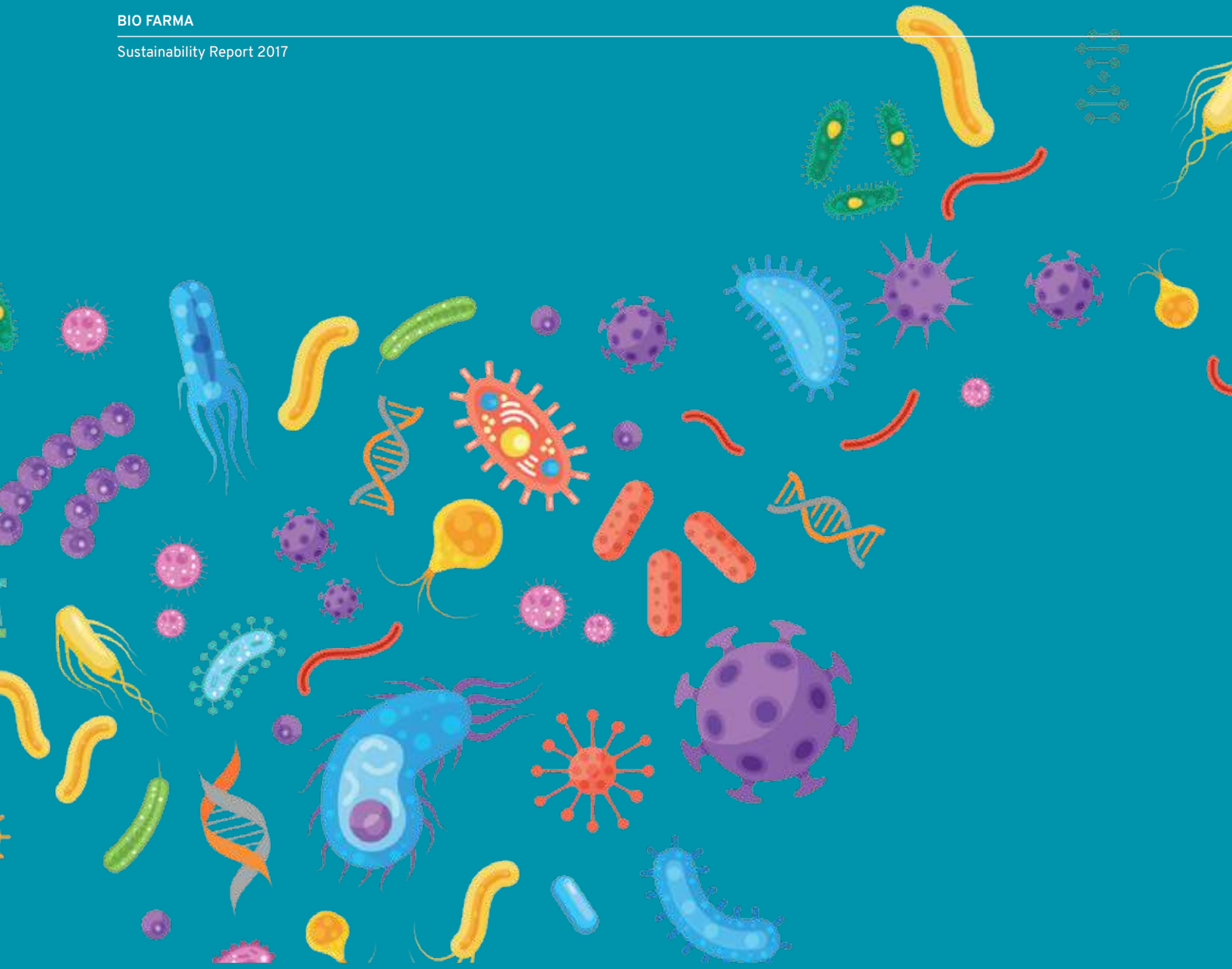


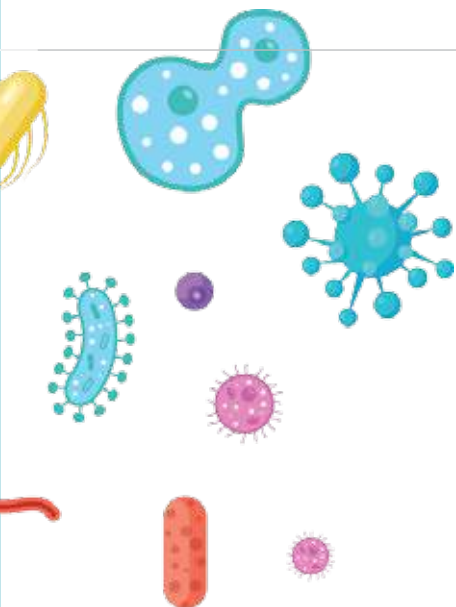
CONTACT US [GRI 102-53]

For questions or to deliver feedback about this report, please contact:

Head of Corporate Communication
PT Bio Farma (Persero)
Jl. Pasteur No. 28, Bandung 40161
Tel.: (62-22) 203-3755
Fax.: (62-22) 204-1306
E-mail: mail@biofarma.co.id







About The Company

“

Bio Farma is a company engaged in the production and marketing of biological products, pharmaceutical products and medical devices. As a state-owned enterprise, Bio Farma is mandated to produce Vaccines and Antisera for national vaccine needs. For 128 years, Bio Farma has contributed in disease prevention through the fulfillment of vaccine products to more than 130 countries in the world.

About The Company



“

Bio Farma is one of about 29 vaccine manufacturers/22 countries in the world that has received Prequalification from World Health Organization (WHO) so that it is believed to fulfill vaccine demand in more than 130 countries.

SHORT PROFILE, ACTIVITIES, AND MAIN PRODUCTS [GRI 102-1, GRI 102-2]

PT Bio Farma (Persero) hereinafter in the Sustainability Report (“Report”) is called “Bio Farma”, “Company”, or “We” is a company engaged in the production and marketing of biological products, pharmaceutical products and medical devices.

The Main Business Activities of PT Bio Farma (Persero) are as follows:

- Research and development of Life Science products, whether it is conducted independently or in collaboration with other parties;
- Production of Life Science products, whether it is conducted independently or in collaboration with other parties;
- Marketing, trading and distribution of Life Science products and medical devices, including general goods, both for domestic and international;
- Health and Clinical Laboratory Services;
- Working in the service sector that are relevant to letters a, b, c, and d.

HEAD OFFICE [GRI 102-3]

Head office address	Jl. Pasteur No. 28, Bandung 40161, Indonesia
Telephone Number	+62 22-2033755
Fax	+62 22 - 2041306
Email	mail@biofarma.co.id
Website	www.biofarma.co.id
Representative office address	Gedung Pakarti Centre Jl. Tanah Abang Iii No 23-27 Jakarta – Indonesia

AUTHORIZED CAPITAL

Rp8,000,000,000,000 (eight trillion Rupiah) consisting of 8,000,000 (eight million) shares, with a nominal value of Rp1,000,000 (one million Rupiah) per share.

ISSUED CAPITAL

Rp2,000,000,000,000 (two trillion Rupiah), consisting of 2,000,000 (two million) shares, with a nominal value of Rp1,000,000 (one million Rupiah) per share.

OPERATIONAL AREA [GRI 102-4]

Plant location	Bandung, West Java
Production Facilities Location	Bandung, West Java
Production Support Facilities Location	West Bandung District, West Java
Representative Office	Jakarta, DKI Jakarta
Area Served	National and International in more than 130 countries

SCALE OF ORGANIZATION [GRI 102-7]

Number of Employees	1,186
Number of Operation	1 (one) plant located in Bandung, West Java
Net Sales per December 31 st , 2017	3,001,571 (in million rupiah)
Total Equity per December 31 st , 2017	5,649,956 (in million rupiah)
Total Liabilities per December 31 st , 2017	799,493 (in million rupiah)
Total products available during 2017	<ul style="list-style-type: none"> Bacterial vaccine: 392.70 million dose Virus Vaccine: 2,898.95 million dose Combination vaccine: 25.85 million dose Serum and Diagnostic Vaccines: 460,403 million dose Partnership Products: 87.05 million dose

LEGAL ENTITY AND OWNERSHIP

[GRI 102-5]

Based on The Approval of The Minister of Justice of The Republic of Indonesia on March 5th, 1998 Number C2-1423HT.01.01. 1998, Official Gazette of the Republic of Indonesia Number 57 dated July 16th, 2002, supplement Number 6884, and latest amendment of the deed of establishment Deed Number 34 dated December 14th, 2016; Bio Farma officially became a legal entity in the form of a Limited Liability Company (PT). As of the end of 2017, the owners of our Company’s shares are the Government of the Republic of Indonesia by 100%.



Vision, Mission, and Corporate Culture

LEGAL BASIS OF PHILOSOPHY, VISION, MISSION AND VALUE (CORPORATE CULTURE)

Based on the results of a review of the Bio Farma Board of Commissioners and Board of Directors, Bio Farma Board of Commissioners and Directors agreed on March 6th, 2014 to amend the Philosophy, Vision, Mission and Value (Corporate Culture) determined by the Joint Decree of the Board of Commissioners and Directors of PT Bio Farma (Persero), Number: KEP-07 / DK / BF / III / 2014, Number: 01103 / DIR / III / 2014 concerning Amendments to Joint Decisions of the Board of Commissioners and Directors of PT Bio Farma (Persero) Number: KEP-05 / DK / BF / II / 2013, Number: 01024 / DIR / II / 2013 Concerning the Code of Conduct of PT Bio Farma (Persero) Article I Item 1.5 and 1.6.

VISION

To be a world class life science company with global competitiveness.

Bio Farma's vision is set out in the Document: MBF-01 revision 12, dated June 30th, 2014 that is to become a world-class Life Science company with global competitiveness. This vision emphasizes the role of Bio Farma in meeting the availability of national and global vaccines, repositioning from vaccine manufacturers to Life Science is a change towards a better direction, the addition of world class is accompanied by innovation in various segments, the efficiency of environmentally friendly business processes, technological renewal, the implementation of world-class CSR and the improvement of world-class human resources.

MISSION

Providing and developing life science products with international standard to improve quality of life.

The mission of Bio Farma is to realize its vision, by considering the Company's core competencies and the strategic challenges that will be faced, Bio Farma continues to innovate by producing, marketing and distributing international quality vaccines and antisera. To maintain quality, Bio Farma implements a variety of systems in an integrated manner such as meeting the requirements of ISO 9001: 2015, ISO 14001: 2004, OHSAS 18001: 2007, ISO 17025: 2016, CPOB, ASEAN GMP, WHO GMP and following the development of global GMP requirements.

Dissemination of Vision, Mission Philosophy and Values carried out annually for all employees, for the year 2017 socialization was held on January 16, 2017, located in Crown Plaza Hotel, Bandung. Meanwhile, socialization carried out for the Board of Commissioners, Directors, The Head of Division and The Head of Subdivision was held on January 18 2017 which is located in Harris Ciumbuleit Hotel.

Adhering to the corporate vision and mission, Bio Farma has 9 corporate policies, namely:

1. High quality products.
2. Eco-friendly products.
3. Global competitiveness.
4. Customer satisfaction.
5. Continuous improvement.
6. Pollution control.
7. Prevention of occupational accidents and diseases.
8. Saving energy and natural resources.
9. Comply with laws and other requirements.

CORPORATE CULTURE

Every organ of the Company that behaves and thinks professionally, has high integrity, works in a team, full of innovation and customer service orientation. In 2017, 5 corporate values namely Professional, Customer Oriented, Teamwork, Integrity, Innovation to be PROACTION are disseminated through socialization and utterance. As for corporate culture of Bio Farma, it is provided as follows:

Professional

Committed to carrying out duties responsibly, efficiently, effectively forward-oriented, and compliant with procedures

Customer Oriented

Honest, transparent and trustworthy in accordance with the Company's objectives.

Teamwork

Cooperate with respect for the roles and opinions of others.

Integrity

Perform continuous improvement and development to generate new ideas.

Innovation

Understand the needs and provide the right solution to the customer.

PHILOSOPHY

“Dedicated to Improve Quality of Life”

Review of Vision and Mission by Board of Commissioners and Board of Directors

In realizing the determined Vision and Mission, various achievements have been successfully realized through 2017. Key indicators can be seen from financial performance as illustrated in financial highlights. The Board of Commissioners and Directors assess that the Company's vision and mission are still relevant to the conditions and objectives of the Company. The achievement of vision and mission up to 2017 has been in accordance with the direction and stages set by the company.

Short History

August 6th, 1890

Bio Farma was established under the name of "Parc Vaccinogene" on August 6th, 1890 based on the Decree of the Dutch East Indies Governor No. 14 of 1890 at Weltevreden Military Hospital, Batavia, which has now changed its function to Gatot Soebroto Army Central Hospital (Gatot Soebroto Hospital), Jakarta.

1895-1901

The company experienced a change of name to "Parc Vaccinogene en Pasteur Institute".

1942-1945

During Japanese occupation, Bio Farma changed its name back to "Bandung Boeki Kenkyushoo" led by Kikuo Kurauchi.

2008

The launch of the new logo reflects the spirit and optimism leading towards a world-class vaccine industry.

1997-2001

Bio Farma successfully obtained WHO Pre-Qualifications for 12 types of vaccines so that it can enter the export market.

1997

Based on Government Regulation No. 1 of 1997, the name of the Company changed again from Perum Bio Farma to become a Company (Persero) or better known as PT Bio Farma (Persero) until now.

2009

Under the new management team, Bio Farma is heading towards a world-class vaccine company that is globally competitive.

2013

The roadmap to the Life Science industry begins. The launch of the latest Pentavalent vaccine (Diphtheria, Tetanus, Pertussis, Hepatitis B, HiB) and the launch of a national immunization program.

2014

New Vision Improvement "To be a World Class Life Science Company with global competitiveness."

1945-1946

The company was renamed “Gedung Cacar and Pasteur Institute.” The company was led by R.M. Sardjito who was the first Indonesian leader. At the time of R.M. Sardjito’s leadership, location was moved to Klaten area.

1946-1949

During the Military Aggression, when Bandung was re-occupied by the Dutch, the company changed its name again to “Landskoepeek Inrichting en Pasteur Institute”.

1950-1954

The company was renamed “Gedung Cacar and Pasteur Institute” which is one of the departments within the Department Health of the Republic of Indonesia.

1978-1996

Based on Government Regulation No. 26 of 1978, the Company changed its name to Bio Farma Public Company, better known as Bio Farma Public Corporation.

1961-1978

The company again changed its name to “Bio Farma State Company” or better known as PN Bio Farma.

1955-1960

During the nationalization of ownership of Dutch companies in Indonesia, the Company later changed its name to “State Enterprise Pasteur.” The company is better known as PN. Pasteur.

2015

Inauguration of the Heritage Building and Bio Farma Museum.

2016

Transformation of the National Vaccine Research Forum (FRVN) into the National Life Science Research Forum (FRLN).

2017

Indonesia through Bio Farma trusted as a Center of Excellence Research Vaccine Organization Islamic Cooperation (OIC)

Our Product [GRI 102-2]



VACCINE, ANTISERA DIAGNOSTICS

The product produced consists of vaccines and antisera for humans, as follows.

- VIRUS VACCINE**



1. Oral Polio Vaccine (Monovalent) type 1

For prevention of Poliomyelitis type 1.

2. Poliomyelitis Oral Bivalent Vaccine

For prevention of Poliomyelitis type 1 and 3.

3. Measles Vaccine (Freeze-drying)

For prevention of measles.










4. Recombinant Hepatitis B Vaccine

For prevention of Hepatitis B.

5. Influenza HA Flubiotic Vaccine

For prevention of Seasonal Influenza.

- BACTERIAL VACCINE**

		
<p>1. TT Vaccine</p>	<p>2. DT Vaccine</p>	<p>3. DTP Vaccine</p>
<p>For prevention of Neonatal Tetanus and Tetanus diseases (Tetanus in newborns).</p>	<p>For prevention of diphtheria and tetanus.</p>	<p>For prevention of diphtheria, tetanus, and pertussis.</p>
		
<p>4. BCG Vaccine (Freeze-drying)</p>	<p>5. Td Vaccine (10 doses)</p>	<p>6. BIO-Td Vaccine</p>
<p>For prevention of tuberculosis.</p>	<p>For prevention of Tetanus and Diphtheria diseases in adults and children from the age of 7 years old.</p>	<p>For prevention of Tetanus and Diphtheria diseases in adults and children from the age of 7 years old.</p>
		
<p>7. BIO-TT Vaccine</p> <p>For prevention of tetanus and protection against neonatal tetanus in women of childbearing age.</p>		

● COMBINATION VACCINE



Pentabio Vaccine (DTP-HB-Hib)

For the prevention of diphtheria, tetanus, pertussis (whooping cough), hepatitis B, and Haemophilus Influenzae infection Type B.

● ANTISERA



1. BIO SAT (Anti-Tetanus Serum)

For prevention and treatment against Tetanus caused by clostridium tetani infection.



2. BIO ADS (Anti-Diphtheria Serum)

For treatment against diphtheria.



3. Biosave (Anti-Snake Venom Polivalen Serum)

For treatment of poisonous snake bites of a type of cobra (Naja Sputatrix), striped snake (Bungarus fasciatus) and ground snake (Ankistrodon rhodostoma).

● DIAGNOSTICS



Tuberculin PPD RT 23

Mantoux test for determining whether someone has been infected by Mycobacterium tuberculosis.

● PARTNERSHIP PRODUCT



Menivac ACYW Vaccine (Meningitis)

For prevention against Inflammation of the Membranes of the Brain.



Market Share [GRI 102-6]

We serve the needs of consumers from domestic and international. On a national scale, we market the products to all regions in Indonesia. We serve the government and private sectors. For the government sector, Bio Farma fulfills the need for vaccines in the context of the National Immunization Program in Indonesia through the Ministry of Health to be distributed later to the community through provincial or district health offices, as well as puskesmas, posyandu and other health services. For the private sector, Bio Farma meets vaccine needs through distributors who are appointed to be further distributed to hospitals, doctors, clinics, pharmacies and others.

Meanwhile, on a global scale, we have marketed products to more than 130 countries. Bio Farma meets vaccine needs globally through international institutions, including the United Nations Children’s Fund (UNICEF), the Global Alliance of

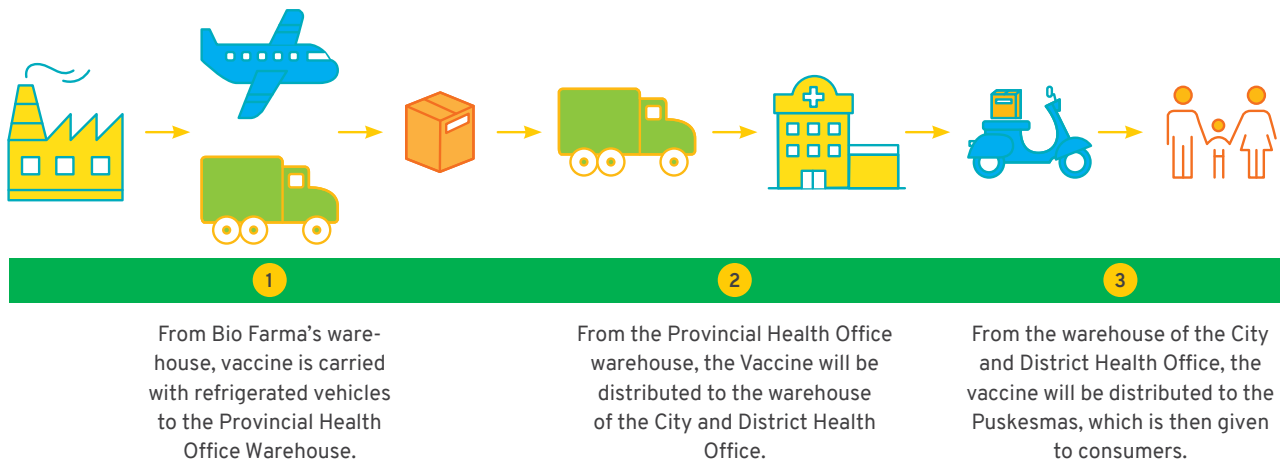
Vaccines and Immunization (GAVI) and the Pan American Health Organization (PAHO) to be further distributed to countries that need to support the program. national immunization in his country. To meet export demand in general, Bio Farma supplies vaccines directly, through bilateral partnerships with several designated third party agents.

Since 1997, 12 Bio Farma vaccine products have received recognition of pre-qualification (PQ) from WHO. With this belief only a few vaccine producers have the capacity to supply vaccines for the prevention of infectious diseases throughout the world in improving the quality of global health. This means that we have contributed to the Sustainable Development Goals proclaimed by the United Nations, especially supporting the goal of item 3, namely Health and Good Welfare.

