



**biofarma**

SUSTAINABILITY  
R E P O R T  
**2014**

**BIO**  
**FOR**  
**SUSTAINABLE**  
**LIFE**

# 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.



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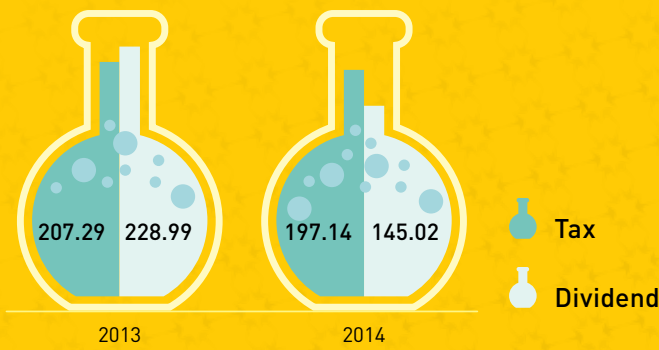
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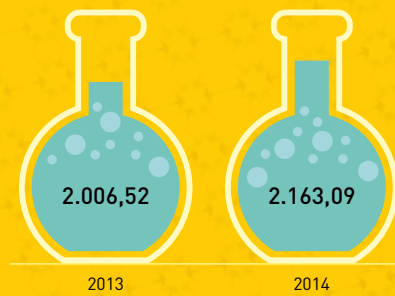


# ECONOMIC PERFORMANCE

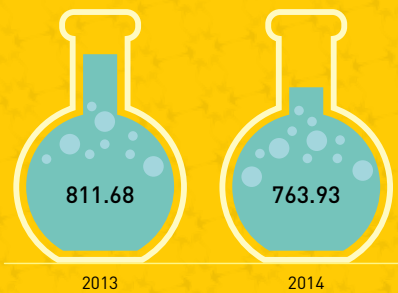
### Contribution to The Nation [Billion Rupiah]



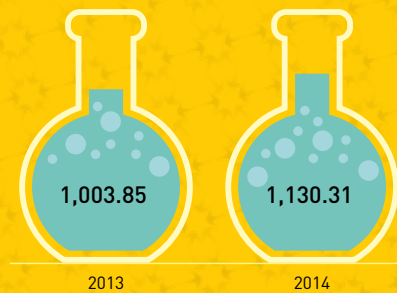
### Economic Value Generated [Billion Rupiah]



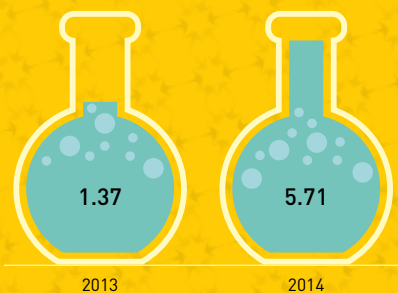
### Total Economic Value Distributed [Billion Rupiah]



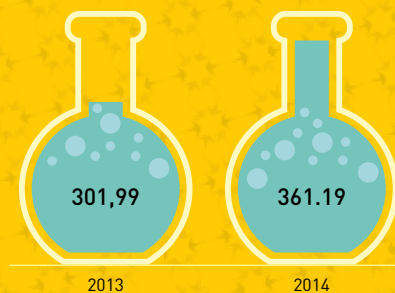
### Payments to Suppliers & Employees [Billion Rupiah]



### Community Development Fund and Community Social Contribution [Billion Rupiah]

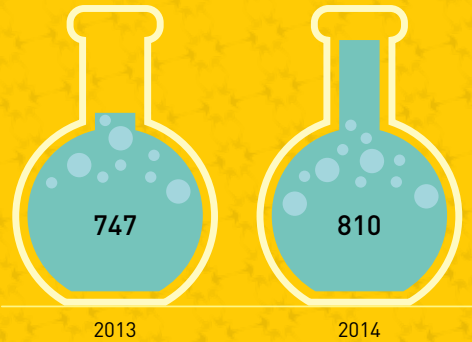


### Employee wages and benefits [Billion Rupiah]

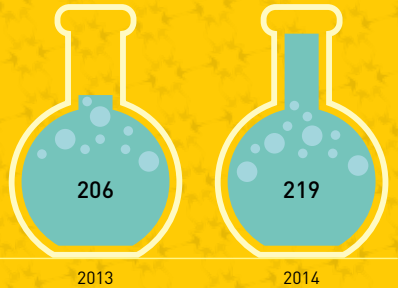


# SOCIAL PERFORMANCE

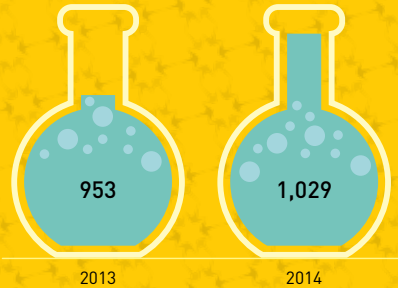
## Number of Male Workers



## Number of Female Workers



## Total Number of Workers



- Workers Receive Annual KPI : 100%
- Strike / boycott by workers : Nil
- Human Rights Violations Case : Nil
- Workers Incorporated in the Workers Union : 100%
- Union Pension Fund : Enough
- Cases Of Infringements Of Workers Regulations : Nil



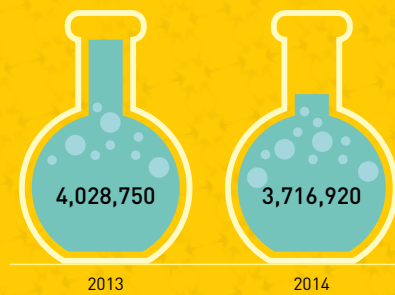
# ENVIRONMENTAL PERFORMANCE

## Diesel Consumption

Diesel is used for the production process in generators and boilers, as well as for the incinerator. Following is diesel consumption for 2013 and 2014:

Equipment	Diesel Consumption (liter)	
	2013	2014
Genset Diesel	2,282,020	1,948,020
Incinerator	94,290	97,380
Boiler	1,646,040	1,671,520
Genset Hepatitis	6,400	0
<b>Total</b>	<b>4,028,750</b>	<b>3,716,920</b>

## Diesel Consumption [Liter]

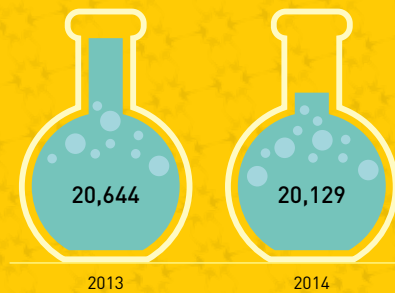


## Tree Planting

Bio Farma has planted trees both within its environment and outside. The total number of trees planted between 2011 and 2014 is:

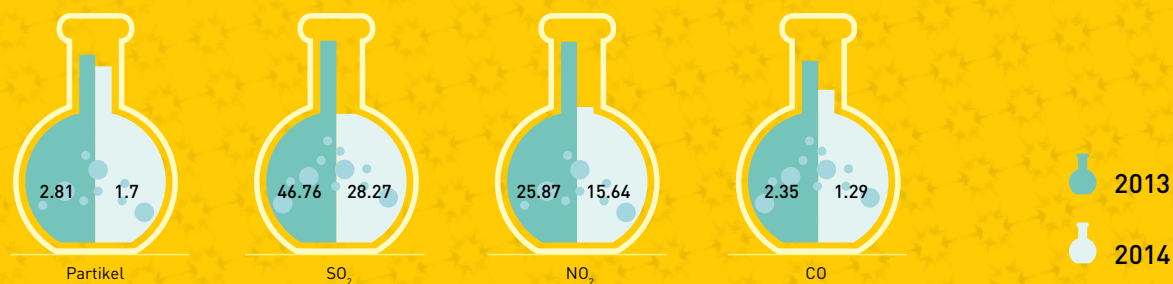
Year	Total		Total
	Internal	External	
2011	568	40,900	41,468
2012	14,975	27,413	42,388
2013	14,986	5,658	20,644
2014	15,019	5,110	20,129
<b>Total</b>	<b>45,548</b>	<b>79,081</b>	<b>124,629</b>