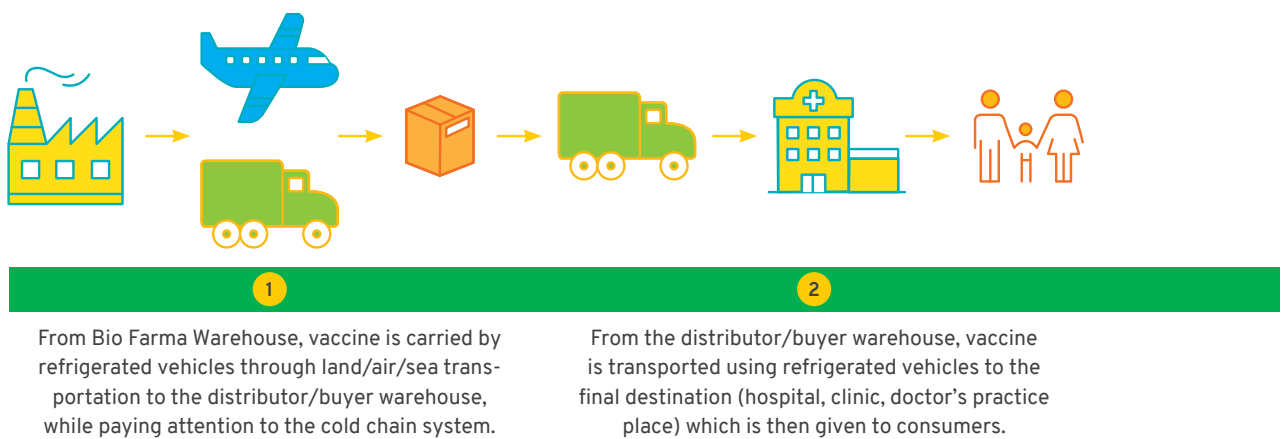


The Journey of a Bottle of Vaccine [GRI 102-6]

VACCINE DISTRIBUTION IN GOVERNMENT SECTOR



VACCINE DISTRIBUTION IN PRIVATE SECTOR AND EXPORT



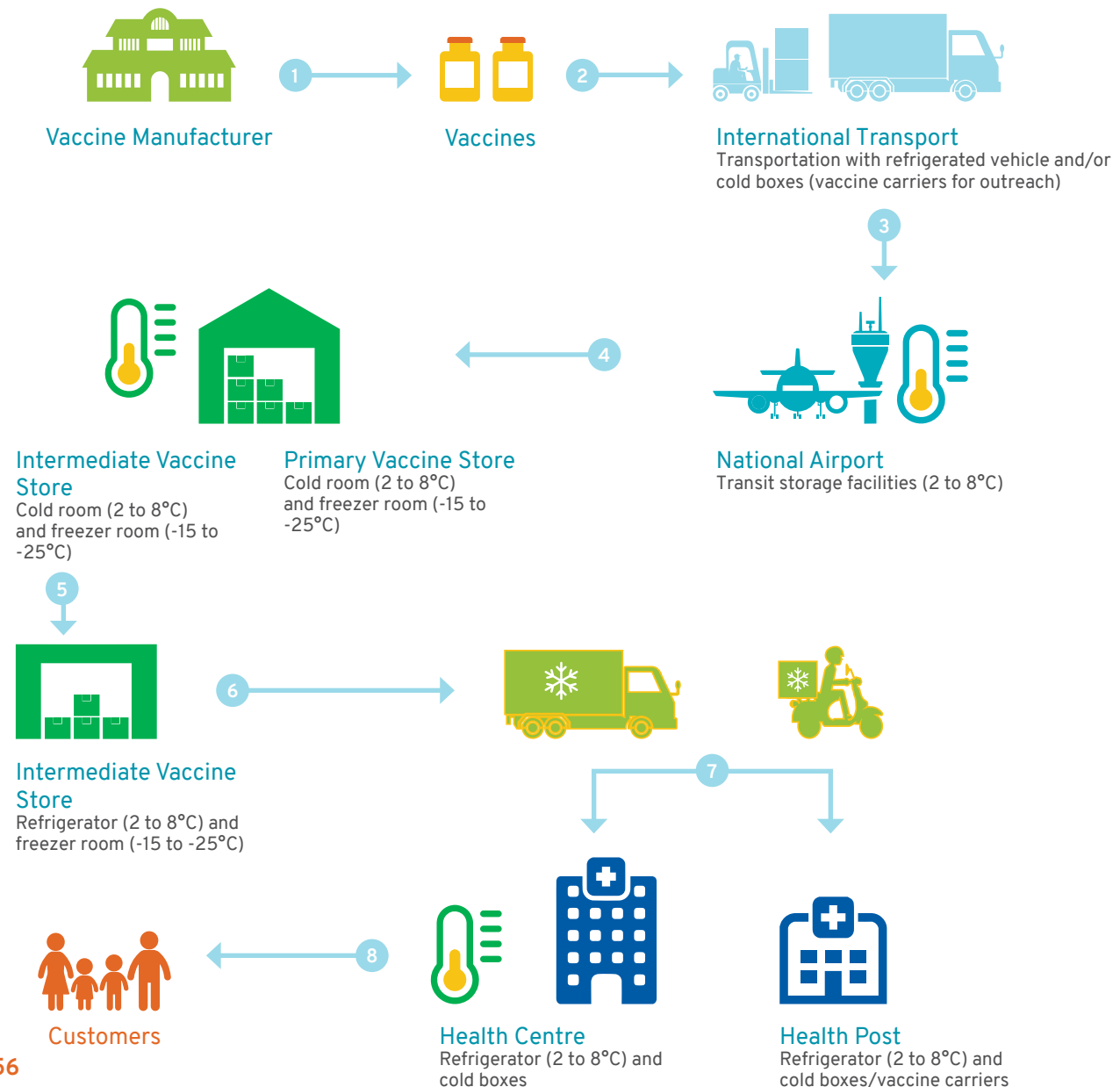
Commitment to Maintain Vaccine Quality

Vaccines are Biological products that require special handling in their distribution. A special system is needed for the distribution of vaccines, namely Cold Chain System or Sistem Rantai Dingin which starts from the factory, during distribution, storage at the destination, storage for as long as the vaccine has not been used until the vaccine is given to customers.

The temperature of the vaccine must be maintained in a temperature range of 2 to 8 degrees Celsius for BCG, DTP, TT, DT, Td, DTP-HB-Hib, Measles, Hepatitis B, Influenza vaccines; whereas for the Polio vaccine must be stored at -20 (minus 20) degrees Celsius.

The Cold Chain System is a procedure that is carried out to maintain the temperature of the vaccine in a stable condition, so that the effectiveness, safety, efficacy and quality of the vaccine are maintained, so that the recipient gets the benefits of protection, and prevention of various infectious diseases.

The deadline for all shipments above must not exceed 48 hours according to WHO guidelines and with a constant consideration to the cold chain system for each type of vaccine.



Supply Chain [GRI 102-9]

The main types of suppliers at Bio Farma consist of 3 (three) Categories/Classifications based on vendor grouping data in ERP (VG01 for supplier of raw materials, VG02 for investment goods, VG04 for other services).

Total suppliers in the Bio Farma supply chain are 485 suppliers (based on DRM Bio Farma Edition December 31st, 2017) which are spread both in domestic area and international.

In 2017, the estimated monetary amount paid to suppliers amounted to Rp1,444,897,893,261.78 based on monitoring data PO January - December 2017 (invoice column)

SIGNIFICANT CHANGES IN SUPPLY CHAIN AND ORGANIZATIONS [GRI 102-10]

In 2017, there was no significant change in the organization and supply chain. Change in location/operations, for example opening new facilities, closing facilities, or expansion; changes in stock ownership structure; change of supplier location, including supplier termination process.



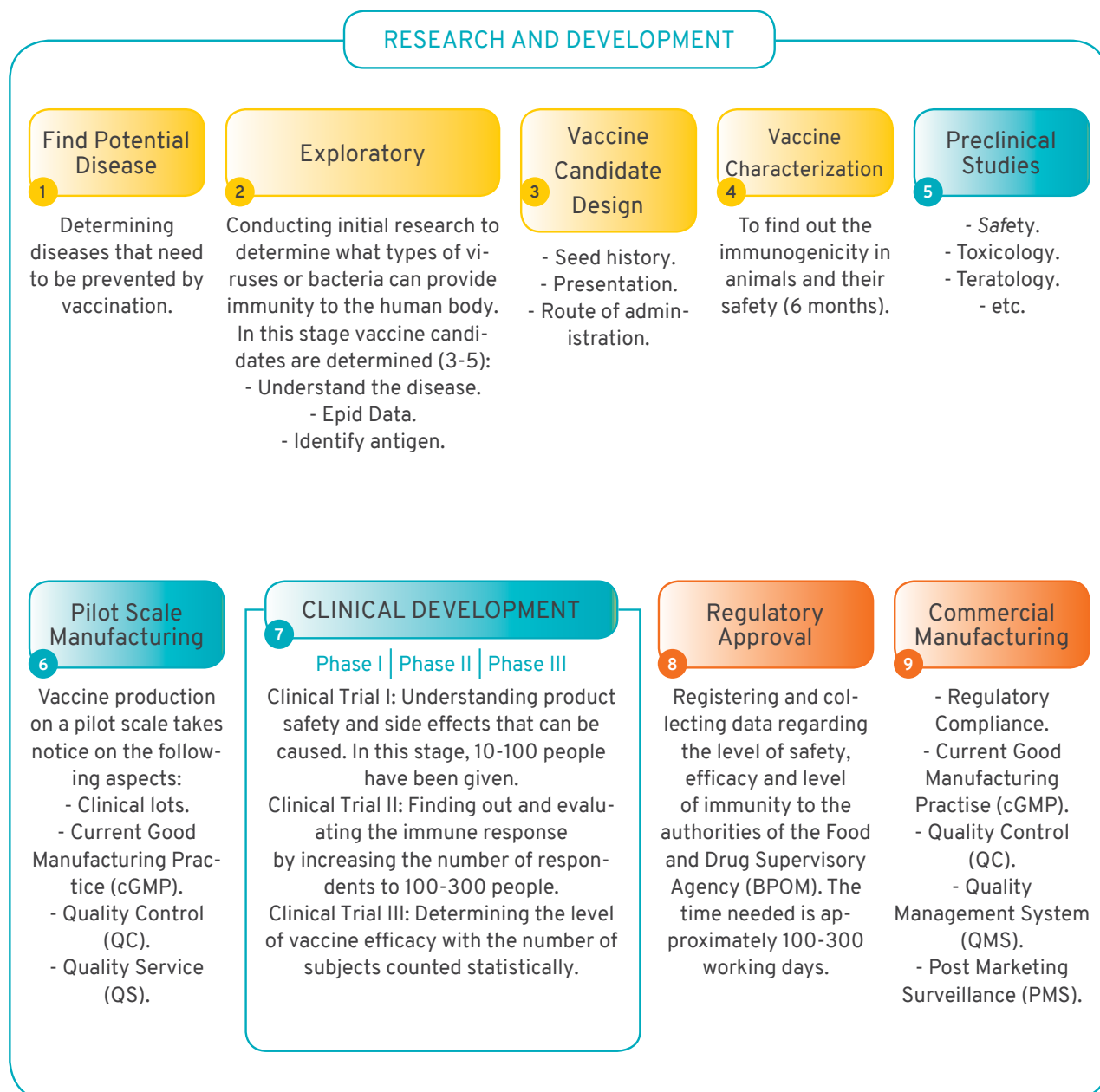
Environmentally Friendly Business Process

The vaccine production process is highly regulated. This Vaccine Production Process is a general illustration and description; the process does not describe the production of all specific vaccines or vaccines carried out by Bio Farma.



Research Development

Research activities are the basis of developing a product. Research activities begin with the exploratory stage in which studies are conducted on the patterns of diseases that are the subject of research and understanding. Identification of molecules/antigens that will be prospective products and methods for producing/purifying antigens are critical in further product development in addition to the need for documented history of seed and raw materials. The output of this research activity is evidentiary of Proof of Concept.



This vaccine development lifecycle is for illustrative purposes only and provides general overview. It is not representative of the development of any or all vaccines produced by Bio Farma.

Media Education

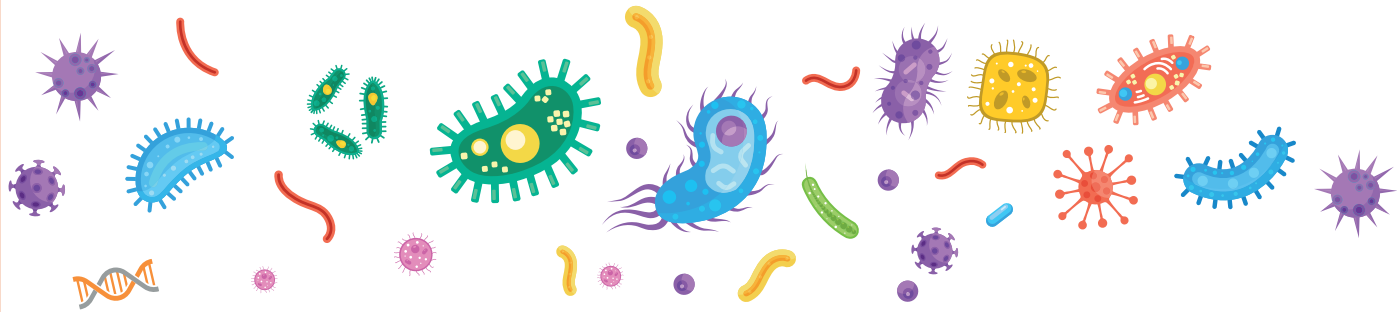
Bio Farma regularly organizes workshops, education, socialization to the media from the level of journalists, editors, to the editor in chief, in collaboration with the Ministry of Health, BPOM, the IDAI Professional Association and various media. This education is important considering that in 2016 fake vaccines were discovered.

Based on physical observations of laboratory test results, Bio Farma vaccine which was suspected to be false was genuine. Forged vaccines discovered were imported vaccine products.









Sustainability Governance

“

Sustainability governance is an implementation of corporate governance that not only complies with the prevailing laws but also implements internationally applicable standards, principles, initiatives and practices in economic, environmental and social fields. One of its top priorities is maintains its sustainability governance in order to realizing the vision of Bio Farma as a world-class company that is globally competitive and exercising its mission of providing and developing International-standard Life Science products to improve the quality of life.

Sustainability Governance



In executing sustainability governance, Bio Farma applying the principles abbreviated as TARIF, i.e.: (1) Transparency; (2) Accountability, (3) Responsibility, (4) Independency, and (5) Fairness. These principles serve as reference for the Company's long term planning, oriented to conservation in economic, social and environmental fields. To ensure that GCG has been well implemented, Bio Farma conducted GCG implementation assessment on a yearly basis. Bio Farma achieved scores that has consistently augmented since 2006.



In realizing the vision of Bio Farma as a world-class company that is globally competitive and exercising its mission of providing and developing International-standard Life Science products to improve the quality of life, the Company maintains its sustainability governance one of its top priorities. Sustainability governance is an implementation of corporate governance that not only complies with the prevailing laws but also implements internationally applicable standards, principles, initiatives and practices in economic, environmental and social fields. Therefore, sustainability governance is regarded as broader compared to conventional governance.

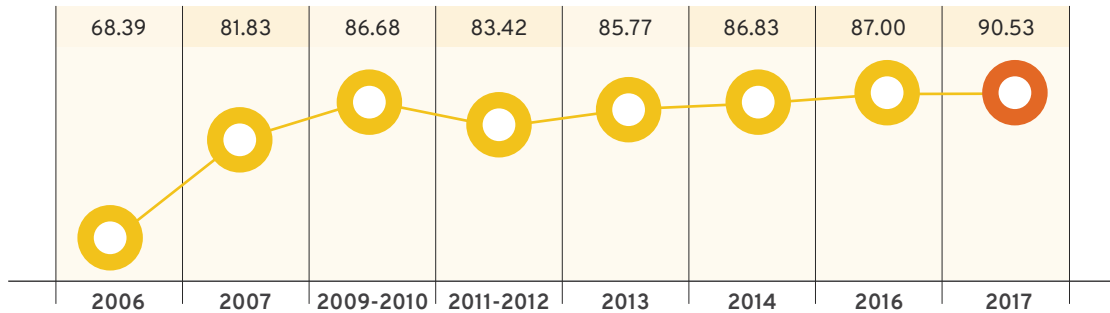
Sustainability governance views that company's management needs to

consider environmental and social aspects. This requires the mechanism of authority and responsibility of the Board of Commissioners, Board of Directors and executives being measured not only from financial aspect. Executing sustainability governance, Bio Farma remains applying the principles abbreviated as TARIF, i.e.: (1) Transparency; (2) Accountability, (3) Responsibility, (4) Independency, and (5) Fairness. These principles serve as reference for the Company's long term planning, oriented to conservation in economic, social and environmental fields.

From the GCG application assessment, Bio Farma achieved scores that has consistently augmented since 2006. Based on the results of the self

assessment of GCG implementation carried out by the Finance and Development Supervision Agency (BPKP) of West Java, Bio Farma showed its best performance in 2017 compared to previous years. The GCG score that Bio Farma attained was 90.53, categorized as “Very Good”.

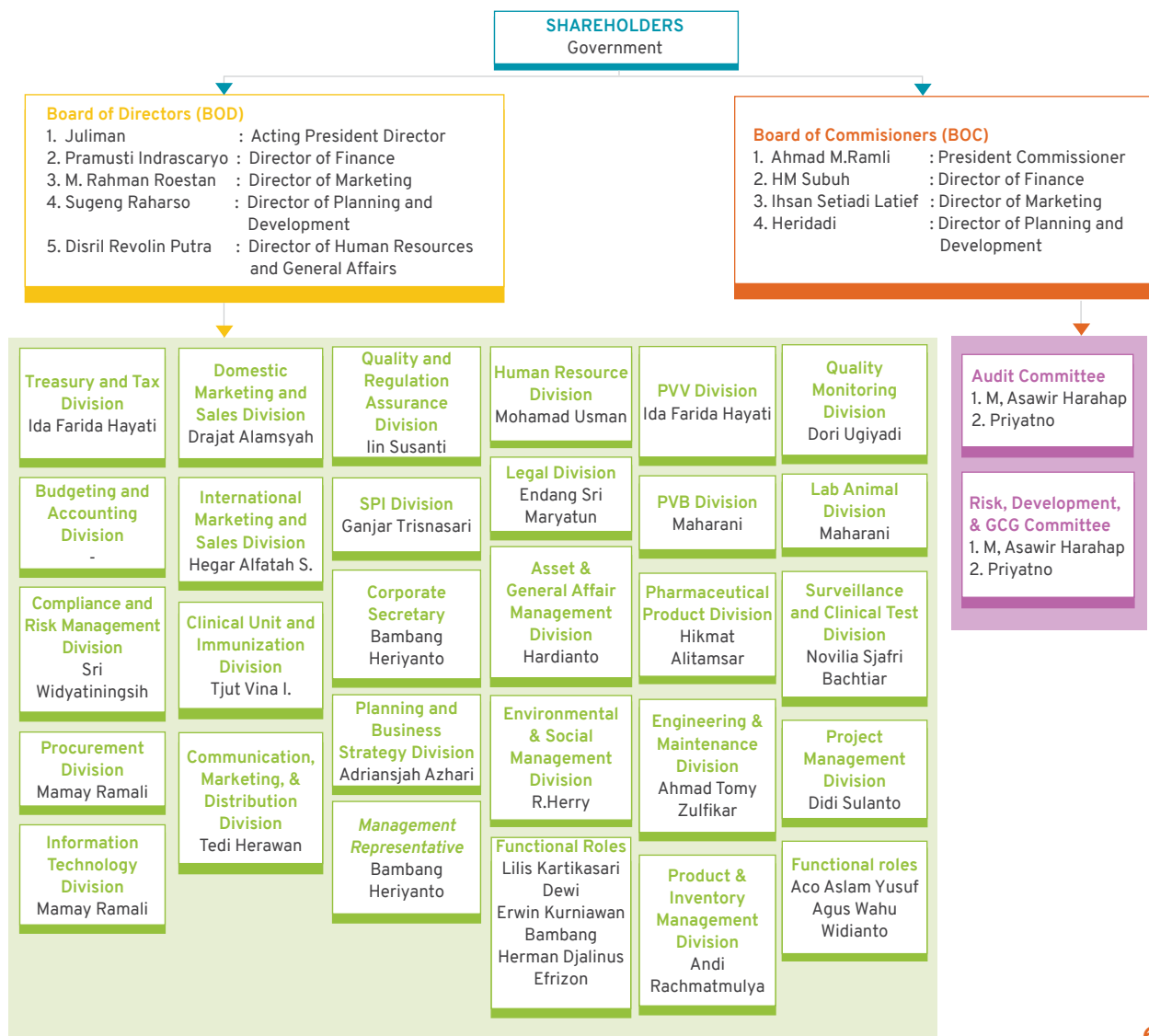
GCG Assessment Score 2006-2017



GOVERNANCE STRUCTURE [GRI 102-18]

Pursuant to Law No. 40 of 2007 on Limited Liability Company, the Company’s organ structure comprises General Shareholders’ Meeting, Board of Commissioners and Board of Directors which have their respective authority and responsibility in line with the Company’s Articles of Association and laws as well as regulations. This has been proven as having brought the best results. The structure is illustrated below.

PT BIO FARMA CORPORATE GOVERNANCE STRUCTURE



The General Shareholders' Meeting is the highest part in Bio Farma's Governance structure; it is responsible for stipulating strategic decisions concerning corporate action plans. GSM's authority includes the mechanism of appointing the Board of Commissioners and Board of Directors, determining the composition of Board of Commissioners and Board of Directors, as well as assessing the two organs' performance in terms of meeting the targets set in Work Plan & Budget (CBP). The assessment into the Board of Commissioners and Board of Directors is based on the Key Performance Indicator (KPI) mechanism, which is then evaluated and made accountable during the GSM.

The Board of Commissioners is responsible for supervising the Board of Directors' duty of executing all the strategic decisions in the Company management. The Board of Commissioners also executes advisory and supervision functions into the implementation of the Company Long Term Plan, Work Plan and Budget, Articles of Association provisions, GSM decisions and the applicable laws and regulations. The result of this monitoring is submitted during the GSM.

Bio Farma upholds integrity and independence in every business aspect in order to realize good corporate governance. Bio Farma ensures the absence of concurrent position, familial relation or financial relation between all members of the Board of Commissioners and those of the Board of Directors. The composition of the Board of Commissioners must meet the minimal requirement as set in the Articles of Association. Board of Commissioners of Bio Farma comprises six members, one of whom is the President Commissioner.

The Board of Directors is responsible for all actions related to the management of the Company for the interest of the Company and the activities that are in accordance with the Company's goals and to represent the Company either within or outside the court regarding all matters and events with the scope as ruled in the laws and regulations, Articles of Association and/or GSM Decisions. In 2017, the Production Director performed his duty concurrently as President Director until the definitive appointment of the Company's President Director. As a consequence, the executing President Director became the coordinator of the other four Directors. Every Director has duties in his/her respective field in line with his/her competence and the tasks and authority as approved in the General Shareholders' Meeting, which include economic, environmental and social aspects.

COMPOSITION OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The Board of Commissioners comprises the Government's shareholder representative and two independent commissioners. Proposals for the Board of Commissioners and Board of Directors members are presented by the Shareholder, in this matter, the Minister of State-Owned Enterprises, following a feasibility test in knowledge of economic, environmental and social issues, among others.

In the reporting period, the composition of the highest Governance Board—i.e. the Board of Commissioners and Board of Directors, was as follows:

COMPOSITION OF BOARD OF COMMISSIONERS 2017

1st PERIOD: JANUARY 1 - MAY 27, 2017

In the January 1, 2017 - May 27, 2017 period, the Board of Commissioners comprised six persons: one president commissioner, three commissioners and two independent commissioners.

Name	Position
Ahmad M. Ramli	President Commissioner
Ihsan S. Latief	Member of Board of Commissioners
Nizar Yamani	Member of Board of Commissioners
HM. Subuh	Member of Board of Commissioners
Paruli Lubis	Independent Commissioner
Heridadi	Independent Commissioner

2nd PERIOD: MAY 28 - NOVEMBER 4, 2017

In the May 28, 2017 - November 4, 2017 period, the Board of Commissioners comprised five persons: one president commissioner, two commissioners and two independent commissioners.

Name	Position
Ahmad M. Ramli	President Commissioner
Ihsan S. Latief	Member of Board of Commissioners
HM. Subuh	Member of Board of Commissioners
Paruli Lubis	Independent Commissioner
Heridadi	Independent Commissioner

3rd PERIOD: NOVEMBER 5 - DECEMBER 31, 2017

In the November 5, 2017 - December 31, 2017 period, the Board of Commissioners comprised four persons: one president commissioner, two commissioners and one independent commissioner.