## Tree Planting

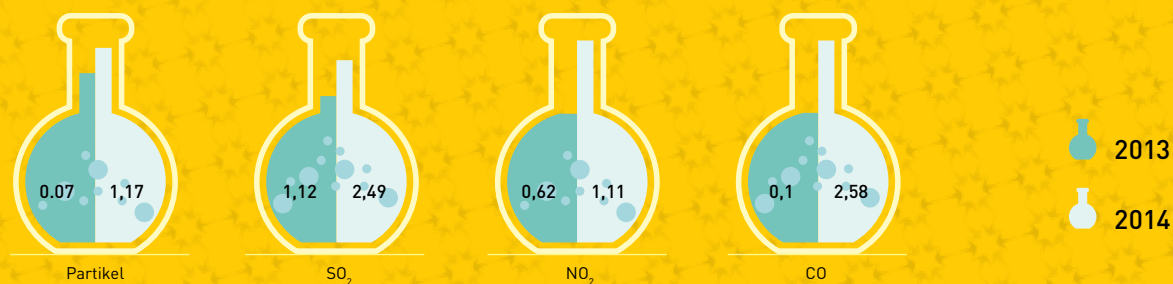


## Emissions

Conventional exhaust gas emissions originate from two sources: in production from the generators and boilers, and in the supporting process from the incinerators. Total emissions from production (tons/year) – generators and boilers.



## Total emissions from the supporting process – Incinerators



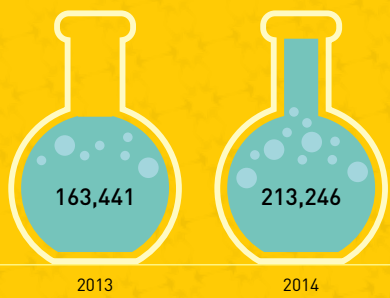
Emission sources in Bio Farma derive from the diesel-powered generators and boilers (related to the production process) and the incinerator in the supporting process. To reduce emissions from conventional pollutants (particles, CO, SO<sub>2</sub> and NO<sub>2</sub>), Bio Farma implements preventative maintenance and periodic overhauls on machinery that generates these emissions. To reduce greenhouse gas emissions, Bio Farma undertakes a range of activities, such as the following:

Air pollution reduction activities	Absolute Results Equivalent to CO <sub>2</sub> reductions (tonnes CO <sub>2</sub> eq / yr)	
	2013	2014
Tree Planting	523.07	609.34
Electricity savings and renewable energy Program:		
Application of solar panel systems for water pump	-	3.97
The use of LEDs, motion sensors and solar panel systems for public parking lighting in the building basement	13.2	51.88
Exhaust Air energy reuse (recovery) from the production room	178.73	144.49
Application of solar panel systems for garden lighting	1.67	5
Lamps replacement using LED lamps (energy saving lamps)	7.86	5.8
Timer dispenser	8.26	9.74
Environmentally friendly cooling medium	10.21	10.8
Timer control AHU	1462	1462
Chiller pump inverter	65	65
Inverter and night mode on 25 laminar air flows	60	60
Turning off office electrical appliance when not in use	81.67	81.67
Recycling of organic waste	188.24	181.5



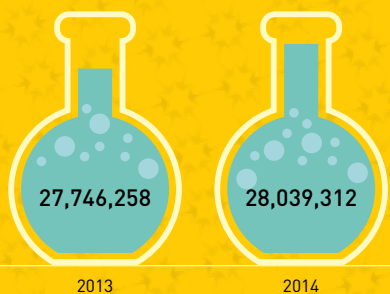
Bio Farma has two sources of water, clean water provider PDAM and artesian wells. The company has 4 (four) artesian wells and 2 (two) pipelines from PDAM. Water taken from artesian wells and PDAM in 2013 and 2014 amounted to the following:

### Water Usage [m<sup>3</sup>]



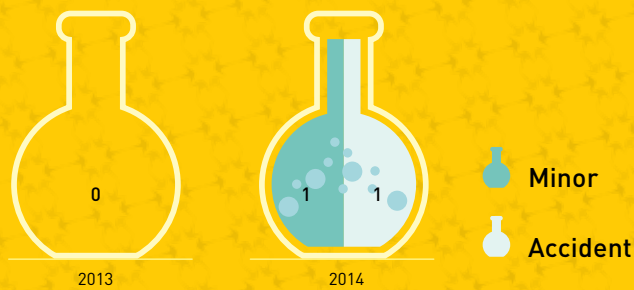
Bio Farma's total electricity consumption in 2013 and 2014 was as follows:

### Electricity Use [KWh]

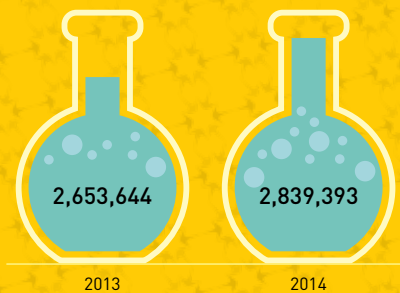


# SAFETY PERFORMANCE

## Working Accident



## Safe Working Hours



## Work Safety Awards

Zero Accidents Award from the Manpower and Transmigration Ministry in 2009 and 2013.