Name	Position
Ahmad M. Ramli	President Commissioner
Ihsan S. Latief	Member of Board of Commissioners
HM. Subuh	Member of Board of Commissioners
Heridadi	Independent Commissioner

COMPOSITION OF BOARD OF DIRECTORS 2017

1st PERIOD: JANUARY 1-MARCH 6, 2017

Name	Position	Basis of Appointment	Fit and Proper Test
Iskandar	President Director	Kep. Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013	Passed
Mahendra Suhardono	Marketing Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013	Passed
Andjang Kusumah	Human Resources Director	Decision of PT Bio Farma Shareholders in Extraordinary Meeting of Shareholders Number SK-221/MBU/2012 dated March 7, 2012 and Decision of Minister of SOE Number SK-221/MBU/2013 dated February 4, 2013	Passed
Pramusti Indrascaryo	Finance Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013	Passed
Juliman	Production Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013	Passed
Sugeng Raharso	Planning & Development Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013	Passed

2nd PERIOD: MARCH 7 - JULY 9, 2017

Name	Position	Basis of Appointment	Fit and Proper Test
Iskandar	President Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013	Passed
Mahendra Suhardono	Marketing Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013	Passed
Pramusti Indrascaryo	Finance Director acting as Human Resources Director Executor	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013 and S-08/DK/BF/03/2017 dated March 8, 2017	Passed
Juliman	Production Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013	Passed
Sugeng Raharso	Planning & Development Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013	Passed



3rd PERIOD: JULY 10 - JULY 13, 2017

Name	Position	Basis of Appointment	Fit and Proper Test
Juliman	Production Director acting as President Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013 and Decision of Minister of SOE Number SK-127/MBU/07/2017 dated July 10, 2017	Passed
Mas Rahman Roestan	Marketing Director	Decision of Minister of SOE Number SK-127/MBU/07/2017 dated July 10, 2017	Passed
Pramusti Indrascaryo	Finance Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013 and S-08/DK/BF/03/2017 dated March 8, 2017	Passed
Sugeng Raharso	Planning & Development Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013	Passed

4th PERIOD: JULY 14 - DECEMBER 31, 2017

Name	Position	Basis of Appointment	Fit and Proper Test
Juliman	Production Director acting as President Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013 and Decision of Minister of SOE Number SK-127/MBU/07/2017 dated July 10, 2017	Passed
Mas Rahman Roestan	Marketing Director	Decision of Minister of SOE Number SK-127/MBU/07/2017 dated July 10, 2017	Passed
Disril Revolin Putra	Director of HR and General Affairs	Decision of Minister of SOE Number SK-127/MBU/07/2017 dated July 14, 2017	Passed
Pramusti Indrascaryo	Finance Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013 and S-08/DK/BF/03/2017 dated March 8, 2017	Passed
Sugeng Raharso	Planning & Development Director	Decision of Minister of SOE Number SK-221/MBU/2013 dated April 12, 2013	Passed

COMMITTEES UNDER THE BOARD OF COMMISSIONERS [GRI 102-22]

The Board of Commissioners has formed two committees of which the duty is to assist in the tasks of the Board of Commissioners. These committees are: The Audit Committee and the Risk, Development & GCG Committee.

The Audit Committee of Bio Farma has existed since 2004; its duty is to assist the Board of Commissioners in executing the supervision task into the Company management in accordance with the good corporate governance principles. The Board of Commissioners appoints and dismisses the member(s) of the Audit Committee and reports the supervision results in the General Meeting of Shareholders. The committee members' term originating from that of the Board of Commissioners is over automatically when the term of the Board of Commissioners is over.

COMPOSITION OF AUDIT COMMITTEE 2017

1st PERIOD: JANUARY - MAY 2017

No.	Name	Position	Basis of Appointment
1	Paruli Lubis	Chairperson	Decision Letter of BoC Number KEP-10/DK/BF/09/2015 dated September 30, 2015
2	Ihsan Setiadi Latief	Deputy chairperson and member concurrently	Decision Letter of BoC Number KEP-10/DK/BF/09/2015 dated September 30, 2015
3	Abu Bakar	Member (external)	Decision Letter of BoC Number KEP-10/DK/BF/09/2015 dated September 30, 2015
4	M. Asawir Harahap	Member (external)	Decision Letter of BoC Number KEP-10/DK/BF/09/2015 dated September 30, 2015

2nd PERIOD: MAY- NOVEMBER 2017

No.	Name	Position	Basis of Appointment
1	Paruli Lubis	Chairperson	Decision Letter of BoC Number KEP-10/DK/BF/09/2015 dated September 30, 2015
2	Ihsan Setiadi Latief	Deputy chairperson and member concurrently	Decision Letter of BoC Number KEP-10/DK/BF/09/2015 dated September 30, 2015
3	M. Asawir Harahap	Member (external)	Decision Letter of BoC Number KEP-10/DK/BF/09/2015 dated September 30, 2015 and Decision Letter of BoC Number KEP-10/DK/BF/06/2017 dated Monday, July 3, 2017
4	Priyatno	Member (external)	Decision Letter of BoC Number KEP-04/DK/BF/05/2017 tanggal Mei 2017

3rd PERIOD: NOVEMBER - DESEMBER 2017

No.	Name	Position	Basis of Appointment
1	Ihsan Setiadi Latief	Deputy chairperson and member concurrently	Decision Letter of BoC No. : KEP-10/DK/BF/09/2015 dated September 30, 2015
2	M. Asawir Harahap	Member (external)	Decision Letter of BoC Number KEP-10/DK/BF/09/2015 dated September 30, 2015 and Decision Letter of BoC Number KEP-05/DK/BF/06/2017 tanggal 03 Juli 2017
3	Priyatno	Member (external)	Decision Letter of BoC Number : KEP-04/DK/BF/05/2017 dated May 2017

The Board of Commissioners also supervises the Risk, Development & GCG Committee This committee has the duty and responsibility of providing recommendations to the Board of Commissioners.

COMPOSITION OF THE RISK, DEVELOPMENT & GCG COMMITTEE 2017

1st PERIOD: JANUARY - MAY 2017

No.	Name	Position	Basis of Appointment
1	Heridadi	Chairperson	Decision Letter of BoC Number : KEP-02/DK/BF/VII/2015 dated July 9, 2015
2	Nizar Yamanie	Deputy Chairperson I	Decision Letter of BoC Number : KEP-02/DK/BF/VII/2015 dated July 9, 2015
3	H.M. Subuh	Deputy Chairperson II	Decision Letter of BoC Number : KEP-02/DK/BF/VII/2015 dated July 9, 2015
4	Afrizal	Member (external)	Decision Letter of BoC Number : KEP-02/DK/BF/VII/2014 dated January 15, 2014
5	Judi Januadi Endjun	Member (external)	Decision Letter of BoC Number KEP-10/DK/BF/02/2016 dated February 2, 2016



2nd PERIOD: MAY- DECEMBER 2017

No.	Name	Position	Basis of Appointment
1	Heridadi	Chairperson	Decision Letter of BoC Number : KEP-02/DK/BF/VII/2015 dated July 9, 2015
2	H.M. Subuh	Deputy Chairperson II	Decision Letter of BoC Number : KEP-02/DK/BF/VII/2015 dated July 9, 2015
3	Afrizal	Member (external)	Decision Letter of BoC Number : KEP-02/DK/BF/VII/2014 dated January 15, 2014
4	Judi Januadi Endjun	Member (external)	Decision Letter of BoC No : KEP-10/DK/BF/02/2016 dated February 2, 2016

The description on each committee’s functions and duties is available in Bio Farma Annual Report 2017.

CORRUPTION RISK ASSESSMENT

Bio Farma has conducted assessment of corruption risk into the overall (100%) operation of the Company throughout the reporting period. This assessment is part of the implementation of the Internal Oversight Unit’s work plan of 2017. The Internal Oversight Unit (SPI) is a work unit that executes supervision and control of the Company’s internal scope by referring to the Financial Accounting Standards, General Guidelines of Assessment Implementation and the Audit Charter of PT Bio Farma (Persero) SPI. Bio Farma prioritizes the assessment into units which is highly prone to graft and corruption, as part of the risk based audit implementation.

In 2017, SPI has conducted Operational Assessment into eight working units resulting in eight Assessment Result Reports (LHPs). SPI monitors the management’s work effectiveness and efficiency referring to the procedures that have been set, including corruption risk. [GRI 205-1]

Bio Farma also takes actions in preventing corruption that may occur in relation with suppliers and other work partners by applying policies that are aimed to create clean business process and work relations. One of the tangible policies is the obligation for suppliers to sign an Integrity Pact which contain prohibitions related to corruption.

ANTI CORRUPTION POLICY COMMUNICATION AND TRAINING

[GRI 205-2, GRI 102-17]

Bio Farma’s commitment in anti corruption prevention is manifested through a number of internal and external policies of the Company. Strategic actions to prevent corruption and to disseminate anti corruption policy to Bio Farma people, including the Board of Commissioners and Board of Directors are channeled through communication media such as speech, fraud prevention training and seminar. The Company also applies a whistleblowing system, a mechanism to file a report on corruption violations.

One of the efforts that the Company takes as preventive actions toward corruption is implementing the whistleblowing system in line with the Board of Directors Decision Letter No.

01026/DIR/II/2013 dated February 22, 2013. This system is designed to allow both internal and external parties to report events that are inflicted with corruption, fraud, theft, bribery, gratification, conflict of interests and violation against law and Company’s policy/procedure. A number of means to report on suspected violation are available, including via e-mail to pelaporan.wbs@biofarma.co.id or the GCG application on <http://bioapp1.biofarma.co.id/GCG/Views/Application/PageHome.aspx>, official mail to Violation Reporting Management Team at Jalan Pasteur No. 28 Bandung 40161 or the Company’s dropbox.

The Company’s preventive actions also include the application of Integrity Pact, that contains statement that Bio Farma People are committed to the performance of their duties and responsibilities in line with GCG principles, are willing to implement at their best GCG application guidelines and code of conduct, as well as committed to filing a report when a violation occurs and willing to receive sanction in line with applicable rules. Bio Farma People sign this pact annually as a demonstration of their consistent implementation of commitment to each of the points above.

Thus, the total number of all BioFarma employees is 1,187 people (100%) in Bio Farma’s operating area (only in Bandung with no division of territory) who have obtained information on anti-corruption policies and procedures.

In detail, all employees who have received information regarding anti-corruption policies and procedures consist of 113 Section Heads, 34 Division Heads, 218 Section Chief, 137 Staff, 165 Junior Staff, and 519 Implementers.

To raise anti corruption spirit and to share the proper knowledge on corruption and fraud prevention, Bio Farma also actively socialize anti-corruption through the meeting which are attended by the Board of Commissioners, the Board of Commissioners supporting organs, Board of Directors, Employees and contract personnel. The socialization of GCG Implementation, Gratification Control, Tax and LHKPN as well as Signing of Statement of Commitment to Gratification Control and Integrity Pact was held with a speaker from Gratification Directorate of the Corruption Eradication Commission (KPK) on March 6, 2017. As many as 82.45%



people were present. In addition, Bio Farma also invited KPK Gratification Directorate on April 10-11, 2017 to train about corruption and gratification prevention.

Apart from the strategic steps of corruption prevention above, in order to improve SPI staff's competence, Bio Farma obliges all SPI staff members to obtain Qualified Internal Auditor (QIA) issued by credible institutions. The SPI staff must also participate in numerous education and training activities related to corruption prevention, including fraud in goods and service procurement contract.

Bio Farma's commitment to corruption prevention does not apply in the Company, but anti corruption policy and procedures are also disseminated to external parties such as suppliers and other business partners. All contracts and work agreements with the Company must include the integrity pact signed by the suppliers and other business partners, stating that they are committed to the maintenance of integrity by not bribing the Company's employee or officer.

MECHANISM OF OPINION SUBMISSION TO BOARD OF DIRECTORS

Internal communication is crucial to Bio Farma for increasing the Company's performance in realizing its vision and mission. The mechanism of company's internal communication encourages effectiveness and efficiency in the performance and work relations of employees. Formal and informal mechanisms are performed for the submission of employee's opinion to the Board of Directors, for example meetings of Workers Union with the Management, Company's work meetings, coffee morning, executive meeting, regular

Quran recitation and Board of Director's briefing, Board of Directors' official visit and through correspondence such as mail and e-mail.

RISK MANAGEMENT

In performing operational activities, the Company is not isolated from risks, either the ones under the Company's control or beyond. Risk management that is thorough, optimum and continuous is a part of good corporate governance. Thus, all employees are responsible for the risks related to their duties; they must also manage these risks proactively.

Bio Farma applies a risk management system that refers to COSO Enterprise Risk Management-Integrated Framework since 2009. Enriching the Company's risk management system that refers to Bio Farma Integrated Management System, the Company combines ISO 31000 (2009) and COSO Enterprise Risk Management-Integrated Framework.

In 2017, there are eight corporate risks, comprising six risks from routine activities and two project risks. After determining the risks related to corporate activities and the strategic steps to be taken to handle such risks, the Compliance and Risk Management Division as the division in charge of corporate risks would evaluate and monitor the risk handling executed by every unit. The Division Heads of risk unit hold the position of person in charge of all risks and of the risk management; the overall risk management is an indicator of Bio Farma's effectiveness in this context.

PRECAUTIONARY APPROACH [GRI 102-11]

The Company applies precautionary approach in environmental field through efforts that include issuing environmental policies that comply with applicable provisions, actively holding environmental conservation activities, making innovations in reforestation, and committing to energy efficiency. The international standards that serve as reference are, among others, ISO 14001 and other certifications including those from the Indonesian National Agency of Drug and Food Control (BPOM).

EXTERNAL INITIATIVE [GRI 102-12]

Bio Farma always refer to the latest international standards and quality management systems in order to deliver quality and innovative products. The Company has applied a number of integrated systems, including: Current Good Manufacturing Practices (cGMP) of the World Health Organization (WHO), Good Laboratory Practices (GLP), Good Clinical Practices (GCP), Good Distribution Practices (GDP), integrated management system ISO 9001:2015, ISO 14001:2004, and OHSAS 18001:2007 as well as world-class standard guidelines including CHR ISO 26000, Enterprise Risk Management and International Financial Reporting Standard (IFRS).

CORPORATE ETHICS AND CULTURE

[GRI 102-16]

Work ethics and culture standards in the interaction with the Company's stakeholders are ruled in the Joint Decision Letter of Board of Commissioners and Board of Directors Number Kep 07/DK/BF/III/2014 and 01103/DIR/III/2014 concerning Code of Conduct of Bio Farma. Every Bio Farma worker must adhere to the applicable laws and regulations and follow the norms in international business world.

Bio Farma has five main behaviours, i.e. Professionalism, Integrity, Team Work, Innovation and Customer Oriented (Pro-Action). The internalization of these main culture and behaviour values has economic, environmental and social aspects. The Company's approach in disseminating work ethics and culture in the Company's premise takes the form of Board of Directors' socialization during gatherings with employees, briefings in training at the start of job (induction training) and publication of the Code of Conduct pocket book. Robust work culture and organization culture create professional work behaviour and reduce the chance of conflict at work place.

MEMBERSHIP IN INDUSTRIAL ASSOCIATIONS [GRI 102-13]

In order to expand the Company's insight and network, throughout 2017 Bio Farma played an active role in organizational activities, as follows:

Organization Name	Status
Forum Riset Vaksin Nasional (FRVN)	Founder
Developing Countries Vaccine Manufacturer Network (DCVMN)	Member
OIC Vaccine Manufacturers Group	Chairman
Forum Humas BUMN (SOE Public Relations Forum)	Member
GP Farmasi (Indonesian Pharmaceutical Company Association)	Steering Committee
Immunization advocacy team	Chairperson
GRI Gold Communities	Member
GAVI (Global Alliance for Vaccines and Immunizations)	Member
IVI (International Vaccine Institute)	Member
(IDB) Islamic Development Bank	Member

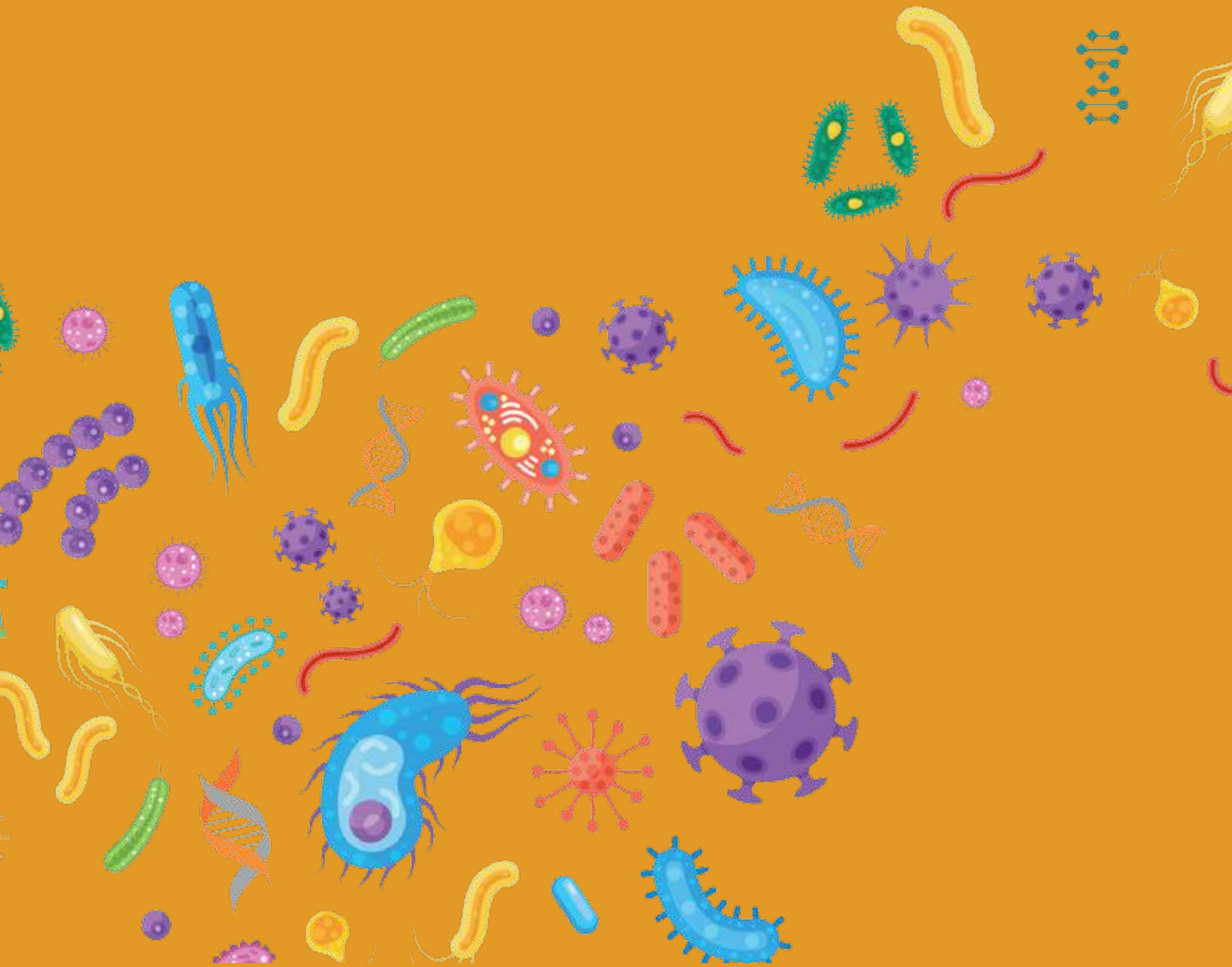
STAKEHOLDERS' ENGAGEMENT

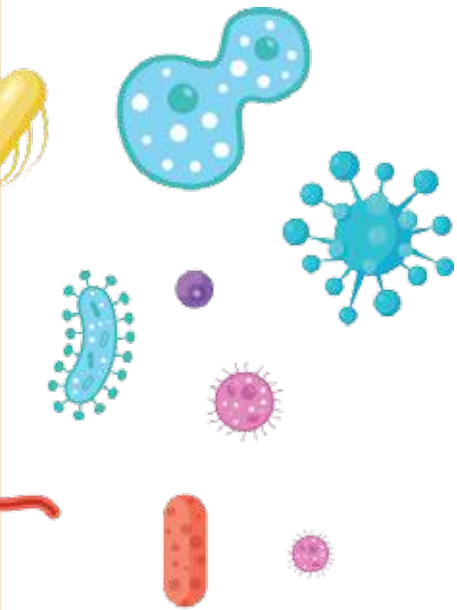
Bio Farma is aware of the importance of mutual relationship between the Company and the stakeholders. Stakeholders have strategic roles in maintaining the Company's growth in the long term. On the other hand, the Company's performance also affects the stakeholders whether from business, financial, operational, environmental or social aspect. That said, Bio Farma continues striving to create harmonious relations with the stakeholders through several approaches.

RELATION AND INTERACTION WITH STAKEHOLDERS IN 2017

Stakeholders [GRI 102-40]	Basis of Appointment Stakeholders [GRI 102-42]	Frequency of Meeting with Stakeholders [GRI 102-43]	Topic discussed [GRI 102-44]
Employee/ Workers Union	Presentation	Bipartite cooperation organization once a month	Prosperity, Human Resources development, Occupational Health and Safety (OHS), work discipline
Shareholders	Influence, Responsibility	GSM - Technical/special Meeting Expose	Stipulation of financial statement, management performance accountability, dismissal and appointment of board of commissioners & directors, Determination of BoC & BoD remuneration
Consumers	Influence	- Clinical meeting, annually - Distributor meeting, quarterly - National immunization meeting, annually	- Knowledge on product, research on new vaccine to build loyalty - Evaluation into product absorption progress, product distribution - Knowledge on product, research on new vaccine
Vendors	<i>Dependency</i>	Presentation of pricing and activities that take place for every procurement	Provision of service training
Regulators and Supervisors	<i>Influence and presentation</i>	As needed	Product security, compliance with regulations, product registration
Community/ General Public	Proximity	As needed	Training with community, need assessment, supervision & evaluation, social mapping







Contributions To The Economy

“

As a state-owned enterprise, Bio Farma has contributed to the national economy by distributing various types of economic values to various stakeholders, among others are: government, employee, supplier, and society.

Contributions to the Economy



Within a period of 5 years (2013-2017), Bio Farma's net income experienced a slightly significant increase. This causes the uplift in the distribution of economic value to various stakeholders, such as suppliers, employees, the State, and the community.

CONTRIBUTIONS TO THE ECONOMY

As an economic entity owned by the country, Bio Farma has contributed to the national economy by distributing various types of economic values to various stakeholders. The company has distributed economic values in the forms of tax payment and dividends as the revenue components for the country; salary and various forms of services to its employees; payment in the form of funds to suppliers; as well as community development fund assistance covered in the Community Development program.

RECEIVED AND DISTRIBUTED ECONOMIC VALUE

In 2017, Bio Farma had a total economic revenue amounting to Rp3,126,729,143,545.69, which was a 26% increase in comparison to the previous year amounting to Rp 2,480,486,728,905.00. Such an increase in the economic revenue figure had resulted in Bio Farma's improving its distribution of received economic value to its stakeholders. The following is the acquisition and distribution of the economic value of Bio Farma for 2013-2017. All data presented are taken from the report of finance audits prepared in accordance with the Statement of Financial Accounting Standard (PSAK).