Bio Farma has consistently implemented an internationally acknowledged occupational health and safety management system with OHSAS 18001:2007 certification awarded in 2009 that has been sustained to date.



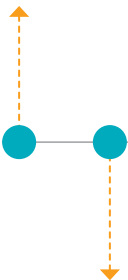
## MILESTONES

5 FEBRUARY 2014

### CREATION OF 1,240 BIOPORES, INAUGURATION OF THE EMISSION-FREE PARKING SPACE, AND SIGNING OF THE STONE INSCRIPTION BY MAYOR OF BANDUNG, RIDWAN KAMIL



Creation of 1,240 biopores, inauguration of the emission-free parking space, and signing of the stone inscription by Mayor of Bandung, Ridwan Kamil. The six-storey building with a capacity of 300 four-wheeled vehicles was built with the green building concept and features a cross-ventilation (open walls) system, solar cells and LED lighting, so that this building will reduce electricity usage by 40%. The building, called the Publik II building, will be used as the first parking space in Bandung and even in West Java that may only be used for four-wheeled vehicles that have passed the emission test. This means that 100% of the vehicles parking in this Publik II building will be those passing the emission test by the Transportation Office of Bandung.



6 MARCH 2014

### CHANGE OF PHILOSOPHY (MEANING), VISION AND MISSION OF PT BIO FARMA (PERSERO)



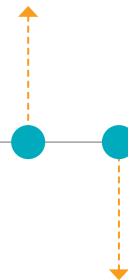
Bio Farma changed its Philosophy (Meaning), Vision and Mission, in accordance with the Joint Decree of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-07/DK/BF/III/2014, No. 01103/DIR/III/2014.

16 AUGUST 2014

### INAUGURATION OF PUSKESMAS PARIWISATA



Located in the beach of Ujung Genteng, Sukabumi Regency, the Puskesmas Pariwisata (Tourism Public Health Center) was inaugurated by the Regent of Sukabumi and the President Director of Bio Farma. This facility is a manifestation of the Access to Medicine and Healthcare program.



21 AUGUST 2014

### ROADSHOW OF THE VACCINE YOUNG AMBASSADORS



PT Bio Farma (Persero) yet again conducted the Roadshow to seek the Vaccine Young Ambassadors, i.e. 10 students from high school or its equivalents in West Java. The selection of the Vaccine Young Ambassadors took place in 10 regencies and municipalities, among others the City of Bandung, Bandung Regency, Cimahi, Kuningan, Palimanan, Cirebon, Depok, Bogor, Cianjur, and Garut. These ten areas were selected owing to their still low immunization coverage, based on the data from the Health Office of West Java.

6 AUGUST 2014  
**124<sup>TH</sup> ANNIVERSARY OF BIO FARMA**



On 6 August 2014 Bio Farma celebrated its 124th anniversary. In gratitude the Company conducted the mass prayer and tausyah at the Multipurpose Building. The event was participated by the Board of Directors, the Board of Commissioners, and Employees. The President Director of Bio Farma at this event expressed his appreciation of the employees' hard work and hope that Bio Farma may rise up to future global challenges.



19-20 AUGUST 2014  
**4<sup>TH</sup> NATIONAL VACCINE RESEARCH FORUM (FRVN)**



The Fourth National Vaccine Research Forum was conducted at the Grand Hyatt Hotel in Jakarta for two days straight and carried the theme "Indonesia is Ready to Implement Vaccine Research Results to Achieve National Vaccine Self-Sufficiency". The purpose of this event was to view the picture of research implementation in each established consortium, as well as to disseminate information regarding the product regulation aspect so that research and development of vaccines in Indonesia may be more well-structured and well-implemented. The aim of the FRVN is to achieve national vaccine research self-sufficiency.

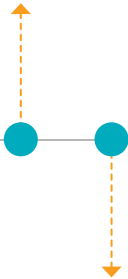


21 SEPTEMBER 2014

**CELEBRATING ITS 124<sup>TH</sup> ANNIVERSARY, BIO FARMA ORGANIZED DRAWING COMPETITION FOR ELEMENTARY SCHOOL STUDENTS IN BANDUNG**



Commemorating the 124th anniversary of Bio Farma, and grounded by the hope to provide an understanding as early as possible on the importance of immunization, vaccines and Bio Farma to the children, Bio Farma organized a drawing competition for elementary school students in all of Bandung. The theme "Immunization and I" was selected as the major theme of this competition, which was participated by around 200 students. Participants were divided into two categories, category I was for students in the first to third grades, and category II was for students in the fourth to sixth grade.



27 SEPTEMBER 2014

**SPEECH TO IMPROVE QUALITY OF LIFE**



The event that carried the theme of "Speech to Improve Quality of Life" was conducted to commemorate the 124th anniversary of Bio Farma in August 2014. The theme was chosen as it was aligned with the philosophy of Bio Farma, namely "dedicated to improve quality of life". As a world-class company, Bio Farma invited young generations to speak up publicly using the English language, to prepare themselves in facing global challenges.

27-29 OCTOBER 2014

**MAHENDRA SUHARDONO, MARKETING DIRECTOR OF BIO FARMA, SELECTED AS PRESIDENT OF DCVMN FOR THE PERIOD OF 2014-2016**



On 27-29 October 2014 the 15th annual meeting of the Developing Countries Vaccine Manufacturers Association took place.



7 NOVEMBER 2014

**INAUGURATION OF THE LEUWISACA BRIDGE**



The Leuwisaca Suspension Bridge, connecting two villages, i.e. Mekarwangi and Sagara Villages in the Subdistrict of Cibalong, Regency of Garut, was inaugurated on Friday, 7 November, by the Vice Governor of West Java, Deddy Mizwar, witnessed by the Regent of Garut, Rudi Gunawan, and HR Director of Bio Farma, Andjang Kusumah and the locals. The Leuwisaca Suspension Bridge was a manifestation of Bio Farma's CSR initiative.

15 DECEMBER 2014

### NATIONAL HEALTH DAY SEMINAR



Commemorating the National Health Day on 12 December 2014, PT Bio Farma (Persero) collaborated with the Health Office of West Java and the Rumah Vaksinasi to conduct the HKN Campaign, by organizing a seminar with the theme "Immunization for a Better Quality of Life", held on Monday, 15 December 2014.



16 DECEMBER 2014

### WORLD HEALTH ORGANIZATION (WHO) PRE-QUALIFICATION FOR PENTABIO VACCINE



On 16 December 2014, the Pentabio 5 in 1 Vaccine [Diphtheria, Tetanus, Pertussis, Hepatitis B, Haemophilus influenzae type b] was declared passing the World Health Organization (WHO) Pre-Qualification. Thus the product is now part of the Bio Farma's portfolio of vaccines that are purchased by the World Health Organization (WHO), UNICEF, PAHO, and other countries in the world. However, Bio Farma still focuses on fulfilling domestic demand for vaccines.



## AWARD AND CERTIFICATION

### AWARD

#### TOP 10 BEST TAX REMITTERS 2013



Bio Farma was recognized by the Tax Directorate General as being in the top 10 best tax remitters in 2013, registered with the Bandung tax office, for its positive contribution in fulfilling its tax obligations during 2013. The award was bestowed during the Tax Electronic Filing Identification Number (e – Fin) Dissemination event on Tuesday, 18 March 2014 in Bio Farma’s Multipurpose Hall.

#### CLEAN SOE AWARD IN “COMMITTED” CATEGORY



Bio Farma received the highest score in the Clean SOE Awards 2014 judged against all SOE in West Java. The Clean SOE Award was announced by the West Java Development Finance Comptroller at its Exit Meeting on 27 March 2014 at Gedung Arthaloka Jakarta, which was attended by Representatives of the West Java Development Finance Comptroller, the Board of Commissioners, Board of Directors’ Committee and the Bio Farma Board of Directors.