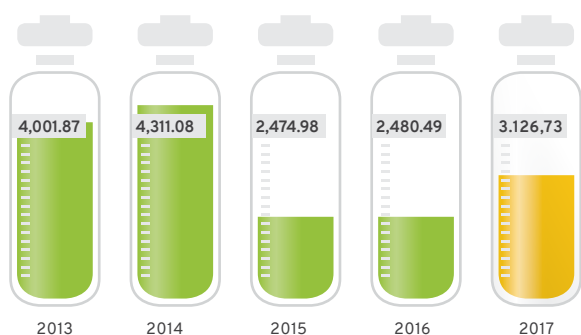
RECEIVED AND DISTRIBUTED ECONOMIC VALUES [GRI 201-1]

Economic Value Received	2017	2016	2015
Revenue	3,011,570,730,343,28	2,315,759,014,122,41	2,345,918,269,951,53
Interest Revenue	3,110,750,161,37	6,820,215,333,93	34,944,155,303,75
Revenue from the Difference of Foreign Currency Rates	86,500,603,563,75	98,339,421,776,18	78,787,808,690,91
Other Revenues	25,547,059,477,29	59,568,077,672,48	15,332,041,355,38
Total	3,126,729,143,545,69	2,480,486,728,905,00	2,474,982,275,301,57
Distributed Economic Value	2017	2016	2015
Company Cost (Supplier)	1,292,999,124,000,00	696,499,579,342,027	581,686,568,665,88
Employees Salary			
Service Department	2,962,418,681,10	1,944,241,479,92	1,602,027,460,89
Production Department	212,686,748,459,13	176,057,198,068,74	156,483,416,763,36
General & Administration Department	214,386,016,524,21	216,052,192,703,76	237,135,552,984,24
R & D Department	26,294,319,732,91	24,192,134,306,10	21,495,163,734,18
Total Employee Salary	456,329,503,397,35	418,245,766,558,52	416,716,160,942,67
Spending for the Government			
Dividend	236,410,000,000,00	234,707,000,000,00	145,015,000,000,00
Tax	188,278,249,827,47	183,927,056,418,35	228,680,685,000,00
Total Spending for the Government	424,688,249,827,47	418,634,056,418,35	373,695,685,000,00
Spending for the Community			
Environment Development	9,411,438,000,00	10,686,678,646	1,288,442,345,00
Social Community Donations	3,443,854,328,50	2,671,570,512	3,839,965,637,00
Total Spending for the Community	12,855,292,328,50	13,358,249,158,00	5,128,407,982
Total Economic Value Distributed	1,762,183,919,725,85	1,128,103,595,058,55	1,003,531,137,590,55
Economic Value Retained before Dividend	1,364,545,223,819,84	1,352,383,133,846,45	1,471,451,137,711,02
Economic Value Retained after Dividend	1,128,135,223,819,84	1,117,676,133,846,45	1,326,436,137,711,02



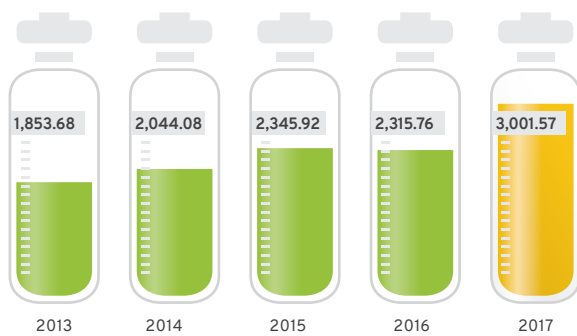
Received Economic Value	2014	2013
Revenue	2,044,080,451,981,35	1,853,681,642,504,00
Interest Revenue	34,078,135,784,95	14,163,439,166,9
Revenue Difference Exchange Foreign Currency rate	70,215,332,574,45	127,501,194,468,28
Other Revenue	2,162,710,819,395,52	2,006,519,471,455,59
Total	4,311,084,739,736,27	4,001,865,747,594,77
Distributed Economic Value	2014	2013
Company Cost (Supplier)	384,040,580,209,73	314,678,070,443,31
Employee Salary		
Services Department	914,469,820,57	1,361,206,594,59
Production Department	135,683,819,864,20	112,335,894,655,17
General & Administration Department	204,508,523,918,98	173,050,921,211,93
R & D Department	17,255,650,062,79	15,243,912,172,36
Employee Salary	358,362,463,666,54	301,991,934,634,05
Spending for the Government		
Dividend	228,987,287,000,00	77,178,377,000,00
Agency tax	193,708,875,403,63	206,121,365,000,00
Total Spending for the Government	422,696,162,403,63	283,299,742,000,00
Spending for the Community		
Environment Development	4,061,787,035,00	5,489,909,000,00
Social Community Donations	1,650,420,366,00	1,367,928,971,00
Total Spending for the Community	5,712,207,401,00	1,367,928,971,00
Total Distributed Economic Value	893,130,251,277,27	847,025,221,048,36
Economic Value Retained before Dividend	1,414,595,568,118,25	1,388,481,537,407,23
Economic Value Retained after Dividend	1,269,580,568,118,25	1,159,494,250,407,23

Received Economic Value
[In Billion Rupiah]



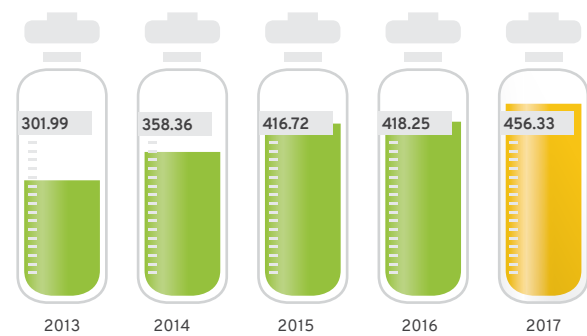
In the last five years, the revenue figure trend has experienced a decline. This was because of the decline in miscellaneous revenue. However, when observed from the earned net revenue resulting from the sales to consumers, the net revenue had experienced an upward trend as seen in the following diagram:

Net Revenue
[In Billion Rupiah]



In 5 years, the distribution of economic value to suppliers has experienced a significant increase amounting to 310.9 % in 2017 in comparison to 2013.

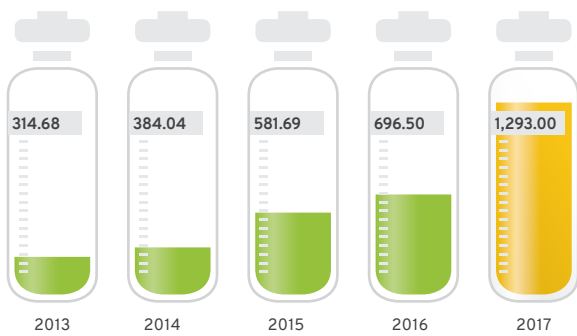
Distribution of Employees
[In Billion Rupiah]



In 5 years, the net revenue of Bio Farma has increased quite significantly in 2017 in comparison to 2013.

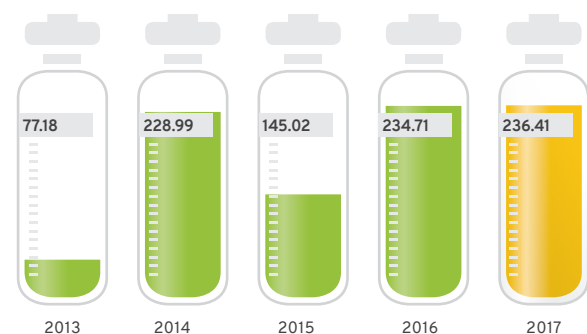
In five years, the distribution of economic value to suppliers has increased significantly at 51.11 % in 2017 in comparison to 2013.

Distributed Economic Value
Distribution of Suppliers [In Billion Rupiah]



The distribution of economic value received by the employees in the form of salaries and other services has continued to increase in the last five years. This trend will positively affect the employees' economic condition and will create a chain effect in the regional as well as national economy. The more the employees' income increase, the better are their welfare levels. In this case, the Company contributed to the achievement of sustainable development goals, especially point 8, on Proper Work and Economic Growth.

Distribution to the Country
Dividend Payment
[In Billion Rupiah]



As a State-Owned Enterprise whose share is 100% owned by the Government of the Republic of Indonesia, the Government annually receives company profit in the form of dividends whose proportion is set in the GMS. Not the whole company profit is dedicated as a dividend. A proportion of the revenue is detained for company development. Although there is a policy on profit detention profit to finance company expansion, Bio Farma continues trying to give a significant impact to the country. The trend for the past five years has indicated that dividend payment from Bio Farma to the country has experienced increase annually with the exception of 2015 which was a decrease of 36.7% of the previous year took place. However, dividend payment revived in 2016 to 61.85% and in 2017 by 0.73% amounting to Rp236,410,000,000 from Rp234,707,000,000 in 2016.

The assessment on the Fund Disbursement Effectiveness through the Partnership Program and Loan Return Collectibility in accordance with the Decree of the Minister of State Owned Enterprises No. Kep-MBU/2002 dated June 4th, 2002, on the Soundness Assessment of State-Owned Enterprises is as follows:

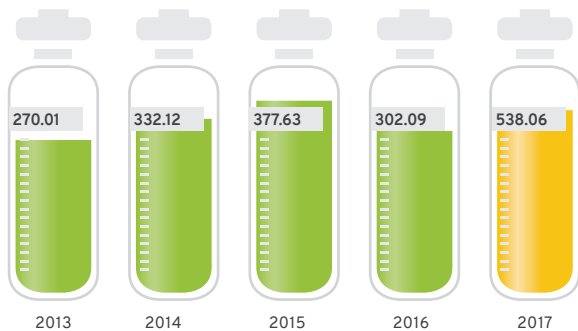
A. EFEKTIVITAS PENYALURAN

Description	2017 (Audited)	2016 (Audited)	2015 (Audited)	2014 (Audited)	2013 (Audited)
Distribution Effectiveness	97.08%	32.86%	86.44%	90.07%	15.87%
Score	3	0	2	3	3

B. COLLECTIBILITY LEVEL

Description	2017 (Audited)	2016 (Audited)	2015 (Audited)	2014 (Audited)	2013 (Audited)
Distribution Effectiveness	75.77%	59.95%	76.30%	75.72%	71.03%
Score	3	2	3	3	3

Tax Payment
[In Billion Rupiah]



In terms of the impact of State revenue for tax payment, Bio Farma is committed to complying and remain up-to-date in tax payment as demonstrated by the appreciation awarded by the government. Bio Farma was honored as one of 24 tax subjects that highly contributed towards the total tax revenue to the government in 2016.

DISTRIBUTION TO THE COMMUNITY
[GRI 203-2]

As a State-Owned Enterprise, the Government through The Ministry of SOEs requires Bio Farma to conduct Partnership Program and Community Development (PKBL). The program consisted of 2 parts i.e. the Program Partnership, and the

Community Development Program. In this part, we outlined the Partnership Program aiming to improve people’s economy. On the other hand, the Community Development Program is described in the chapter Bio Farma Berbagi.

Through the Partnership Program, Bio Farma has disbursed soft loans to the community to drive the economic growth with flat loan interest of 6% per annum. The distribution of loan through the Partnership Program along 2017 reached Rp16,719,370,000 disbursed to 137 Partners.

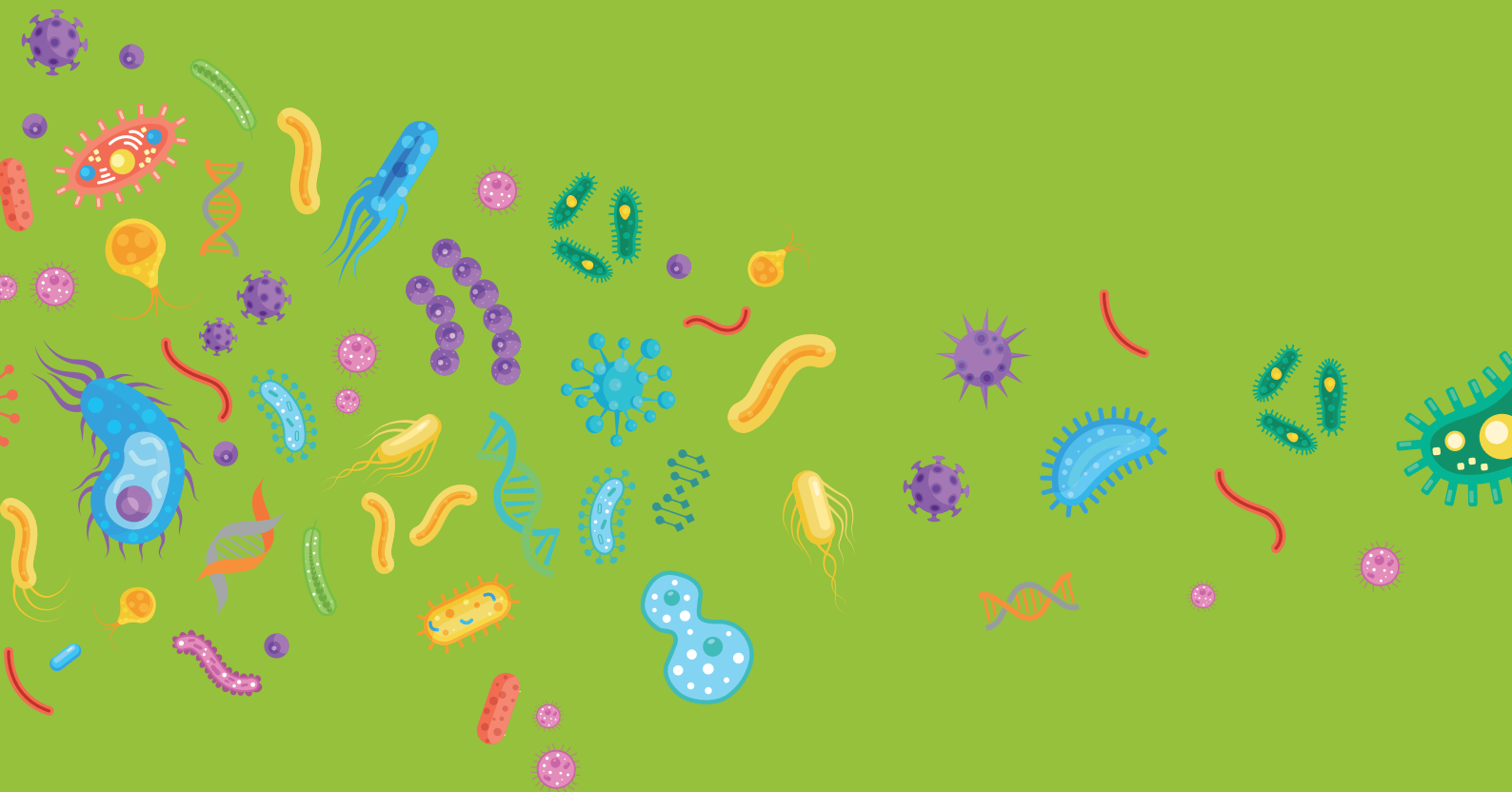
PARTNERSHIP PROGRAM IMPACT

The Partnership program indirectly impacted the economy of the local community. This program has created new work fields to reduce the number of unemployment. The company provides assistance for skill development (capacity building) and empowerment including administration, bookkeeping, marketing, human resource management, human characters and behaviours, as well as business development on effective and efficient for the partner candidates.

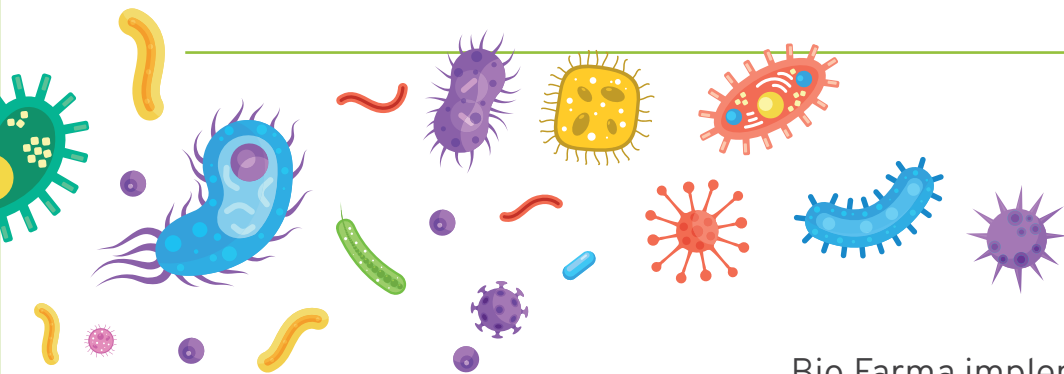
Education and training that have been implemented in 2017 were mainly aimed at improving administrative knowledge, bookkeeping, marketing, human resource management, character development and how to develop business effectively and efficiently. We also invite partners in seminars on “Finance, Branding, and Packaging” and “Online Marketing for the Actors in MSMEs.”

Learn more about our Partnership and Community Development Programs as presented in CSR Chapter on page 117.





Participation in Environmental Conservation



“

Bio Farma implements environmentally friendly policies in every decision of the Company's operational activities to establish a green economy. The focus of the aforementioned policies consisting of five things, which are green process, energy efficiency, water conservation and efficiency, waste management, and internalization of culture which support the environment.

Participation in Environmental Conservation



“ Bio Farma’s targets in the environmental management program overall are energy and natural resource efficiency, the comprehensive environmental management, excellent compliance to environmental management, and environmental management innovation programs.

Bio Farma implements environmentally friendly policies in every decision of the Company’s operational activities. The consistent implementation of the Company’s environmentally friendly policies demonstrates the measure of effort the Company is doing to establish a ‘green economy’. The Company’s goal is to realise a ‘green economy’. To achieve this goal the Company would utilize sustainability policies which comprise five areas:

- First, the Green Process, implements the green principle on all business processes from upstream to downstream. The Company implements raw material selection by selecting vendors that care about the environment, starting from the process of production, formulation, filling, packaging, until finally the handling of goods.
- Second, efficiency in energy use.
- Third, water efficiency and conservation by implementing the 4R principle (reduce, reuse, recycle, recovery).

- Fourth, waste management and waste sorting into five categories.
- Fifth, inviting participation from employees in order that they have a pro-environmental work culture and attitude that could also be adopted into their personal lives.

Bio Farma’s targets in the environmental management program overall are:

1. Energy and Natural Resource Efficiency through the Cleaner Production Process, starting from production planning, optimization of the production process, up to the waste management.
2. The Comprehensive environmental management of the air, liquid waste, solid waste, and hazardous waste that complies and is in accordance with government regulations.
3. Excellent compliance to environmental management in order to achieve operational efficiency and to display the Company’s commitment and responsibility to environmental and social issues.

4. Environmental management innovation programs as a form of continuous improvement in environmental management to ensure that the quality of our environmental management improves from year to year.

Bio Farma's strategic programs on pollution control and prevention are in line with Law No. 32 of 2009 on Environmental Protection and Management. Bio Farma also has a strict policy that specifies that the use of energy and natural resources must be done efficiently and effectively. The commitment to maintain environmental sustainability through establishing policies and implementing them within the Company's operations has been proven when the Company received the Gold rating in the annually-held PROPER award from the Indonesian Ministry of Environment and Forestry in 2014, 2015, 2016 and 2017. Consistently achieving awards from the efforts to become more environmentally friendly, Bio Farma demonstrates its commitment to contribute benefits not only to Bio Farma's employees, but also to society.

One of Bio Farma's main programs in the scope of global society is the mitigation of the Greenhouse Gas (GHG) emissions, which fully supports the Government of Indonesia's policy after the Paris Agreement 2015 to commit in mitigating the GHG emission by 26% by the year 2030. The forms of GHG emission mitigation effort within the Company's operational activities are efficiency and innovation during production process, in addition to energy saving programs. Bio Farma implements energy efficiency programs in all of the Company's operational activities by utilizing renewable energy, improving the quality of our equipment, redesigning production processes, reducing vehicle emissions, reducing electricity consumption at supporting facilities, as well as improving the management of operational vehicles.

ENERGY

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

The table below illustrates Bio Farma's electrical energy consumption in 2017 and the previous three years. All the energy was derived from non-renewable energy in the form of electrical energy, calculated based on PLN bills. Meanwhile, the amount of electricity from generators is calculated from direct reading on kWh meter from each generator. Recording the amount of kWh used from the generators is conducted every month by Bio Farma's electricity distribution section.

ELECTRICAL ENERGY CONSUMPTION (KWH) [GRI 302-1]

2017	2016	2015	2014
29,670,123	29,499,810	28,108,605	28,039,312

ELECTRICAL ENERGY CONSUMPTION IN 2017 (kWh)

Month	PLN I	PLN II	Genset
January	947,408	606,280	923,500
February	554,800	824,364	829,300
March	932,900	647,380	914,900
April	902,572	647,860	878,500
May	908,184	669,440	1,006,800
June	822,068	569,690	871,400
July	664,340	882,980	906,810
August	907,727	689,120	1,012,900
September	881,644	659,760	956,000
October	899,796	683,580	1,031,600
November	879,424	637,140	1,008,900
December	871,156	653,300	986,600
Total			29,670,123

The electrical power sources used at Bio Farma (Persero) are:

- The first is PLN-1 (State Electricity Company) with a 20 kV voltage, three-phase, 50 Hz frequency, and a capacity of 3465 kVA.
- The second is PLN-2 (State Electricity Company) with a 20 kV voltage, three-phase, 50 Hz frequency, and a capacity of 3465 kVA.
- The third is a 5 generator set, three that supply power amounting to 1,000 kVA, 3.3 kV, 50 Hz, while the other two supply 2,000 kVA, 3.3 kV, 50 Hz. These five generators operate inter-connectedly with PLN-1, while the other two generators operate inter-connectedly with PLN-2.

[GRI 302-1]

Electricity power at the Company could be supplied both from either PLN or the generators, regardless of the fact that Bio Farma's production and administration buildings are separated from one another. Bio Farma uses electricity from PLN-1 and two generators simultaneously at the Polio/Measles Vaccine Production Building and Filling Line-2 Production Building. In both buildings there are production machines or tools which are susceptible to electrical interference that might cause significant losses.

Meanwhile, for other buildings that are not susceptible to electrical interference, such as the Bacterial Vaccine Production Building, the Pilot Scale Building, and the Administration Building, they use power sources from PLN-1 and PLN-2. Nevertheless, the distribution network system is designed in order that in case of electrical interference on any of the two power sources, the other one could serve as a backup to supply electricity needed in Bio Farma.

ENERGY INTENSITY PER PRODUCT

[GRI 302-3]

RECAPITULATION OF ENERGY CONSUMPTION IN PRODUCTION AND SUPPORTING FACILITIES (kWh)

Type of Energy Consumption	2017	2016	2015	2014
Total Consumption	29,670,123	29,499,810	28,108,605	28,039,312
Consumption in Production	23,421,118.89	16,348,165.21	17,016,720.76	17,305,725.37
Consumption in Supporting Facilities	6,248,433.11	13,151,644.8	11,084,284.24	10,733,586.63

Energy intensity at Bio Farma is measured by the ratio between electrical energy consumption for the production process and the amount of production batches made in a year. Energy consumption data only uses electrical energy consumed in production, while the rest is electrical energy consumed at supporting facilities. Energy intensity per production is calculated using the formula: Total energy consumption (kWh) at production divided by the amount of production batch. The energy consumption intensity related to production in Bio Farma in 2014-2017 is as follows:

ENERGY INTENSITY RELATED TO PRODUCTION (kWh)

Notes	2017	2016	2015	2014
Energy consumption	23,421,118.89	16,348,165.21	17,016,720.76	17,305,725.37
Amount of production batch	1,261	1,317	1,337	12,727.5
Energy consumption intensity	18,573.45	12,413.19	12,727.5	13,170.26

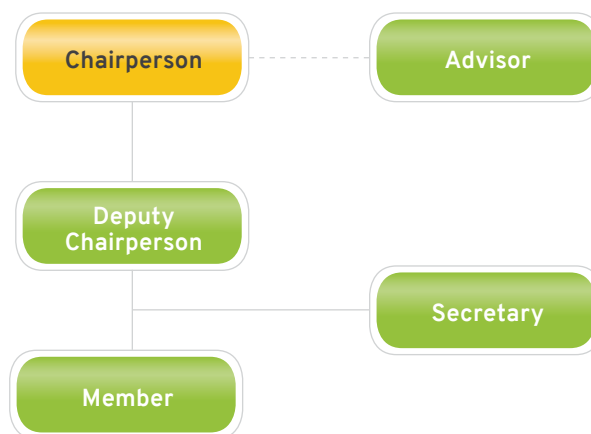
In 2017, there has been an increase to 15,612.98kWh/production batch in 2015 from 12,413.2 kWh/production batch in 2016. This is due to the Recombinant and Trial Production Building Qualification Process of BCG Vaccine Production Facility at New Building (Gd.36, Downstream Facility). However, it should be noted that we have other programs in energy efficiency efforts at all production processes.