#### GLOBAL GREEN AWARD, BERLIN 2014



At the end of March 2014, Bio Farma received the Global Green Award from Otherways Association Management & Consulting-France in Berlin, Germany. This award is evidence of Bio Farma’s innovations in Green and Environmental fields. Bio Farma’s consistent energy efficiencies focus not only on production activities but also operational activities, from energy efficient office design to air management systems and sterilization of production areas and store rooms that runs without interruption for 24 hours.

#### RESPECT FOR INTELLECTUAL PROPERTY RIGHTS AWARD



PT Bio Farma (Persero) received an award for establishing a culture of respect for Intellectual Property Rights (IPR) in the Pharmaceutical Category from the Directorate General for Intellectual Property Rights, Law and Human Rights Ministry. The award was bestowed by Law and Human Rights Minister Amir Syamsudin on 15 April 2014 at Hotel Borobudur Jakarta during the 1st Indonesia GP Pharmaceutical Sharing Session Forum held by the Indonesian Pharmaceutical Companies Association and the Directorate General for Intellectual Property Rights, Law and Human Rights Ministry.

## ONE CENTURY OF INDONESIA 2045



Recognition from the Indonesian Business Data Center (PDBI) for social organizations and companies, both government-owned and private, which established their embryonic roots prior to Indonesia's independence, with startup capital serving as a mainstay of the nation, able to continue through three generations and to survive, transcending political succession providing Indonesia with core strength for global competition in the 21st century. This recognition was bestowed personally by Jakarta Deputy Governor Basuki Tjahya Purnama in Jakarta.

## INDONESIA GREEN AWARD IN 6 CATEGORIES AND WINNER OF THE BEST IGA 2014



Bio Farma received was recognized in the Indonesia Green Awards, initiated by The La Tofi School of CSR and supported by the Forestry Ministry and Industry Ministry, in five categories for Indonesia Green Company: Conserving Water Sources, Developing New and Renewable Energy, Developing Biodiversity, Pioneering Pollution Prevention, and Developing Integrated Waste Management. The awards were made on 18 June 2014 at Hotel Indonesia.

## SOE MARKETING AWARD 2014



At the SOE Marketing Award 2014 event held by SOE Track, Bio Farma received two awards: Gold in the Strategic Marketing category and Silver in the Tactic Marketing category. These awards were bestowed by Hermawan Kartajaya, Head of the SOE Marketing Award 2014 Jury, on 21 August 2014 and received by Bio Farma in Jakarta.

## SOE PKBL AWARDS FOR PUBLIC SERVICE 2014



PT Bio Farma (Persero) on Thursday 25 September 2014 won 7 (seven) SOE PKBL (Partnership and Community Stewardship Program) Awards for Public Service 2014 from The La Tofi School of CSR, which were bestowed at Hotel Indonesia Kempinski, Jakarta.



### INTERNATIONAL STAR AWARD FOR QUALITY (ISAQ) GENEVA 2014



At the International Star Award Geneva 2014 held by Business Initiative Direction, Bio Farma won the Gold Star for Quality in the International Star Award for Quality (ISAQ). This award was handed over to Pramusti Indrascaryo, Bio Farma Finance Director, on 21 September 2014 in Geneva.

### PRIMANIYARTA AWARD 2014



PT Bio Farma (Persero) received an Outstanding winner award for its five consecutive Primaniyarta (2010-2015), as well as a New Market Pioneer award from the Trade Ministry. These two prestigious awards were bestowed by Trade Minister M. Lutfi, as witnessed by President-elect Joko Widodo, on Bio Farma President Director Iskandar at Jakarta International Expo on 8 October 2014.

### CEO AND CORPORATION OF CHOICE AT SPS 2014



At IPRAS 2014 (Indonesia Public Relation Awards & Summit) held by the Press Union in Jogjakarta on 17 October 2014, Bio Farma won CEO and CORPORATION of Choice SPS 2014.

### PMI CHARTER AWARD FOR BLOOD DONATIONS 2013



PMI (Indonesian Red Cross) gave an award to Bio Farma for its active participation in blood donation drives during 2013.