WATER

Water is a basic resource for all human beings. The need for more water resources is increasing due to the increase of urbanization and industrialization. The increase in water demand which is not in line with the availability of water supply would cause a water crisis. Water crisis would become a real threat for future generations if current water consumers do not manage wisely the balance between the two factors above. Thus, the Company launches the strategy to participate in preserving water resources.

Considering the importance of water consumption, Bio Farma manages water resources as stated in the Company's official document of policy in terms of energy aspects. The statement "Energy and Natural Resource Saving" was established by the President Director of Bio Farma. Other forms of commitment to establish a water saving program were carried out by a special unit formed by the Board of Directors. The Energy Saving Team is in charge of preparing and implementing energy and water saving programs. This team is supported by related functions within Environmental Health and Safety (EHS) Department and all departments under Engineering and Maintenance Division. The team members are competent personnel in water management and efficiency and have received both internal and external trainings. The organizational structure of the water saving program team and the certifications of team members are shown in below.

The organizational structure of Bio Farma's Energy Saving Team.



In general the Energy Saving Team functions in overseeing the ongoing energy saving programs, planning energy efficiency programs, mapping energy consumption/usage, analyzing energy efficiency plan, and monitoring energy efficiency program implementation.

The establishment of the team is part of the Company's commitment to energy and natural resources saving to preserve the environment. Energy efficiency covers the consumption of water, electrical, diesel oil and steam energy.

TOTAL WATER USED BASED ON SOURCE [GRI 303-1]

Standards and methodologies used in calculating water consumption are:

1. PDAM water source: calculation of water consumption (m³) is based on monthly PDAM bills.
2. Artesian well source: calculation of water consumption (m³) is conducted by direct reading on flow meter tools set in every generator. Recording the number at the flow meter tools is consistent with the amount of water used every month.

Bio Farma uses two water sources: two pipelines that carry water from the Regional Drinking Water Company (PDAM) and 4 artesian wells. Total amount of water retrieved from the wells and PDAM is as follows:

Year	2017	2016	2015	2014
Usage (m ³)	202,753 2.3 %	207,635 6.1%	195,795 (8.1%)	213,246

From the table, it is shown that consumption in 2017 decreased by 2.3%, from previously 207,635 m³ to 202,753 m³.



TOTAL AMOUNT OF WATER USE FROM ARTESIAN WELLS AND PDAM IN 2014-2017

Year	Usage in 2014 (m ³)							
	Month	Well I	Well II	Well III	Well IV	PDAM I	PDAM II	
2014	January	525	2,899	13	862	8,892	2,971	
	February	513	2,646	11	773	9,801	832	
	March	555	2,531	14	731	9,226	1,424	
	April	528	3,058	715	883	7,860	1,790	
	May	491	2,273	1,415	618	6,264	1,899	
	June	572	2,968	2,388	937	13,190	2,672	
	July	573	2,469	2,294	1,159	21,498	2,252	
	August	561	2,340	2,844	2,221	9,268	2,830	
	September	648	3,793	3,660	3,579	6,378	669	
	October	705	3,498	2,744	3,608	5,743	-	
	November	577	2,986	1,815	3,053	4,679	4,300	
	December	668	3,605	1,819	3,043	3,859	1,768	
	Total			213,246				
2015	January	560	2,692	921	1,831	3,930	1,117	
	February	781	2,839	772	1,919	6,151	919	
	March	2,281	3,214	776	2,768	7,848	403	
	April	2,042	2,759	767	2,804	7,523	415	
	May	1,954	2,519	807	2,444	4,553	693	
	June	1,999	2,607	999	1,609	7,278	675	
	July	2,026	2,255	969	1,918	6,980	703	
	August	2,296	2,783	1,689	2,146	8,890	645	
	September	2,411	2,760	1,782	2,364	9,090	782	
	October	2,524	2,923	1,686	2,317	11,038	921	
	November	2,414	2,852	881	2,240	9,040	486	
	December	2,598	3,048	936	2,375	8,191	667	
	Total			195,795				
2016	January	2,172	2,526	784	2,165	8,632	379	
	February	2,339	2,788	898	2,313	10,796	370	
	March	2,563	2,950	962	2,492	11,354	347	
	April	2,169	2,859	886	2,407	10,416	213	
	May	2,081	2,746	927	2,282	10,711	107	
	June	2,210	2,912	978	2,475	10,927	264	
	July	1,326	1,723	894	1,394	6,817	119	
	August	2,254	2,967	1,231	2,986	11,445	224	
	September	2,080	2,787	1,079	3,023	9,765	246	
	October	2,110	2,767	1,014	2,779	6,913	588	
	November	2,255	2,939	1,144	2,992	2,340	646	
	December	2,089	2,684	898	2,841	3,300	576	
	Total			207,635				
2017	January	2,274	2,875	879	2,954	6,330	417	2,358
	February	2,129	2,750	924	2,757	7,088	324	2,891
	March	2,310	2,902	2,149	3,182	6,918	512	3,936
	April	1,890	2,324	1,925	2,324	5,686	384	2,739
	May	1,436	3,273	644	2,040	6,436	315	3,037
	June	1,032	1,559	480	1,958	6,076	155	2,176
	July	1,488	1,111	1,536	1,993	7,703	355	5,699
	August	857	1,949	1,562	2,997	8,849	245	5,247
	September	0	1,747	987	1,553	7,456	204	6,005
	October	0	1,761	1,116	0	7,077	423	4,825
	November	757	450	1,214	1,470	3,937	648	361
	December	1,705	747	970	1,879	3,909	887	2,326
	Total			202,753				

EMISSIONS

Bio Farma pays special attention to the menace of global warming related to the efforts of global warming management through greenhouse gas (GHG) mitigation. Bio Farma's concern is in line with the government's regulation which aims to achieve 26% reduction in GHG emissions by 2030 for the welfare of the Indonesian people and the Global society. Therefore, Bio Farma participates in controlling GHG emissions and other air emissions as a form of responsibility to the Company's operational impacts on the environment. Bio Farma has a high commitment to carry out operational activities that supports an efficient and environmentally-friendly green industry. This green industry commitment is demonstrated not only through compliance with laws and regulations in the environmental sector – one point of the nine policies of our Company, but also through implementing higher standards (beyond compliance) than what is required by the laws and regulations on environmental management.

The environmental management program is implemented throughout the year and spans for 5 years. Results from important aspects and impact identifications from each work unit would be analyzed and classified according to program priorities. Emission mitigation efforts that Bio Farma takes are, among others, air pollution control, the liquid and solid waste reduction, energy efficiency and water efficiency.

The amount of emission load from each parameter is calculated by multiplying the emission load of each parameter with the Global Warming Potential (GWP) value, in order that we could get the value of the emission load which might have a potential contribution in Global Warming in tonne equivalent CO₂. GWP value for CO₂ parameter is 1, for CH₄ is 0.021, and for N₂O is 0.310.

The table below describes our GHG emission in 2016 and 2017 that were resulted from Bio Farma's operational activities. The sources of direct GHG emissions (Scope 1) were from the boiler, generators and incinerator. Measuring GHG parameters in each emission source was done by an accredited laboratory, using the grab sampling method on each exhaust stack of boiler, generator and incinerator as observation point.

DIRECT GHG EMISSIONS IN 2017 [GRI 305-1]

Name	Parameter	Emission Load in 2017		Emission Load in 2016	
		Emission Load (Tonne/Year)	Emission Load (Tonne Eq. CO ₂ /Year)	Emission Load	Emission Load
Source of Emission		(Tonne)	(Tonne)	(Tonne)	(Tonne)
Boiler	CO ₂	4,320.14	4,320.13833	4.94148	4.94148
	CH ₄	0.1749	4.3726	0.00022	0.00540
	N ₂ O	0.03498	10.42430	0.00034	0.10124
Genset	CO ₂	8,554.99	8,554.99	8.75407	8.75407
	CH ₄	0.34635	8.65889	0.00038	0.00957
	N ₂ O	0.06927	20.6428	0.00060	0.17935
Incinerator	CO ₂	194.32	194.31554	0.30539	0.30539
	CH ₄	0.00786	0.19667	0.00001	0.00033
	N ₂ O	0.00157	0.46887	0.00002	0.00626

Meanwhile, the source of indirect GHG emissions (Scope 2) was electricity consumption from PLN. CO₂ Emission Load generated by activities that used PLN electricity was calculated based on the US EPA 2011 eGRID 2010 Version 1.1 US Annual nonbase load CO₂ output emission rate, whose electricity emission factor is 8956 x 10⁻⁴ metric tonnes CO₂/kWh. Formula used for calculations is Emission = Energy Consumption x Emission Factor, and the boundary includes amounts of power from PLN (in kWh) used by Bio Farma during 2015. The data was retrieved from Bio Farma's utility usage report. According to the Decree of Indonesian Directorate General of Electricity no. 128 1105/600.4/2012, the emission factor for Java-Bali interconnection system is at 0.741 tonnes CO₂ eq/MWh.



DIRECT GHG EMISSIONS IN 2017 [GRI 305-2]

Year	Month	PLN Consumption (kWh)		Greenhouse Gas Emission (Tonne eq. CO ₂)	
		PLN I	PLN II	PLN I	PLN II
2014	January	1,295,736	637,328	893.49	439.48
	February	1,106,060	590,060	762.69	406.88
	March	1,209,804	660,472	834.23	455.44
	April	1,183,212	641,420	815.90	442.30
	May	1,186,672	707,876	818.28	488.12
	June	1,054,748	648,548	727.31	447.21
	July	977,040	632,848	673.73	436.39
	August	1,002,868	650,532	691.54	448.58
	September	1,011,228	667,676	697.30	460.40
	October	1,046,500	676,720	721.62	466.64
	November	887,408	772,052	611.92	532.38
	December	1,085,072	688,312	748.22	474.63
	Total	21,020,192		14.494,68	
2015	January	975,896	67,700	672.94	46.68
	February	859,816	618,800	592.89	426.70
	March	937,636	676,708	646.56	466.63
	April	880,388	661,132	607.08	455.89
	May	935,988	669,976	645.42	461.99
	June	858,888	625,140	592.25	431.07
	July	789,844	580,776	544.64	400.48
	August	789,844	580,776	544.64	400.48
	September	884,024	606,344	609.59	418.11
	October	946,604	696,680	652.74	480.40
	November	890,160	600,864	613.82	414.33
	December	832,244	474,348	573.88	327.09
	Total	17,440,576		12.026,32	
2016	January	894,870	562,356	617.07	387.78
	February	894,400	569,720	616.74	392.86
	March	1,000,300	666,492	689.77	459.59
	April	915,330	641,280	631.17	442.20
	May	972,980	642,488	670.93	443.03
	June	856,890	635,844	590.88	438.45
	July	837,900	616,996	577.78	425.46
	August	978,600	832,368	674.80	573.97
	September	850,100	637,828	586.19	439.82
	October	984,100	595,748	678.60	410.80
	November	1,280,200	310,000	882.77	213.76
	December	1,079,500	609,676	744.38	420.41
	Total	18,865,966		13.009,22	

Year	Month	PLN Consumption (kWh)		Greenhouse Gas Emission (Tonne eq. CO ₂)	
		PLN I	PLN II	PLN I	PLN II
2017	January	947,408	606,280	702.03	449.25
	February	554,800	824,364	411.11	610.85
	March	932,900	647,380	691.28	479.71
	April	902,572	647,860	668.81	480.06
	May	908,184	669,440	672.96	496.06
	June	822,068	569,690	609.15	422.14
	July	664,340	882,980	492.28	654.29
	August	907,727	689,120	672.63	510.64
	September	881,644	659,760	653.3	488.88
	October	899,796	683,580	666.75	506.53
	November	879,424	637,140	651.65	472.12
	December	871,156	653,300	645.53	484.1
	Total	18,342,913		13592.11	

EMISSION INTENSITY OF GREENHOUSE GAS [GRI 305-4]

In 2017 we succeeded in mitigating emissions of gas and pollutants, including CO₂, CH₄ and N₂O. Intensity of GHG emissions was calculated from the amount of GHG emissions generated from production activities per amount of production batch for a year. Bio Farma's GHG emission intensity in 2017 is shown in table below.

EMISSION INTENSITY OF CO₂

Data	2017	2016	2015	2014
Total emission of CO ₂ (tonne CO ₂ eq.)	13,060	13,023,22	12,038.04	14,505,146
Amount of production batch	1,261	1,317	1,337	1,314
Emission intensity	10.36	9.89	9.00	11.04

EMISSION INTENSITY OF CH₄

Data	2017	2016	2015	2014
Total emission of CH ₄ (tonne CO ₂ eq.)	0.01323	0.0153	0.01317	0.0111
Amount of production batch	1.261	1.317	1.337	1.314
Emission intensity	0.0000105	0.0000116	0.0000098	0.0000084

EMISSION INTENSITY OF N₂O

Data	2017	2016	2015	2014
Total emission of N ₂ O (tonne CO ₂ eq.)	0.03154	0.28684	0.24668	0.20787
Amount of production batch	1,261	1,317	1,337	1,314
Emission intensity	0.0000250	0.000218	0.000185	0.000158

GREENHOUSE GAS EMISSION REDUCTIONS [GRI 305-5]

There are two sources of emission in Bio Farma. Related to production processes, Bio Farma uses a generator, set/ diesel generator, and a boiler. Related to supporting processes, Bio Farma also uses an incinerator. To reduce emission of conventional contaminants such as particulates CO, SO₂ and NO₂, Bio Farma conducts preventive maintenance and overhaul periodically for machines that have become emission sources.

However, efforts to mitigate emission mitigation were still fluctuating, with an increase of less than one point in 2017 (0.4 point). Compared to the previous year, the amount of GHG emission increased to 10.3 tonnes CO₂ Eq./production batch in 2017.

NOX, SOX, AND OTHER AIR POLLUTANTS [GRI 305-7]

There are two sources for conventional exhaust gases (Gas Buang Konvensional or GBK), namely from production processes that use generators and the boiler, and production processes that use an incinerator.





**TOTAL EMISSION FROM PRODUCTION (TONNES/YEAR)
-GENERATORS**

Parameter	2017	2016	2015	2014
Particles	6.83	32.57	67	93.10
SO ₂ (is a part of SO _x , measurements were conducted in accordance with regulations.)	33.03	7.78	340.63	14.46
NO ₂ (is a part of NO _x , measurements were conducted in accordance with regulations.)	74.09	76.51	530.38	185.87
CO (Carbon monoxide, measurements were conducted in accordance with regulations)	35.74	539.22	293.12	575.79

**TOTAL EMISSION FROM PRODUCTION (TONNES/YEAR)
-BOILER**

Parameter	2017	2016	2015	2014
Particles	2,11	4,92	34,18	44,22
SO ₂	1,58	0,55	3,44	0,34
NO ₂	21,35	0,55	42,87	108,19

**TOTAL EMISSION FROM SUPPORTING PROCESS
EMISSION SOURCES - INCINERATOR (KG)**

Parameter	2017	2016	2015	2014
Particles	334.27	66.23	96.79	186.84
SO ₂	650.1	11.93	192.81	372.26
NO ₂	1892.6	57.30	44.47	83.45
CO ₂	744.13	157.49	337.67	359.03

Emission values of each parameter were obtained by using grab sampling on each observation point, conducted by accredited laboratories. The sampling at the boiler and the generator takes place every 6 months and at the incinerator, every 3 months.

LIQUID WASTE AND EFFLUENT
[GRI 306-2]

Bio Farma implements higher compliant standards than required by environmental management regulations. This is a manifestation of Bio Farma’s commitment to pollution control and natural resource efficiency as a form of corporate social responsibility to the community and the environment.

Liquid waste and effluent control is one of Bio Farma’s priorities and a form of the pollution prevention program. The environmental management program is implemented throughout the year and spans 5 years. Results from important aspects and impact identifications from each work unit would be analyzed and classified according to program priorities for more focused implementation.

The table of data on liquid waste data in 2014-2017 is as follows:

TOTAL WASTE

LIQUID WASTE (M³/MONTH)

Year	Total
2017	30,428
2016	25,788
2015	24,397
2014	15,768

Bio Farma has a liquid waste processing system that works to make the liquid waste from processing meet the required quality standard. The liquid waste produced from production processes, testing and other supporting processes, that contain microorganism and toxin must first be disinfected in the killing tank before being channeled to Waste Water Processing installation. Monitoring and Measurement are carried out periodically to ensure that the liquid waste processing runs optimally.

The waste which is not categorized as Hazardous and Toxic Substance is processed in several phases, i.e. from collections, sorting based on waste type, transport to Temporary Landfill (TPA) and transport to Final Landfill (TPA) in cooperation with the Municipal Cleaning Service Company of Bandung.

PRODUCTION AND SERVICE MITIGATING ENVIRONMENTAL IMPACTS OF PRODUCTS

Bio Farma's efforts to manage environmental impacts of our products are done by making a Pentabio vaccine, a combination of 5-vaccines (Diphtheria, Tetanus, Pertussis, Hepatitis B, and Hib) in one packaging. With the Pentabio vaccine, we achieve reduction on the use of leaflet and carton packaging, compared to separate vaccine manufacturing.

Comparison of non-hazardous waste generated from Pentabio innovation is as follows:

PRODUCTION OF PENTABIO VACCINE

Pentabio	5 Dosage	1 Dosage
Total Production (vial)	4,982,563	181,130
Total Dosages	24,912,815	181,130
Total Dosage in 2017	25,093,945	57,30
Packaging Weight per Box (gram)	19	17
Packaging Waste	9,466,870	344,147
Total Waste (gram)	9,811,017	

PRODUCTION OF DIPHTHERIA (DTP), HEPATITIS B (HEP B) AND HIB VACCINES WITH SAME DOSAGE

Production of DTP, Hep B, Hib Vaccines	DTP	Hep B	Hib
Total Boxes	2,509,394	2,509,394	2,509,394
Packaging Weight (gram)	20	17	17
Packaging Waste	50,187,880	42,659,698	42,659,698
Total Waste (gram)	135,507,276		

COMPARISON OF PENTABIO VACCINE AND DTP + HEP B + HIB VACCINES PACKAGING WASTE

Pentabio innovation also allows for hazardous waste reduction, due to reduction in the weight of packaging compared to hazardous waste from production of DTP, Hep B and Hib vaccines with same dosage. The following is a comparison of a Pentabio vaccine packaging weight with DTP + Hep B + Hib:

Vaccine	Total Waste (Tonne)
DTP + Hep B + Hib	135.5
Pentabio	9.81
Percentage of Reduction due to Innovation	93%

In 2017, this innovation brought energy saving amounting to 92.26 MWh/batch.



Year	Batch	Before innovation		After innovation		Savings/Year
		MWh/Batch	MWh/Tahun	MWh/Batch	MWh/Year	MWh/Batch
2016	22.0	3.661	80.54	0.778	17.12	63.43
2015	43.5	3.661	159.25	0.778	33.84	125.41
2014	40.0	3.661	146.44	0.778	31.12	115.32
2017	32	3.661	117.15	0.778	24.90	92.26

Pentabio vaccines could also save energy, if compared to total energy used in production of other types of vaccines. Prior to this innovation, total energy use in DTP vaccine production was 1.23 MWh/batch, 1.221 MWh/batch in Hep B vaccine production, and 1.21 MWh/batch in Hib vaccine production. The total energy consumed to produce five vaccines is 3.661 MWh/batch. After we had the Pentabio innovation, the total energy consumed to produce Petanbio vaccine, which was equal to the 5-vaccines, is now only 0.778 MWh/batch.

The combined vaccine could also save water for production operations, compared to the production of separate vaccines. In general, water needs for production is approximately 1,740.6 m³/year, while for the combined vaccine production, it is approximately 580.2 m³/year. Thus, water could be saved by 66.67% or approximately 1,160 m³/year.

WATER CONSUMPTION IN PRODUCTION

	DTP+HiB+Hep B	Pentabio	Reduction
Water Consumption in Production (m ³ /tahun)	1,740.6	212.74	1,527.86
Water Pollution Load (m ³ /tahun)	1,217.28	167.55	1,049.73

COMPLIANCE

Bio Farma sets the target of becoming a green vaccine industry. In order to pursue this, Bio Farma implements an environmental management strategy based on the Environmental Management System ISO 14001 standards that are LRQA- (Lloyd’s Register Quality Assurance) certified since 2005.

The strategy comprises several phases. Further, our environmental management is based on a (Plan, Do, Check and Act) cycle, in order to have a good quality environmental management that continually improves. Bio Farma also implements clean production principles to minimize waste and environmental impacts due to the Company’s operational activities. The principles have been implemented, which had

started from the planning stage during the raw material procurement. Bio Farma carefully selects vendors that 100% implement their own environmental management and that offer environmentally-friendly products. [GRI 308-1]

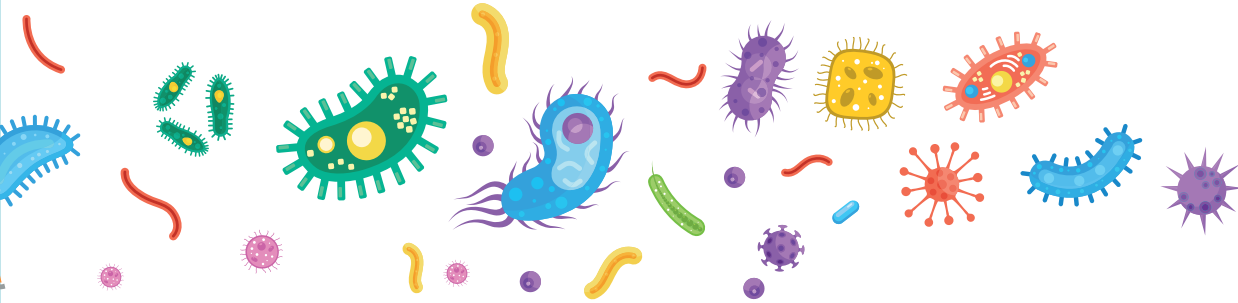
FINES AND SANCTIONS FOR NONCOMPLIANCE WITH ENVIRONMENTAL LEGISLATION AND REGULATIONS

Environmental pollution control is conducted through the management on liquid waste, solid waste, hazardous waste, and air pollutants. Results from these environmental management efforts are then monitored by an independent laboratory, which conducts an environmental monitoring activity in accordance with an established schedule and regulations (a monthly monitoring for water waste, a quarterly monitoring for emissions from an incinerator, and a per semester monitoring for emissions from generators and boilers). Results from environmental quality assessments would then be compared to standards of quality specified in applicable regulations, in order to be able to evaluate the environmental management’s performance quality.

Pollution monitoring is conducted regularly over all parameters specified by rules and regulations. In this matter, Bio Farma is categorized as beyond compliant. This achievement is recognized by the Green PROPER rating that Bio Farma gained six times and a Gold PROPER rating for the period of 2013-2014, 2014-2015, 2015-2016, and 2016-2017. Results from the pollution monitoring process has fulfilled applicable quality standards, and none of them exceeds the specified parameters. In other words, Bio Farma is a company that complies to the applicable rules and regulations, even in establishing excellent standards in environmental management. Bio Farma expects to continue maintaining and improving its performance in environmental management, so that it could set an example for the national industry. During reporting period, Bio Farma has never received any sanctions or punishments for non-compliance on rules and regulations; in other words, Bio Farma has complied with all environmental requirements. [GRI 307-1]







Resilient and Quality Bio Farma Individuals

“

Bio Farma always strives to provide a healthy work environment, comfortable atmosphere, and a workplace that brings out the best of its employees. We offer excellent facilities and competitive salaries, on top of training programs to further develop every employee. We understand our people is our most important asset in running the business.

Resilient and Quality Bio Farma Individuals



Bio Farma implements the principle of equality and non-discrimination in the recruitment, training, career development, performance assessment, and remuneration of its employees. We realize that diversity is an asset for the company. Diversity in background, age, personality, and culture offers pragmatic creativity and useful viewpoints for the company. We also always prioritize recruiting the best talents in order to develop better company performance.



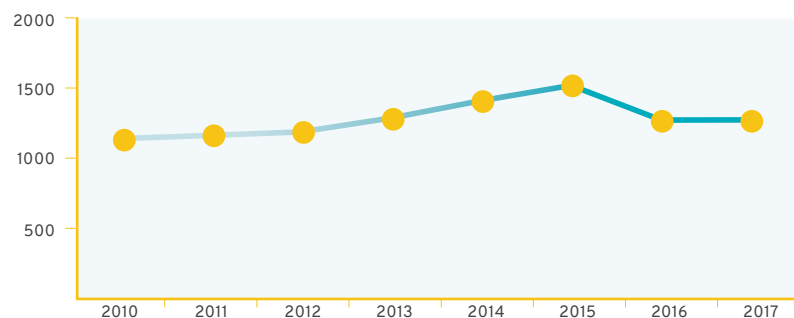
The most important asset of any company is its people: they operate machines, analyze data, serve customers, and ensure the company is operating at full stride. Bio Farma always strives to provide a healthy work

environment, comfortable atmosphere, and a workplace that brings out the best of its employees. We offer excellent facilities and competitive salaries, on top of training programs to further develop every employee.

BIO FARMA EMPLOYEE STATISTICS

NUMBER OF BIO FARMA EMPLOYEES

2010	2011	2012	2013	2014	2015	2016	2017
1,185	1,208	1,232	1,329	1,450	1,557	1,315	1,316



Bio Farma's workforce declined 0.08% (1 employee) in 2017 compared with the previous year.

EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT AND GENDER [GRI 102-8]

	Male		Female		Total
	2016	2017	2016	2017	2017
Permanent	903	915	268	271	1,186
Contract	79	71	65	59	130
Total	982	986	333	330	1,316

EMPLOYEES BY STATUS OF EMPLOYMENT CONTRACT [GRI 102-8]

	Male		Female		Total
	2016	2017	2016	2017	2017
Full-time	903	915	268	271	1,186
Part-time	79	71	65	59	130
Total	982	986	333	330	1,316

We do not differentiate employees by area since we only have one business area. The data is compiled based on data retained by our Human Resources Department and employee attendance.

DISTRIBUTION OF EMPLOYEES BY GENDER

FULL-TIME EMPLOYEES

Gender	2017		2016		2015		2014		2013	
	Total	%	Total	%	Total	%	Total	%	Total	%
Male	915	77.15	903	77.11	880	78.08	810	78.72	747	78.38
Female	271	22.85	268	22.89	247	21.92	219	21.28	206	21.62
Total	1,186	100	1,171	100	1,127	100	1,029	100	953	100%

CONTRACT EMPLOYEES

Gender	2017		2016		2015		2014		2013	
	Total	%	Total	%	Total	%	Total	%	Total	%
Male	71	54.61	79	54.86	336	78.14	354	80.27	318	84.57
Female	59	45.39	65	45.14	94	21.86	87	19.73	58	15.43
Total	130	100	144	100	430	100	441	100	376	100%

DISTRIBUTION OF EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT

Status	2017		2016		2015		2014		2013	
	Total	%	Total	%	Total	%	Total	%	Total	%
Permanent	1,186	90,12	1,171	89,05	1,127	72,38	1,029	70	953	71,71
Contract	130	9,88	144	10,95	430	27,62	441	30	376	28,29
Total	1,316	100	1,315	100	1,557	100	1,470	100	1,329	100

The majority, or 90.12%, of our employees are full-time permanent employees. Contract employees are usually employed who act as a supporting function for companies such as security, cleaning/housekeeping, public services and facilities.



DISTRIBUTION OF EMPLOYEES BY LENGTH OF SERVICE

Age	2017		Total	2016		2015		2014		2013	
	Total	%		Total	%	Total	%	Total	%	Total	%
0-5	421	35.50	443	37.83	443	39.31	333	32.36	316	33.16	
6-10	238	20.07	220	18.79	198	17.57	261	25.36	194	20.36	
11-15	192	16.19	189	16.14	172	15.26	162	15.74	174	18.26	
16-20	140	11.80	148	12.64	150	13.31	119	11.56	118	12.38	
21-25	94	7.93	89	7.60	91	8.07	79	7.68	68	7.14	
26-30	54	4.55	43	3.67	31	2.75	48	4.66	54	5.67	
> 31	47	3.96	39	3.33	42	3.73	27	2.62	29	3.04	
Total	1,186	100	1,171	100	1,127	100	1,029	100	953	100	

DISTRIBUTION OF EMPLOYEES BY AGE GROUP

Age	2017		Total	2016		2015		2014		2013	
	Total	%		Total	%	Total	%	Total	%	Total	%
<20	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	
21_25	57	4.81	75	6.40	74	6.53	43	4.18	27	2.83	
26_30	239	20.15	253	21.61	250	22.07	221	21.48	193	20.25	
31_35	243	20.49	237	20.24	221	19.51	228	22.16	210	22.04	
36_40	204	17.20	194	16.57	188	16.59	165	16.03	172	18.05	
41_45	161	13.57	174	14.86	197	17.39	201	19.53	189	19.83	
46_50	178	15.01	147	12.55	125	11.03	112	10.88	112	11.75	
>51	104	8.77	91	7.77	78	6.88	59	5.73	50	5.25	
Total	1,186	100	1,171	100	1,133	100	1,029	100	953	100	

The majority of our employees, or 66.27%, are in the 30-50 year old productive age group. However, we value our senior employees older than 50 years old for their valuable experience.

DISTRIBUTION OF EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT AND EDUCATION

Education	2017				2016				2015		2014	
	Full-time		Contract		Full-time		Contract		Total	%	Total	%
	Total	%	Total	%	Total	%	Total	%				
S3	4	0.34	1	0.77	3	0.26	1	0.69	1	0.09	1	0.10
S2	131	11.04	0	0.00	127	10.84	1	0.69	49	4.35	44	4.28
S1	395	33.31	38	29.23	363	31	49	34.03	282	25.02	262	25.46
D3	212	17.87	91	70	210	17.93	92	63.89	220	19.52	189	18.37
SLTA	444	37.44	0	0.00	468	39.97	1	0.69	575	51.02	533	51.80
Total	1,186	100	130	100	1,171	100	144	100	1,127	100	1,029	100

EMPLOYEE TURNOVER

Employee turnover is inevitable. Although it is important to refresh the workforce, an exceedingly high turnover rate is detrimental since the company has to train new employees. Bio Farma boasts a low rate of employee turnover: 64.50% of employees have worked with us for more than 5 years.

RECRUITING THE BEST TALENTS

Recruiting the best talents is our priority to strengthen the company's performance. We choose the best people with the best skills for any given position. Our recruitment process is transparent and non-discriminatory and open to anyone who meets our requirements. To reach out to the best candidates,

our job vacancies are posted in various media, both print and electronic, national and local. We also announce career opportunities in the BUMN portal, radio, Facebook, Twitter, job fairs, and in roadshows to universities.

In 2017, the turnover rate decreased by 0.08% compared with the previous year, although most were mandatory resignations at retirement age. The following table describes employee recruitment and change.

EMPLOYEE RECRUITMENT BY AGE GROUP AND GENDER [GRI 401-1]

	2016		2017	
	Male	Female	Male	Female
Under 30 years old	35	22	14	8
30-50 years old	-	1	1	-
More than 50 years old	-	-	-	-

EMPLOYEES TURNOVER BY AGE GROUP AND GENDER [GRI 401-1]

	2016		2017	
	Male	Female	Male	Female
Under 30 years old	-	1	-	2
30-50 years old	5	-	3	3
More than 50 years old	7	1	-	-



REASON FOR TURNOVER

Reason	2017		2016		2015		2014	
	Male	Female	Male	Female	Male	Female	Male	Female
Resignation	-	5	-	1	3	4	-	2
Voluntary Retirement	-	-	7	-	4	-	4	1
Retirement	2	-	5	1	5	-	5	3
Early Retirement	-	-	-	-	1	-	-	-
Deceased	1	-	-	-	1	-	2	-
Total	3	5	12	2	14	4	11	7

EMPLOYEE WELFARE

We give considerable attention to our employees' welfare through a competence-based and fair remuneration system. There are three factors that we consider in determining employee remuneration: education, length of service, and grade. In addition, we consider the following factors when promoting an employee:

1. If an employee passed away while in service, we promote the employee by one grade. In that, if passing away while in service, the pension is calculated based on one grade higher.
2. If an employee has reached the maximum mandatory retirement age and has been in a certain grade for two years, satisfied corporate requirements, we promote the employee by one grade, again for pension purposes.

Our remuneration system exceeds government legislation. Furthermore, the lowest wage paid by Bio Farma exceeds the Municipal Minimum Wage (UMK) set by the government. The District Minimum Wage standard that we use is Bandung's, considering our operating location is only in one area, namely in Bandung City. Our base salary standard is relatively higher compared with minimum wage standards. In addition, we never differentiate pay for male and female employees at any level, or compared 1:1. [GRI 405-2, GRI 202-1]

WORK-LIFE BALANCE

Work-life balance or balance between personal life and work becomes an important part of welfare for every worker. The ability to balance between professional life with other aspects of life (personal, family, social, spiritual, etc.) is highly needed for mental health and to avoid "burn out". More importantly, a balanced life can improve employee's productivity.

To that end, Bio Farma has established a team to draft the Paradigm.

GROSS MONTHLY SALARY BY POSITION AND GRADE

Position	Grade	2017		2016	
		Minimum	Maximum	Minimum	Maximum
Head of Division	8-3	24,964,040	32,671,310	24,860,040	32,586,257
Head of Department	6-2	14,967,041	24,024,156	16,311,229	23,989,161
Head of Section	12-2	10,356,260	20,122,698	9,439,720	19,548,659
Staff	9-5	6,908,530	10,955,685	4,552,991	11,046,718
Junior Staff	13-5	5,378,450	13,903,432	3,789,471	13,801,195
Duty Officers	17-7	5,170,749	11,719,400	5,184,660	11,962,839

Position	Grade	2015		2014	
		Minimum	Maximum	Minimum	Maximum
Head of Division	8-3	17.830.990,32	30.975.418,00	16.375.882,51	28.061.153,06
Head of Department	6-2	12.150.720,68	26.106.116,32	10.150.210,22	19.908.163,10
Head of Section	12-2	6.074.463,20 6	18.388.485,34	5.702.800,94	16.630.632,94
Staff	9-5	5.470.968,26	9.471.682,84	5.304.889,20	8.370.588,75
Junior Staff	13-5	5.164.770,00	13.163.544,20	3.593.057,59	11.135.666,57
Duty Officers	17-7	3.971.732,89	10.865.530,20	2.612.565,80	9.104.162,42

In addition to their take home pay, we offer our employees a number of lucrative allowances aimed to supplement their income, especially the government-mandated allowances.

ALLOWANCES BY TYPE OF EMPLOYMENT STATUS [GRI 401-2]

Allowance	Permanent	Contract
Religious Festivities (Hari Raya) Allowance	✓	✓
Benefits	✓	✓
Education Allowance	✓	-
Performance & Service Allowance	✓	-
Tax Allowance	✓	✓
Housing Allowance	✓	-
Annual Leave Allowance	✓	-
Extended Leave Allowance	✓	-
Uniform Allowance	✓	-
Production Service	✓	✓

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING AGREEMENTS

[GRI102-41, GRI402-1]

Bio Farma highly respects its employees' rights to freedom of association to an organization that, together with the management, bargains and arranges for acceptable work conditions that fosters their wellbeing and performance. The cooperation is conducted through a Bipartite Cooperation Body (LKS, Lembaga Kerja Sama), whose members consist of the Employees' Union and corporate representatives pursuant to the Directorial Decree No. 01395/DIR/III/2013. Topics discussed by the LKS, such as employee discipline and sanction appeals, are detailed in the Collective Bargaining Agreement (PKB, Perjanjian Kerja Bersama). The Bipartite LKS holds routine meetings to discuss corporate policies

and hear employees' remarks. The LKS has proven to be an effective medium for employees to submit their suggestions, considerations, and opinions to the management regarding corporate policies. All employees are protected/represented in the collective bargaining system. Nonetheless, there are a number of topics that are yet to be agreed on, such as minimum notice period in case of fundamental changes, e.g. acquisitions, mergers, downsizing, or restructuring.

[GRI 102-41, GRI 402-1].

PRINCIPLE OF EQUALITY AND NON-DISCRIMINATION

We realize that diversity is an asset for the company. Diversity in background, age, personality, and culture offers pragmatic creativity and useful viewpoints for the company. Bio Farma implements the principle of equality and non-discrimination in the recruitment, training, career development, performance assessment, and remuneration of its employees. The following tables describe our workforce diversity based on gender:

DIVERSITY IN THE GOVERNANCE STRUCTURE AND EMPLOYEES BY GENDER [GRI 405-1]

	Male	Female
Board of Commissioners	4	-
Directors	5	-

	Male	Female
Heads of Department	77	36
Heads of Division	21	13
Heads of Section	134	84
Staff	77	60
Junior Staff	116	49
Duty Officers	490	29





DIVERSITY IN THE GOVERNANCE STRUCTURE AND EMPLOYEES BY AGE [GRI 405-1]

	Less than 30 years old	30-50 years old	More than 50 years old
Board of Commissioners	-	1	3
Directors	-	1	4

	Less than 30 years old	30-50 years old	More than 50 years old
Heads of Department	-	102	11
Heads of Division	-	19	15
Heads of Section	4	177	37
Staff	76	61	0
Junior Staff	97	67	1
Duty Officers	63	416	40

In 2017, as an enhancement to Bio Farma’s principle of equality and non-discrimination, we began opening access to employment for disabled people. Currently, there are 2 disabled employees working at Bio Farma.

Furthermore, the principle of equality and non-discrimination are implemented in career development and promotions as well. Promotions are vetted by an independent team, composed of various groups and competencies, to assess a

candidate by his/her merit, without any due consideration to his/her gender, religion, ethnicity, or race. Promotions are openly offered; every vacancy is announced on the corporate intranet such that every interested and competent employee could participate in the assessment and selection process. The Directors and assessment team then choose and nominate the best candidate for the vacancy. Bio Farma is also open to synergies with other State-owned Enterprises to fill in vacancies that requires certain qualifications and stringent requirements, for example vacancies in senior management. In 2017, there has been no incidents or complaints of discrimination lodged against Bio Farma. [GRI 406-1]

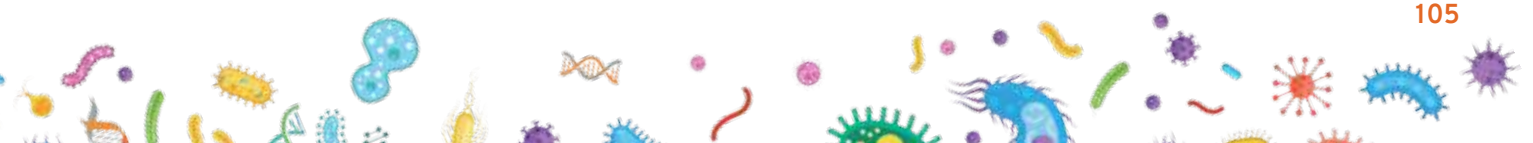
TRAINING AND DEVELOPMENT PROGRAMS [GRI 404-2]

Training improves not only an employees’ skills, but also builds their mental resilience and confidence. Confident employees are much more likely to contribute innovative ideas and thinking that benefits the company. As such, Bio Farma designs its training and development programs to continuously improve its employees’ competence.

We have prepared a number of trainings, both held internally and externally, in competence-building, skills certification, management, knowledge sharing, leadership development, and character building. Given the importance of continuous learning of new knowledge and technology for a life sciences company such as Bio Farma, we have sent a number of employees to obtain their postgraduate degrees. Currently, there are 17 employees studying for their postgraduate degrees.

REALIZATION OF TRAINING AND DEVELOPMENT PROGRAMS IN 2017

No.	From	To	Training Topic	Participants	Organizer	Location	Type
1	28-Aug-17	29-Aug-17	Activity Based Costing Methods	30	IAI West Java	Bandung	Technical
2	09-Jan-17	10-Jan-17	Actuarial Aspects and Accounting Aspects of PSAK 24 (Employee Benefits)	14	IAI West Java	Bandung	Technical
3	15-Nov-17	16-Nov-17	Balanced Score Card (BSC)	221	WIBI	Bandung	Managerial/Leadership
4	10-Apr-17	11-Apr-17	Technical Guidance in Graft Control	31	KPK	Bandung	Technical
5	04-Feb-17	10-Feb-17	Character Building Training	32	ELTAPS	Bandung	Managerial/Leadership
6	29-Aug-17	30-Aug-17	Core Values Internalization	108	ESQ Leadership Center	Bandung	Managerial/Leadership
7	22-Apr-17	23-Apr-17	Customer service oriented (CSO)	14	HCSS	Bandung	Managerial/Leadership
8	03-Apr-17	04-Apr-17	Effective Communication Skill	27	PT. Thames	Bandung	Managerial/Leadership
9	07-Sep-17	08-Sep-17	Financial Planning	180	MUVI	Bandung	Technical
10	13-Nov-17	13-Nov-17	Formulating & Implementing Wage Structure and Scale In Accordance With Regulation of the Minister of Manpower No. 1 Year 2017	15	Lembaga Informasi Peraturan Publik (Center for Information of Public Legislation)	Bandung	Technical
11	28-Nov-17	29-Nov-17	Financial Instruments PSAK 50, 55, 60 & PSAK 26	22	IAI Jabar	Bandung	Technical
12	08-Mar-17	09-Mar-17	Occupational Health and Safety and Environment	31	PT. Thames	Bandung	Technical
13	08-Aug-17	08-Aug-17	Consortium for the Development of Hepatitis B, TB, HPV, and Dengue Products	148	Consortium	Bandung	Technical
14	31-Jul-17	01-Aug-17	Consolidated Financial Statement	28	IAI Jakarta	Bandung	Technical
15	09-May-17	10-May-17	Leadership Training for Manager	120	KUBIK	Bandung	Managerial/Leadership
16	29-Sep-17	30-Sep-17	Letter of Credit	26	National Import Export Studies Center	Bandung	Technical
17	25-Sep-17	26-Sep-17	Enterprise Resource Planning (ERP)	79	Dynamic AX Trainer	Bandung	Technical
18	24-Jul-17	25-Jul-17	Retirement Preparation Training (MPP)	19	KUBIK	Bandung	Managerial/Leadership
19	18-Sep-17	18-Sep-17	Introduction to Data Sciences & People Analytics	20	PT. Bina Karir	Bandung	Technical
20	12-Oct-17	12-Oct-17	Mission Vision Value Meaning	27	Daya Dimensi Indonesia	Bandung	Managerial/Leadership
21	12-Apr-17	12-Apr-17	PROPER	22	CV. General	Gedung Pakarti Jakarta	Technical
22	03-Aug-17	03-Aug-17	Regulations concerning Imported Products	57	Retno Sri Utami	Bandung	Technical
23	18-Dec-17	18-Dec-17	Business Value Chain Process	67	IAI Jabar	Bandung	Managerial/Leadership
24	15-Jan-17	19-Jan-17	Qualitative and quantitative analysis of vaccines quality: validation, risk management and quality control of vaccines workshop	2	DVCMN	Bangladesh	Technical
25	27-Feb-17	17-Mar-17	Transfer engineering 250L downstream	2	ProBioGen	Germany	Technical



No.	From	To	Training Topic	Participants	Organizer	Location	Type
26	06-Mar-17	10-Mar-17	QP Series: pharmaceutical formulation & processing part 2	1	NSF International	United Kingdom	Technical
27	07-Mar-17	08-Mar-17	3 rd Anti-counterfeiting pharma 2017: identifying key strategies- next step toward safer medicines	1	Recunnect Linking Synergies	United Kingdom	Technical
28	19-Mar-17	25-Mar-17	Quality management, biosafety and facility design	2	DCVMN	Vietnam	Technical
29	20-Mar-17	31-Mar-17	Transfer engineering 250L downstream	2	ProBioGen	Germany	Technical
30	19-Mar-17	21-Mar-17	2017 ACFE fraud conference Europe	1	ACFE	London	Technical
31	06-Mar-17	31-Mar-17	Protein analysis and characterization	1	University of Melbourne	Australia	Technical
32	20-Mar-17	24-Mar-17	DCVMN-Vabiotech workshop on quality, biosafety and facility design in vaccine manufacturing	2	DCVMN	Vietnam	Technical
33	03-Apr-17	12-Apr-17	Transfer engineering 250L analytical	1	ProBioGen	Germany	Technical
34	04-Apr-17	07-Apr-17	Global GS1 healthcare	2	GS1 Germany	Germany	Technical
35	03-Apr-17	12-Apr-17	Trastuzumab		ProBioGen AG	Germany	Technical
36	04-Apr-17	05-Apr-17	Clean rooms & HVAC system the new EU requirements for the use of multipurpose equipment	1	ECA Academy	Germany	Technical
37	10-Apr-17	11-Apr-17	Advanced level CMC analytical, comparability & stability testing and lab practices for biotechnology and biosimilar products	1	PTI	London	Technical
38	03-Apr-17	05-Apr-17	Advance validation academy	2	ELLAB	Denmark	Technical
39	17-Apr-17	19-Apr-17	Risk management in pharmaceutical operation	1	MOPI	Malaysia	Technical
40	27-Apr-17	29-Apr-17	The 6 th Asian vaccine conference 2017	1	Immunization Partners in Asia Pacific	Singapore	Technical
41	10-May-17	12-May-17	GMP meet development	1	ECA Academy	China	Technical
42	18-May-17	19-May-17	Improve your quality reviews- PQR, APR, Management review, FDA's Quality metrics	1	ECA Academy	Austria	Technical
43	10-May-17	12-May-17	Data integrity, requirement for a GMP-compliant data life cycle	1	ECA Academy	Hungary	Technical
44	08-May-17	12-May-17	DCVMN-Sinopharm Workshop: Vaccine safety and pharmacovigilance	1	DCVMN	Beijing-China	Technical
45	17-Jul-17	26-Jul-17	Inter-country workshop of the South East Asia regional polio laboratory network on poliovirus diagnostic	1	WHO SEAR	Thailand	Technical
46	23-Aug-17	26-Aug-17	ISPE conference and exhibition : Innovating for next generation pharma manufacturing	1	ISPE	Singapore	Technical
47	21-Aug-17	22-Aug-17	Import/Export business and international trade	1	Singapore Polytechnic	Singapore	Technical
48	19-Sep-17	22-Sep-17	The 5 th Asia Pacific Geopark Network (APGN)	1	Zhijindong Cave UNESCO Global Geopark	China	Technical

No.	From	To	Training Topic	Participants	Organizer	Location	Type
49	02-Sep-17	30-Sep-17	JE and varicella vaccine testing	1	Chengdu Institute & Changchun BCHT Biotechnology	China	Technical
50	20-Sep-17	21-Sep-17	10 th Pharmaceutical regulatory affairs Asia	1	IBC Asia an Informa Business	Singapore	Technical
51	05-Oct-17	27-Oct-17	Proteomics & Metabolomics Analysis	2	Osaka University	Japan	Technical
52	10-Oct-17	13-Oct-17	The fundamentals of cell culture: key principles and practice	1	Public Health England	United Kingdom	Technical
53	13-Nov-17	14-Nov-17	2017 Asia pacific GAMP data integrity conference	3	ISPE Singapore	Singapore	Technical
54	21-Nov-17	22-Nov-17	OPV Mouse neurovirulence	1	NIBSC	London	Technical
55	21-Nov-17	23-Nov-17	WHO implementation workshop on the quality, safety and efficacy of typhoid conjugate vaccines	2	WHO	Korea	Technical
56	13-Dec-17	16-Dec-17	Integrity tester & filtration	2	Sartonet Filtrasi	Malaysia	Technical
57	13-Dec-17	14-Dec-17	Integrated environment monitoring training	2	Particle Monitoring System	Singapore	Technical
58	20-Dec-17	23-Dec-17	Sartocheck 4 plus	2	Sartorius Stedim Biotech	Malaysia	Technical

RETIREMENT PREPARATION PROGRAMS

[GRI 201-3]

Bio Farma recognizes the dedication of its employees after years of productive service. To that end, we offer an attractive compensation package for employees entering pre-retirement age (58 years old). The package consists of recognition pay, severance pay, and retirement savings managed by the Dana Pensiun Lembaga Keuangan Asuransi Jiwasraya.

Pension Savings managed by Dana Pensiun Lembaga Keuangan (DPLK) with a 15% contribution to wages determined by the composition of 40% contribution by Employees and 60% subsidy by the Company. This savings is a scheme which must be followed by each employee for the sake of the retirement establishment designed by the company. In addition to retirement savings, every Bio Farma employee also receives a pension fund from BPJS, which is a national government program.

It is stated that pension plan fund for Bio Farma employees is as follows:

1. BPJS Ketenagakerjaan registers workers as participants for Old-Age Benefit (JHT) facilities and Pension Plan (JP) with the composition of contributions from wages that have been determined as follows;

THE COMPOSITION OF EMPLOYEE'S CONTRIBUTION AND CORPORATION'S FOR JHT AND JP FACILITIES

Facilities	Employees	Company
JHT	2%	3.70%
JP	1%	2%

2. Pension Savings managed by the Institution Pension Fund Finance (DPLK) with a 15% contribution to wages that have already been paid determined by the composition of 40% contribution by Employees and 60% subsidy by the Company.
3. Costs are budgeted each year in the RKAP.

Regarding the costs for pension savings and BPJS Ketenagakerjaan Program, JHT and JP facilities are budgeted every year in the RKAP.

Furthermore, employees are trained in life skills after retirement through seminars designed to prepare them mentally and equip them with business and investment literacy. Also, one year post-retirement, the company provides a two-day advanced training in business

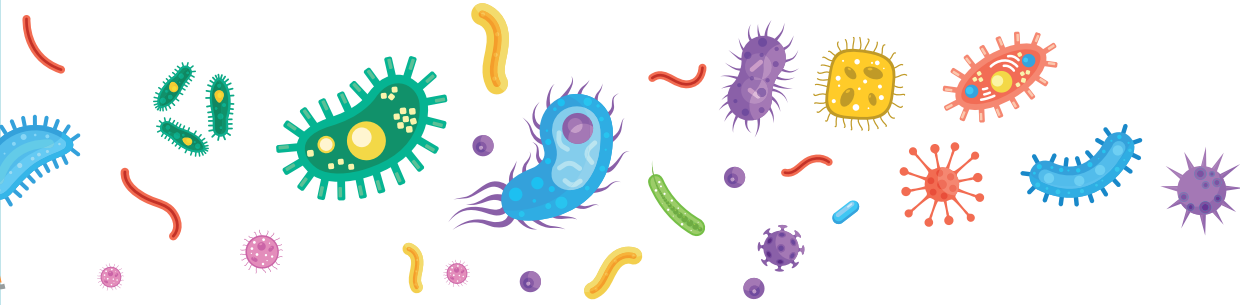
EMPLOYEE RECOGNITION

We bestow special recognition to employees who perform above and beyond with the utmost dedication and whose moral character is exemplary to others. The following is a token of recognition to such employees in 2017.

1. Hajj for 3 employees and their spouses
2. Umrah for 3 employees
3. 20 Years' Service for 34 employees
4. Blood Donation Award for 38 employees







Occupational Health and Safety

“

In carrying out production activities or other supporting operational activities, Bio Farma is committed to carrying out best practices in Occupational Health and Safety (K3) through a work environment that is safe, healthy, environmental pollution-free, and accident-free in order to materialize prosperity for the employees and eventually improve work systems and productivity.

Occupational Health and Safety



In demonstrating a commitment to Occupational Health and Safety, Bio Farma refers to OHSAS 18001:2007 Occupational Health and Safety Management System. The Company has formulated policies in OHS, which are stated in the Company's regulation. The management continues improving the policy of occupational work accident and disease prevention. Process Implementation OHS Management System, consists of four parts, namely: (1) Plan, (2) Do, (3) Check, and (4) Action.

In carrying out production activities or other supporting operational activities, Bio Farma is committed to carrying out best practices in Occupational Health and Safety (K3) through a work environment that is safe, healthy, environmental pollution-free, and accident-free in order to materialize prosperity for the employees and eventually improve work systems and productivity.

In demonstrating a commitment to Occupational Health and Safety, Bio Farma refers to OHSAS 18001:2007 Occupational Health and Safety Management System. This is an international standard for the application of Occupational Health & Safety Management System. From 2009 to the reporting period, we have maintained the OHSAS 18001:2007 certification, and regular review and re-audits have been passed.

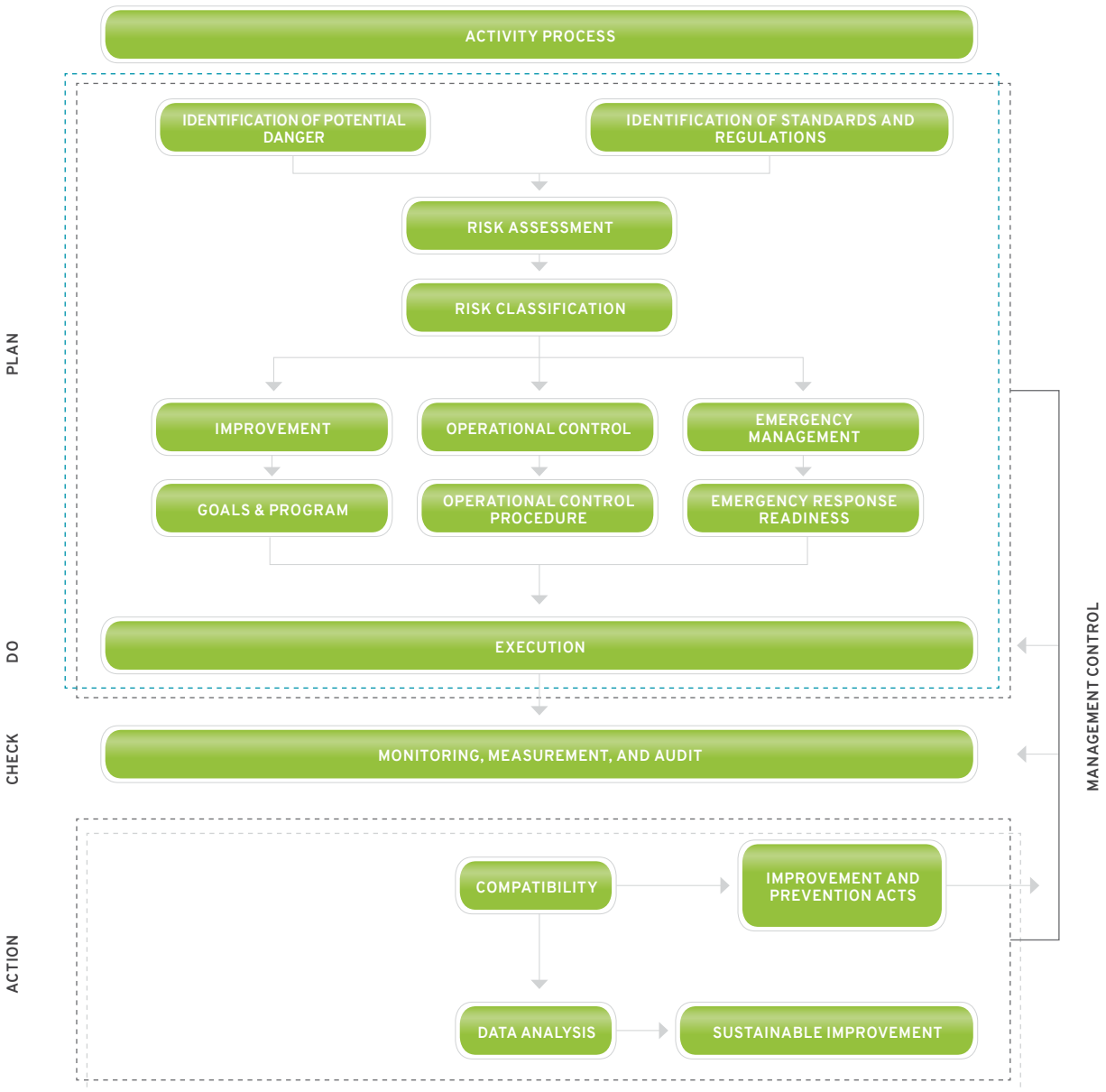
The management continues improving the policy of occupational work accident and disease prevention. Prevention is a far more important measure than curative action in minimizing work accident and the risk of occupational disease. The Company has formulated policies in OHS, which are stated in the Company's regulation.

Process Implementation OHS Management System, consists of four parts, namely:

- (1) Plan,
- (2) Do,
- (3) Check, and
- (4) Action.

As regards Occupational Accident reporting, Bio Farma refers to Standard Procedure 236K-KK-01 on Occupational Accident Handling, which comprises: accident handling, accident reporting, investigation on accident, follow-ups on reparation and reporting procedures.

PDCA



EMERGENCY RESPONSE SYSTEM

To respond to emergencies and minimize the impact of emergencies on employees, Company assets, society and environment, created a procedure includes control, action anticipation and coping with the emergency within 24 hours (fire, earthquake, riots and threats) and reporting readiness and emergency response systems and their command. In addition, the procedure also prepared the

use of fire extinguisher, hydrant and fire alarms to support fire prevention and suppression activities that includes deployment, operation and maintenance of extinguishers and fire detection.

To check on the effectiveness of the emergency response system, emergency handling procedures are regularly tested so they can be understood and implemented by all employees. Emergency Drills and Simulations are performed once every two years, involving the Company’s employees and the surrounding community, and cover all aspects of emergency response, such as:

1. Fire drills, use of fire extinguishers, hydrants and evacuation route trials.
2. Earthquake simulation.
3. Simulation of chemical/biological substance spill.
4. Emergency situations related to the PT Bio Farma contingency plan.

A review of the emergency response simulation implementation was conducted to ensure the correlation between the simulation and effectiveness of the applicable procedures. If necessary, a repeat simulation will be conducted or the standard procedures revised. [GRI 103-3]

OCCUPATIONAL HEALTH AND SAFETY IN BIO FARMA'S MANAGEMENT SYSTEM [GRI 403-1]

The Occupational Health and Safety management system is under the responsibility of the environmental and Social Management Division. The division comprises 21 employees and they represent 1.8% of the total Bio Farma's employees. In addition, to ensure the OHS management system runs well, we also formed an organization in the form of an ad-hock Team, charged with monitoring the implementation of OHS and Environmental system management.

This team consists of:

1. Occupational Health and Safety Committee Team P2K3 was formed by decree of Directors No. 03 681 / DIR / IV / 2015 The duty of the Occupational Health & Safety (OHS) Counseling Committee (P2K3) team is to give suggestions and consideration whether requested or not, to the management regarding OHS issues. The team comprises 25 employees and they represent 2.1% of the total Bio Farma's employees.
2. Emergency response team. The team comprises 217 employees and they represent 18.3% of total Bio Farma's employees.

OCCUPATIONAL HEALTH AND SAFETY IN COLLECTIVE WORK AGREEMENT

[GRI 403-4]

Bio Farma is bound by a Collective Work Agreement (PKB) with its trade union, Himpunan Karyawan PT Bio Farma (Persero). The currently applicable PKB has been approved by the Manpower and Transmigration Service West Java Province on July 31st, 2015.

The PKB contains a clause that regulates occupational health and safety, i.e. Chapter X of the Occupational Health and Safety as well as the Environmental Maintenance and Conservation, Article 58. To obtain excellent performance of Occupational Health and Safety (OHS), Bio Farma regularly monitors and evaluates the implementation of practices. From the results of monitoring and evaluation of the performance of OHS can be improved, including the improvement of policies, systems and procedures.

PROGRAM AND POLICY IMPLEMENTATION OHS

Bio Farma continues to improve the system and practice of occupational health and safety management that aims to maintain and improve employee productivity. This is also intended for the prevention of occupational accidents and occupational diseases.

In 2017, Bio Farma has implemented Occupational Health and Safety programs as follows:

1. Procurement of Health Facilities

To maintain and improve the health of employees, Bio Farma has been providing facilities and activities in the field of health, such as; polyclinic for curative and rehabilitative services, fitness center in the office, providing food diet, the campaign to go up one floor or down two floors using the stairs in order to cultivate a healthy action, color indicator urine stickers on the toilet as another health promotion activity.

Bio Farma also provides various facilities and OHS physical means, such as; Install an emergency alarm system, fire pump replacement diesel engine, and the installation of multi-gas monitor as complementary tools in emergencies.

2. Preventive Workplace Accident

Each work unit is asked to compile a safety analysis that includes safe work procedures based on the identification of risks / dangers in the work unit concerned. This analysis is done every 6 months and arranged in the form of a check list so it can be analyzed the effectiveness of the implementation of safe working predetermined.

Hazard control measures can be done through various ways such as; elimination (eliminating the hazards to which a tool / activity), substitution (replacing materials / tools that are harmful to those which are harmless), the engineering processes (modifying a device to be harmless), administrative control (the system settings so that the potential hazard can be controlled), as well as the use of personal protective equipment (PPE). The control measures carried out since the planning, for example, when planning the purchase of goods, it should be noted OHS aspects for employees who will use the goods, so the tool to be used safely.

As the prevention of occupational accidents, Bio Farma in 2017 conducted training OHS management system that had to be followed by all new employees. In addition, the company also held a variety of specialized training related to the certification of OHS. This training is mandatory for those responsible in the appropriate field of specialization OHS their respective expertise such

as; P3K officer training, expert training OHS, Training Contractor Safety Management System, etc. In dealing with danger, Bio Farma also conduct regular training on handling emergencies.

3. Provision Of Consultation & Vaccination Services

As a preventive measure, Bio Farma vaccination in accordance with the risk that disease may be exposed to in the workplace. As in controlling common diseases such as influenza, the Company has an influenza vaccination program for all employees.

We also provide a company doctor for discussion / consultation related to health care in order to maintain and improve labor productivity.

To avoid the risks of occupational diseases specifically, the specific check is done in accordance with the likely impact upon the recommendation of the company doctor.

4. Investment Funding for OHS

In 2017 we conducted OHS equipment investment, in the form of procurement of fire extinguishers and others amounting to Rp190,000,000 (In 2016: diesel engine fire pump, the addition of an emergency alarm system, as well as the multi-gas monitor, all totaled Rp373,635,000). These costs are beyond the annual routine needs such as regular health checks, special medical examinations, training, emergency maintenance costs, the cost of testing work environment, as well as the provision of fitness equipment made by General Affairs.

OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE

Performance achievements OHS 2017 is assessed as being in accordance with the set targets. Below are descriptions of some of the activities OHS has done during 2017 and achievements.

MONITORING EMPLOYEE'S HEALTH

To ensure the health of our employees, we perform health monitoring as a follow up of the enterprise as regulated in the Standard Procedures 100K-SIS-08 on Employee Health Monitoring. This activity aims to eliminate potential sources of contamination from the employee. In addition, the program is also intended to protect employees from things that are harmful for the environment is in the Bio Farma.

The result of employee's health monitoring in 2017 is 100%.

CATERING MONITORING

The company provides lunch for the entire workforce as well as a meal for employees on overtime. The company needs to ensure that the food provided is safe and healthy. Therefore, we monitor the meal catering organizers both from the legal, hygiene and health aspects. The monitoring procedures are arranged in Standard Procedure 236K-MonC-01.

The result of catering monitoring in 2017 is 100%.

REPORTING OF WORKPLACE ACCIDENTS

Bio Farma plays a proactive approach to workplace accidents. Under this approach, various risks of accidents are analyzed prior to formulation of preventive measures – thus preventing accidents from happening in the first place. Yet, accidents are neither desirable nor expected. Thus, the company has prepared a procedure on workplace accident management that aligns with the Standard Procedure 100K-KK-01 On Workplace Accident Management (Prosedur Baku 100K-KK-01 Tentang Penanganan Kecelakaan Kerja). The procedure outlines accident management, reporting, investigation, and corrective action.

The company has also prepared procedures to control, anticipate, and manage emergencies, such as fires, earthquakes, riots, and others within 24 hours. The procedure also outlines the relevant chain-of-command and equipment engagement procedures, such as fire extinguishers.

OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE

1. Employee Health Monitoring We believe that prevention is better than cure and as such, we have prepared facilities to monitor our employees' health in accordance with the Standard Procedure 100K-SIS-08 On Monitoring of Health of Employees. The monitoring is aimed to eliminate contamination caused by employees and protect them from workplace hazards.

2. Food Catering Monitoring

An important facet in ensuring employees' health is by monitoring employee catering. Bio Farma provides lunch and overtime meals for all of its employees. The monitoring is outlined in the Standard Procedure 236K-MonC-01 that requires checking of food legality and hygiene.



MAN HOURS WITHOUT ACCIDENT [GRI 403-2]

Man hours without accident is the total number of work hours without accident. In 2017, Bio Farma successfully reached a total of 2,347,756 work hours without accident. For this achievement, Bio Farma received the Zero Accident Award from the Ministry of Manpower and Transmigration.

2017	2016	2015	2014	2013
2,347,756 hours	2,583,263 hours	2,922,811 hours	2,839,393 hours	2,653,644 hours

SAFETY WORKING HOURS [GRI 403-2]

Safe working hours is the number of hours in which no accident took place. The performance of safe work hours within the last five years is illustrated below:



2017	2016	2015	2014	2013
2,347,756	2,583,263 hours	2,922,811 hours	2,839,393 hours	2,653,644 hours

The calculations are based on direct calculations by the Human Capital Division by accumulating the total working hours for each employee in 1 year period.

Bio Farma divides occupational accidents within 5 (five) groups, namely: (1) incident, (2) minor accident, (3) moderate accident, (4) major accident and (5) fatal accident.

The data is processed by a work accident Occupational Health & Safety (OHS) Counseling Committee (P2K3) team to obtain information Frequency Rate (FR), Severity Rate (SR) and Lost Time Injury (LTI).

OCCUPATIONAL ACCIDENT REPORTING

Occupational Accident Type	2017		2016		2015		2014		2013	
	Male	Female	M	F	M	F	M	F	M	F
Incident	0	0	0	0	1	0	1	0	1	0
Minor	4	0	0	0	3	0	1	0	1	0
Moderate	0	0	0	0	0	0	0	0	0	0
Major	0	0	0	0	0	0	0	0	0	0
Fatal	0	0	0	0	0	0	0	0	0	0

FREQUENCY RATE AND SEVERITY RATE OF WORK ACCIDENT

Occupational Accident Type	2017		2016		2015		2014		2013	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
FR	1.7	0	0	0	0.84	0	0	0	0	0
SR	2.6	0	0	0	1.26	0	0	0	0	0

NUMBER OF ILLNESS DUE TO WORK (PAK)

2017		2016		2015		2014		2013	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0	0	0	0	0	0	0	0	0	0

MAINTAINING HEALTH STANDARDS OF WORK ENVIRONMENT

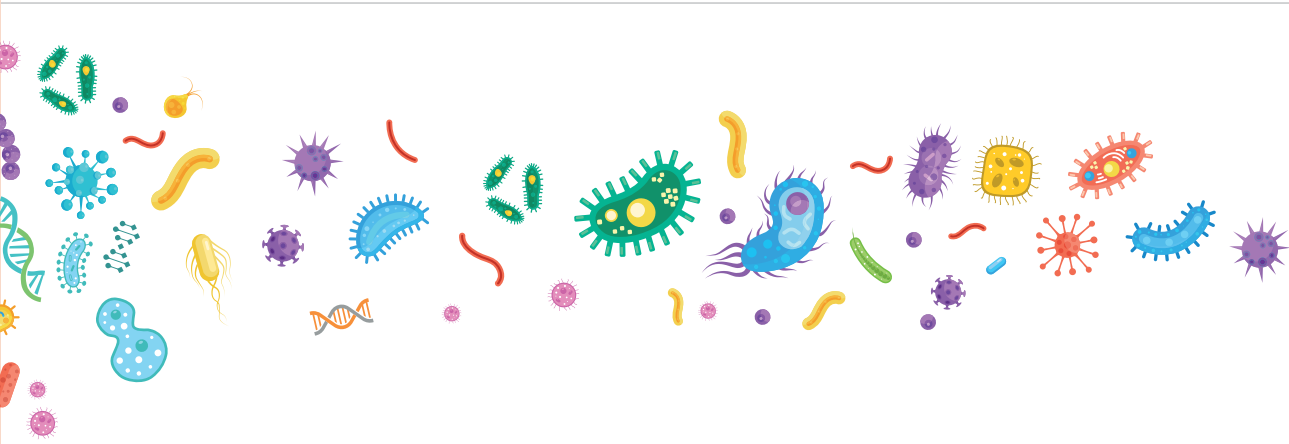
To ensure health and comfort in the work environment, we also carry out various monitoring and measurements other aspects that are closely correlated with employee health. In this case, the variable monitored and measured is noise and light intensity. Measurement is done 100% in the working area. Measurement results in the last 4 (four) years are as follows:

Description	Standard & Benchmark Value	2017	2016	2015	2014
Light intensity	300 lux	>300 lux	>300 lux	>300 lux	>300 lux
Noise	85 dB	< 85 dB	<85 dB	<85 dB	<85 dB

The measurements, taken by the Human Capital Division, were direct recording by accumulating the total working hours of all employees in one year. Data from other areas were not recorded since Bio Farma only has one business area.







Contribution to The Community

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We are aware that CSR not only promotes the progress of the community, but also brings benefits to the Company. Our investments in the community sector today would pay off for the Company's long-term sustainability.

Contribution to The Community



Throughout 2017, there were 70 activities realized using the 2017 CSR program budget funds in the fields of health, education, economy and environment. In the Partnership Program, Bio Farma carried out a partnership program for 137 SMEs. While in the Community Development Program, Bio Farma focuses on helping victims of natural disasters, education, health improvement, development of facilities and public and means of worship, nature conservation, social welfare, and training and marketing.

In line with sustainability goals, Bio Farma considers that the Corporate Social Responsibility (CSR) program is important to be prioritized. We are aware that Corporate CSR not only promotes the progress of the community, but also brings benefits to the Company. Our investments in the community sector today would pay off for the Company's long-term sustainability. CSR also enhances the morality of all management staff and employees at Bio Farma, because we are aware that we work for noble goals.

The activities of CSR in Bio Farma refer to the Regulation of the Minister of State-Owned Enterprises No. Per-02/MBU/7/2017 dated July 5, 2017. The funds of the CSR programs are sourced from the Company's budget, the previous year's balance, as well as receivables from development partners' installment repayments. In 2017, the CSR program fund that Bio Farma disbursed amounted to Rp3,443,898,080 with details as follows:

Fields	Number
Assistance in health	Rp2,395,731,013
Assistance in education	Rp454,649,900
Assistance in economy	Rp453,394,167
Assistance in environment	Rp140,123,000
TOTAL	Rp3,443,898,080

In 2017, 70 activities have been implemented and financed by the CSR program budget of 2017, with a typology as follows:

REALIZATION OF CSR PROGRAM FUND BASED ON ACTIVITY TYPOLOGY [Rupiah]

Sector	Charity	Capacity Building	Infrastructure	Empowerment	Total
Health	2,395,731,013	-	-	-	2,395,731,013
Education	162,625,000	151,551,300	-	91,335,100	405,511,400
Economy	164,159,750	38,945,592	-	135,563,325	338,668,667
Environment	154,200,000	-	-	149,787,000	303,987,000
Number	2,876,715,763	190,496,892	-	376,685,425	3,443,898,080

Bio Farma's CSR activities in 2017 are as follows:

SMALL, MEDIUM ENTERPRISE DEVELOPMENT

Bio Farma pays special attention to the development of the Small, Medium Enterprise (SME), as SME has proven to give valuable contribution to the creation of work and the increase of people's incomes. This SME development is an effective strategy for making people more prosperous.

Bio Farma provides assistance in enhancing capacity building and empowerment through various educational programs, which focus on administration, bookkeeping, marketing, human resource management, human character and behavior, and effective and efficient business development for potential partners. We also involve Bio Farma's development partners to participate in the seminar of "Finance, Branding and Packaging" and "Online Marketing for SME Players". It is expected that through these seminars, the partners could become more professional and obtain the necessary knowledge and skills for developing their business.

In 2017, Bio Farma involved several partners in exhibitions and bazaars of SME products for promoting their business and increasing the sales volume. These exhibitions include: 'Pameran Adiwastra Nusantara', 'Bazar Ramadhan', 'Seminar Sehari' and 'HUT IIP-BUMN'. While the products showcased are, among others, leather shoes, Moslem outfits, sandals, bed covers, silver craft works, traditional art instruments, Wayang (Indonesian puppetry) and food.

The Partnership and Community Development Program fund channeling consists of:

- Capital loans, i.e. the channeling of funds to development partners, either cooperative or small enterprise.
- Grants, i.e. assistance in education, training and promotion for development partners.

CHANNELING OF PARTNERSHIP DEVELOPMENT [Rupiah]

Description	2016	2017
Capital loans	5,726,500,000	16,337,500,000
Education and/or training assistance	-	381,870,000
TOTAL	5,726,500,000	16,719,370,000

The channeling of the Partnership Program loan funds for the year 2017 amounts to Rp5,337,500,000 which was distributed to 137 SMEs. In addition, Bio Farma also channeled partnership program funds to sugar cane farmers through the 'Sinergi BUMN' cooperation with PTPN X, which amounts to Rp7,000,000,000 and PTPN XI, Rp4,000,000,000.

Implementing the partnership program, Bio Farma cooperates with institutions including:

- Cikananga Fauna Rescue Center (PPSC) – Sukabumi under the program of rare fauna adoption and conservation.
- Military Region Command III/Siliwangi under the program of 'Bedah Rumah Veteran RI 2017' in West Java Province.
- Health Promotion Directorate of the Health Ministry of the Republic of Indonesia, related to the Community Development Through Health Empowerment and Education program.

COMMUNITY DEVELOPMENT PROGRAMME

The Community Development Program is a manifestation of Bio Farma's social responsibility; it is aimed to improve the social condition of the community, particularly those who are living near the Company's operational area. The community development program that Bio Farma implements, along with the corresponding fund channeling, consists of:



COMMUNITY DEVELOPMENT PROGRAM FUND CHANNELLING [Rupiah]

Description	2016	2017
Relief to natural disaster victims	354,985,000	130,880,000
Assistance of education, training, education facility	2,522,466,000	3,592,675,000
Assistance in health improvement	1,618,838,000	366,602,000
Assistance of public facility & infrastructure development	1,809,413,000	1,227,891,000
Assistance of worship facilities	2,331,207,000	2,576,379,000
Assistance in nature conservation	266,596,000	70,600,000
Social and community support	4,081,595,000	1,413,820,000
Assistance Training, Marketing & Promotions	453,011,000	-
TOTAL	13,438,109,000	9,378,848,000

OUTBREAK OF DIPHTHERIA

In the end of 2017, there was an outbreak of diphtheria in so many places in Indonesia that it was declared as an Extraordinary Event (or KLB) of Diphtheria which might lead to be a national-scaled disaster. Through the Health Ministry, the Indonesian Government took immediate action of breaking the propagation chain of bacteria that causes diphtheria disease. The number of deaths due to diphtheria infection increased significantly. Considering the bacteria’s rapid diffusion and capability of infecting humans of all ages, the situation needed emergency handling. To realize the Company’s care of its environment, PT Bio Farma (Persero) through the CSR program in health sector provided diphtheria vaccination around the Company’s areas and other locations.

CILETUH GEOPARK DEVELOPMENT

<p>POSITIVE IMPACTS AND CHANGES [GRI 203-1]</p>	<p>50 UNIT</p> <p>The increase of total homestay from 2 (in 2014) to 0 in 2017</p>	<p>22 GOLD MINERS</p> <p>Previously active gold miners changed profession, totaling 22 people</p>
	<p>3,200 VISITORS</p> <p>The increase of total visitors from 912 (in 2014) to 3,200 in 2016</p>	<p>145 TOURIST GUIDE</p> <p>Creation of jobs for 145 people as tourist guides.</p>

Local tourists no longer need to go abroad for more exotic tourist attractions, but could rather visit Geopark Ciletuh – situated near Sukabumi. Some natural attractions include nine waterfalls, Taman Purba, Panenjoan cliffs, and Cimaja beach which is internationally famous for its surfing. This geopark was attributed a title in 2017 of UNESCO Global Geopark (UGG) for meeting the criteria of world geopark standards; i.e. biodiversity, geo-diversity and cultural diversity.

Yet, the government, the communities and Bio Farma still have some work to do to support this geopark, to make it better and known at the international level. Bio Farma has officially become a company which participates actively in developing the 1,280 km² wide geopark, in accordance with the Decision Letter of West Java Governor. We bear this task together with other stakeholders who are, among them, academicians, community and local governments, joined with the Paguyuban Alam Pakidulan Sukabumi (PAPSU) forum. [GRI 413-1]

The activities we have conducted in developing this geopark include:

1. CULINARY BUSINESS DEVELOPMENT

Mangoes could in fact become a potential economic commodity. However, during harvest season, the abundant fruits lower the sales prices. Farmers often let their crop rot, avoiding the possibility of even lower

prices. This is the reason that Bio Farma initiated durable processed mango products that have economic value, namely mango chips. Farmers were provided with skill training, facility and infrastructure of mango processing, including training in operating a chip producing machine. Bio Farma also held a creative packaging and branding marketing training and a product marketing via social media and had used the internet to boost this marketing. Currently Ciletuh mango chips are a specialty food in the Ciletuh Geopark region.

2. HOMESTAY BUSINESS DEVELOPMENT

The Ciletuh inhabitants' awareness of its tourist destination should be developed continuously. Development is required not only in the public infrastructure, but also in the soft skills of the community, such as hospitality, orderliness, and cleanliness. Clean and proper accommodation should also be available. That is why Bio Farma develops the community's skills and helps them be prepared in managing homestay business in the Ciletuh geopark tourism area.

New business sources and various economic development potentials have become alternatives for the community, which had previously made a living from illegal mining and forest encroaching. Bio Farma's CSR program in Ciletuh geopark brought significant impacts in the field of environment and economy for the Ciletuh inhabitants.



LOCAL GOVERNMENT'S TESTIMONIAL | Ir. H. D. Budiman M.Si. Head of Junior Main Advisor/Office of Tourism, Sukabumi District

We, on behalf of the Sukabumi Regency Tourism Office, would like to express our gratitude and give our highest appreciation for the collaboration of Bio Farma Corporate Social Responsibility (CSR) regarding the development of the Ciletuh National Geopark Palabuhanratu which has now become Ciletuh Palabuhanratu UNESCO Global Geopark (CPUGG) which was established since 2012 up to this moment. Regarding this, we hope that CSR activities from Bio Farma can be delivered for the upcoming activities of CPUGG.

Hopefully, Bio Farma becomes a company that consistently drives the economic improvement of society around Ciletuh Palabuhanratu UNESCO Global Geopark.





TESTIMONIAL FROM HOMESTAY ENTREPRENEUR | Taufik Rodibillah

Thank you to Bio Farma, who has helped Ciletuh society a lot, especially in this Jaya Garden Village, where in the development of this Geopark area, there has been an improved economy in our society, one of them is homestay development, ie. the private house of the community used as an inn, which was once having no economic value; at the moment it becomes one of the added values to improve the economy of the community. By the time, more and more tourists visit Ciletuh resulting in the arising demand of homestay so that more of the houses here used as homestay.

PURE GARUT SHEEP BREEDING

POSITIVE IMPACTS AND CHANGES [GRI 203-1]

- Maintaining purity of Garut sheep race through biotechnology
- Increasing sheep weight from 125 kg to 200 kg following the purity restoration
- Pioneering Garut sheep business opportunity by empowering 8 Sheep farmers.

Garut sheep has characteristics of large weights and circling horns. Yet, the quality and population of this species are decreasing as the breeding had been improper and less controlled. The sheep have been cross bred with other breeds merely to meet the market's needs. As a company engaged in life science, Bio Farma applies biotechnology for purity breeding of the Garut sheep race. The efforts required long processes and involved many parties, such as the sheep

farmer community, the government and academicians. Bio Farma also held mentoring, training, and counseling on animal health for the community, so that the business opportunity of Garut sheep could develop more efficiently. In addition, we also built a supporting facility for the Garut sheep breeding development in the village for a more generic purity effort, i.e. Wanajaya Village.



**TESTIMONIAL FROM BREEDER | Mamat
THE CHIEF OF BREEDER IN WANAJAYA VILLAGE**

Praise be to God that during counseling by Bio Farma, which initially only consisted of 1 Core group, now it has increased to become a Plasma Group.

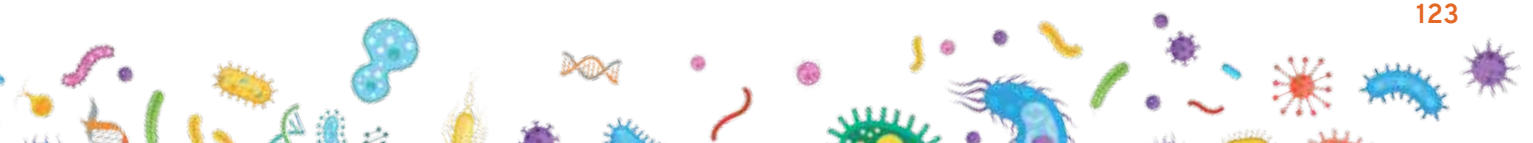
Broad knowledge has been learnt by farmers such as feed ingredients livestock & sheep breeding development without males. Thus, sheep quality is better and certainly has higher selling power. Thank you Bio Farma for doing the regular monitoring. Hopefully Bio Farma will succeed more.

BIODIVERSITY PROTECTION

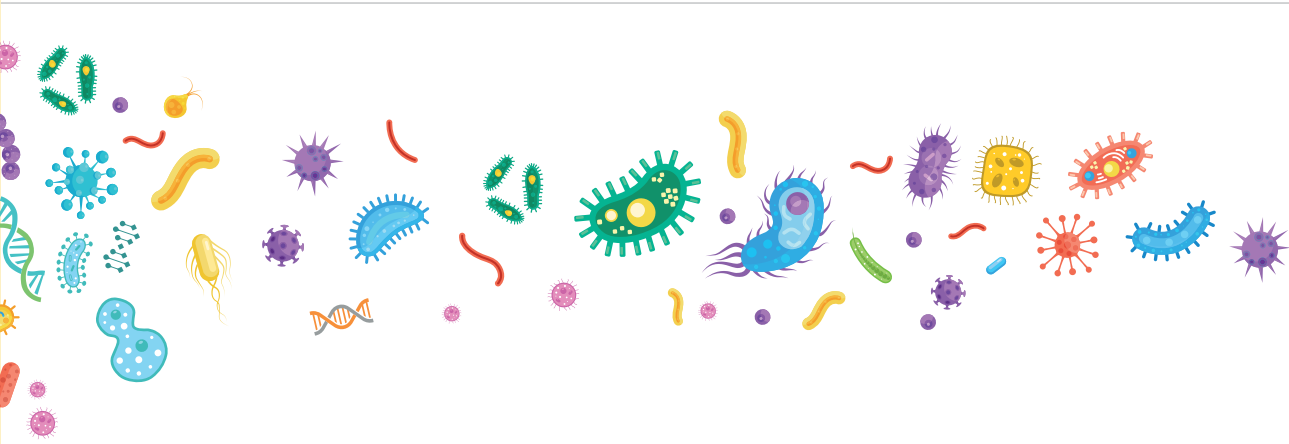
[GRI 304-4, GRI 413-1]

The IUCN Red List of Threatened Species is known as a comprehensive list of animals and plants which are endangered or may become extinct. Around 91,000 species on IUCN Red List, 73 native animals in Indonesia are in the highest status of vulnerability that is in a Critically Endangered status. The company participated in the conservation and rehabilitation program of fauna in cooperation with the PPSC (Cikananga

Fauna Rescue Center) Cikananga, Sukabumi. We successfully rehabilitated 25 animals from 3 species of fauna. Up to 2017, we managed to rehabilitate 7 animals from 3 species of apes, reptiles and mammals to their natural habitat. The rehabilitated fauna include one apes species under endangered status and one reptile under vulnerable status. It is expected that these conservation efforts would restore the biodiversity in Indonesia. .







Product Responsibility

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For 128 years, we have played an important role in building national and global health security.

In line with our goal of improving the quality of life, consumer health is our top priority. We apply the applicable regulations, carry out best practices, prioritize good service and customer satisfaction, and always strive to understand the needs of consumers by providing the right solutions.

Product Responsibility



Bio Farma has been recognized by the World Health Organization (WHO) since 1997 for its quality and affordable products. Up to today, Bio Farma's products have been used in over 130 countries. Referring to the WHO's data, we continuously make improvements and development in order to find ideas and create new beneficial products to improve life quality.

CONSUMER'S HEALTH AS OUR PRIORITY

Bio Farma is a vaccine producing company with expertise in biotechnology application in quality products of international standards, whose objective is to make a better quality of life. For over 128 years, we have played an important role in building the nation's health and in global health security. In line with our objective above, the consumers' health is our main priority.

All the Company's organs including the Board of Directors and the employees are committed to the fulfillment of consumer requirement by complying with the applicable regulations and implementing best practices. Our concern over the consumers' health and satisfaction is demonstrated in every

activity of the Company, which always aims at understanding the customers' needs and providing the right solution. The consumers are a stakeholder who has an interdependent relation with Bio Farma. Their health brings about healthy, smart and creative generation. These are the values that the Company highly upholds, and which become the Company's culture.

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Referring to the WHO's data, we continuously make improvements and development in order to find ideas and create new beneficial products to improve life quality.

PRODUCT QUALITY MANAGEMENT IN LINE WITH NATIONAL AND INTERNATIONAL STANDARDS

Bio Farma applies integrated management system based on fulfillment of consumer's requirement and regulations, as elucidated in Good Manufacturing Practices (GMP) of ASEAN and WHO, as well as product requirements stated in WHO's reference series, including the Technical Report Series, Good Laboratory Practices (GLP), Good Clinical Practices (GCP), Good Distribution Practices (GDP), quality management system of ISO 9001, environment management system of ISO 14001, occupational health and safety management system OHSAS 18001, Good Corporate Governance (GCG), Corporate Risk Management (CRM), Social Responsibility (SR), International Financial Reporting Standard (IFRS), ISO 17205 specific to testing laboratory at Immunization and Clinic Division, as well as other system and regulation related to performance improvement of Bio Farma.

Product quality assurance is applied from the beginning, namely from the selection of raw material suppliers. Suppliers which are directly related to end products are obliged to apply minimum quality, environment and occupational health and safety (OHS) standards. Bio Farma periodically performs audits into its suppliers to assure the standards mentioned above are well implemented. As a consequence, we are able to assure that the raw material quality is in accordance with the specifications that have been set. During the stage of product manufacturing formulation, we also apply in-process control. Before being marketed, our end products are tested by the National Agency of Food and Drug Agency (BPOM), so that the products circulating among the general public are those which meet the quality standards and specifications of national and international levels.

BEST SERVICE FOR CUSTOMERS

[GRI 417-2]

Bio Farma provides a consumer complaint service to follow up to every complaint of customers with the mechanism of Adverse Event Following Immunization (AEFI). We continue socializing through distributors, doctors and health care officers to benefit the AEFI reporting mechanism. This is aimed so that when such event occurs, the assigned independent team would take action to follow up with consumer's complaint and resolve it.

In 2017, Bio Farma did not receive any complaint on error or violation in either providing product information or personal flexibility. The complaints that were filed were related to vaccination service, where consumers requested prolongation of vaccination service.

Bio Farma opens communication access through the channels below:

Company's Website: www.biofarma.co.id
(menu Customer Care)

State-Owned Enterprise Portal: www.bumn.go.id/biofarma
Company's Blog: www.infoimunisasi.com

Tel.: (62-22) 203-3755 ext. 37608

Fax.: (62-22) 204-1306

E-mail: corcom@biofarma.co.id;
mail@biofarma.co.id

Twitter: @infoimunisasi; @biofarmaID

Instagram: @infoimunisasi ;@biofarmaID [GRI 413-1]

PRODUCT INFORMATION ACCURACY

[GRI 417-1]

Our consumers would always obtain accurate data for every product type.

Such information is the data that has been approved by BPOM and WHO. Consumers can easily access product information, available on the Company's website, at any time. Other information related to health may be discussed directly through social media managed by officers competent in their respective fields.

GATHERING AND INFORMATION SHARING ROUTINE WITH CONSUMERS

Bio Farma periodically organizes gatherings and information sharing with consumers in many regions. These gatherings are held in cooperation with the Health Ministry, Sub-division Immunization, Public Communication of the Health Ministry, Health Promotion as well as numerous health organizations including Indonesian Pediatric Society (IDAI) and Indonesian Pharmaceutical Association (GP Farmasi).

This is aimed at increasing the public awareness regarding disease prevention through vaccines for a better quality of life. The gatherings are also beneficial for the participants, comprising health practitioners, midwives, immunization officers, prominent figures, religious figures, house wives, health center managers and the general public, serving as educational media for the importance of vaccines in the prevention of disease in the public.

Bio Farma believes that such gatherings create a two-way communication, which allows criticism and suggestions as well as information sharing, and would give input to the Company. The Company also has the opportunity of providing education regarding the importance of disease prevention, healthy life, environmental care; as well as nurturing familial ties so that both parties would understand each other better and the gap between the consumers' wish and the Company's capability would diminish.



In 2017, Bio Farma conducted 'Temu Konsumen', or consumer gathering, in several cities and regencies in 34 provinces in Indonesia, either through socialization or monitoring. These activities take form of customer visits, product socialization and vaccine monitoring. Through these activities we receive feedback of evaluation into the service provided, improvement of competence of vaccine officers related to good vaccine management, as well as public awareness regarding the importance of vaccination. All this would indirectly help the Government in expanding national immunization scope.

MEDIA AS DISSEMINATION PARTNER OF VACCINE INFORMATION

Since 2013 Bio Farma has held education on the importance of vaccine through workshop for journalists. This program of special competence is a preliminary training for media partners, discussing vaccine from A to Z and presenting competent speakers to explain and answer any doubts regarding vaccine and medicine, such as halal quality of the products.

In addition to bring Bio Farma closer to the circle of journalists, it is expected that training regarding vaccine and biotechnology would serve as correct information that the journalists would transfer to the general public. Furthermore, the news coverage by the media would make the public understand about the benefit of vaccine technology development for a better life quality.

Out of the 'School of Vaccine for Journalist' media education activity, a book has been published, i.e. "Jurnalists Bicara Vaksin, Menjaga Peradaban dengan Vaksin" (Journalists Talk about Vaccines, Securing Civilization with Vaccines)

In 2017, Bio Farma held a workshop on 19-20 at Glamping Laksida, Rancabali, Ciwidey, bearing the theme 'Life Science for Better Performance' attended by 38 journalists.

REGULAR CONSUMER SATISFACTION SURVEY

Bio Farma regularly runs an activity of information collection which is aimed to identify, analysis, and provide information on the development of customer's needs, request, expectation, preference, behaviour and satisfaction. This information is used in setting and realizing the Company's policy, developing continuously and improving the Company's quality system performance. Consumers play a large role and other sources can be used to evaluate their satisfaction.

To obtain accurate data in the consumer satisfaction survey, the survey mechanism follows the Company's guidelines and standard procedures, under the responsibility of the Product Development Department of Product Management. The survey is run by a third party a professional independent organization that is engaged in market survey, involving national and international consumers. The customer satisfaction survey respondents are divided into some sectors, as follows: Health Office at 34 provinces, doctors and distributors in Java, Sumatra, Sulawesi and Kalimantan areas, and international customers both institution and corporate.

During 2017, there is no compliance incident towards regulations and/or voluntary rules related to marketing communication, including advertisement, promotion, and sponsorship of Bio Farma. [GRI 417-3]

CUSTOMER SATISFACTION SURVEY 2017

Bio Farma Customer Satisfaction Survey is carried out by an independent survey institution, i.e. Kinast Consulting. The result of the survey is 82.74.

Statement GRI Standards Core in Accordance Check



NATIONAL
CENTER FOR
SUSTAINABILITY
REPORTING

Statement GRI Standards in Accordance Check

The National Center for Sustainability Reporting (NCSR) has conducted a GRI Standards in Accordance Check on the PT Bio Farma (Persero) Sustainability Report 2017 ("Report"). The check communicates the extent to which the GRI Standards Core criteria has been applied in the Report. The check does not provide an opinion on the sustainability performance of the reporter or the quality of the information provided in the report.

We conclude that this Report has been prepared in accordance with the GRI Standards - Core Option.

Jakarta, 8 October 2018

National Center for Sustainability Reporting

Dewi Fitriasaki, Ph.D., CSRA, CMA
Director

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	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Changing the productivity of organizations, sectors, or the whole economy	203-2	80
		Infrastructure investments	203-1	120, 122
	Ensure healthy lives and promote wellbeing for all at all ages	Access to medicines	102-6	54
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	Ensure an inclusive and fair education and encourage lifelong learning opportunities for all	Employee Training and Education	404-2	104
		Scholarship	404-2	104
	Achieve gender equality and empower all women and girls	Equal remuneration for women and men	405-2	102
		Gender equality on performance	405-1	103-104
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	Ensure availability and sustainable management of water and sanitation for all	Water	303-1	87
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		Energy efficiency	302-3	86

SDGs No	Goals	Business Theme	GRI Standards	Page
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	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Infrastructure investments	203-2	80
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		Equal remuneration for women and men	405-2	102
	Reduce inequality within and among countries	Economic development in areas of high poverty	203-2	80
		Equal remuneration for women and men	405-2	102
	Make cities and human settlements inclusive, safe, resilient and sustainable	Infrastructure investments	203-2	80

SDGs No	Goals	Business Theme	GRI Standards	Page
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Sustainability Report



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