### PROPER GOLD 2014 FROM THE ENVIRONMENT MINISTRY



PT Bio Farma (Persero) received a Gold rating in the Environmental Performance Rating Program (PROPER), run by the Environment and Forestry Ministry, for Manufacturing facilities and services. The award was bestowed by Vice President Jusuf Kalla on Bio Farma President Director Iskandar on 2 December 2014 in the Manggala Wanabakti Auditorium at the Environment Ministry. A Gold PROPER rating is the highest environmental award and means that a company has consistently implemented exhaustive environmental management.

**PUBLIC BUILDING 2 IN THE “ENERGY SAVING BUILDING 2014” ENERGY EFFICIENCY AWARDS BY THE ESDM MINISTRY**



The Energy and Mineral Resources (ESDM) Ministry recognized PT Bio Farma (Persero) for the most energy efficient building at the National Energy Efficiency Awards Night 2014 at Hotel Borobudur Jakarta on 18 November 2014. The National Energy Efficiency Awards are upheld by the Energy and Mineral Resources Ministry and recognize companies and government institutions that successfully reduce their energy use. There are three categories in the competition—energy efficient building, industrial energy management and energy and water conservation by central and regional governments in accordance with Presidential Instruction No. 13 of 2011.

**ISKANDAR, PT BIO FARMA (PERSERO) PRESIDENT DIRECTOR, AS AN “AGENT OF DEVELOPMENT IN A NON-LISTED STATE OWNED ENTERPRISE 2014” FROM INVESTOR MAGAZINE**



Eight eminent CEOs from various business sectors were chosen as Indonesian Financial Leaders (TFI) 2014 by Investor Magazine. Four CEOs, one each in a listed company, securities company, insurance company and multi-finance company, were named Top Executive 2014. Bio Farma President Director Iskandar was recognized in the Non-listed SOE CEO category as an Agent of Development for his significant contribution in the state-owned enterprise arena.

**“VERY GOOD” RANKING FOR FINANCIAL PERFORMANCE DURING 2013 FROM INFOBANK**



Of 122 SOE rated by the Infobank Research Bureau, 54 received a ranking of “very good” and Bio Farma took the top score in the Infobank BUMN Awards 2014. In honor of this achievement, Bio Farma took a Golden Trophy for being ranked “very good” for five consecutive years, from 2009-2013. The award was bestowed by Gatot Trihargo Financial Services Deputy, Construction and Other Services at the SOE Ministry, representing the SOE Minister, on Pramusti Indrascaryo as PT Bio Farma (Persero) Finance Director.

**COMMENDATION FOR 1ST GLOBAL REPORTING INITIATIVE (GRI) G4 SUSTAINABILITY REPORT 2013 FROM THE NATIONAL CENTER FOR SUSTAINABILITY REPORTING**



The National Center for Sustainability Reporting recognized Bio Farma for its efforts in implementing the Global Reporting Initiative (GRI) G4 for its 2013 Sustainability Report.

**IMPLEMENTATION OF LAW NO. 14 OF 2008 BY A PUBLIC AGENCY IN THE SOE CATEGORY**



Bio Farma won 1st ranking for Public Information Disclosure from the Central Information Commission, bestowed by Vice President Jusuf Kalla on Bio Farma HR Director Andjang Kusumah at the Vice President’s Palace.



## CERTIFICATION

**WORLD HEALTH ORGANIZATION (WHO)**

Recognition from the World Health Organization (WHO) for polio vaccines (9 April 1997), measles 10 doses & 20 doses (9 April 1997 & 4 September 2006), Hepatitis B Uniject (13 May 2004), Oral Polio Vaccine Tipe 1/mOPV-1 monovalent (3 November 2009), Oral Polio Vaccine/bOPV bivalent (26 May 2010), bacterial vaccines (Diphtheria, Pertussis, Tetanus) (6 April 2011), Tetanus in vial form (11 March 1999) & Uniject (29 October 2003), Td (6 July 2011), DT (11 March 1999) and DTP-HB combination vaccine, have all passed the WHO prequalified test (7 October 2004), Pentabio (16 December 2014).\*\*

**CPOB Certificate**

CPOB (Good Manufacturing Practices) from National Agency of Drugs and Food Control of the Republic of Indonesia:

- Polio Vaccine: Manufacturing of bulk antigens type 1, 2, and 3, validity until 4 Apr 2016.
- Measles Vaccine: Formulation, Filling, Liophilization of Measles Vaccine, validity until 4 Apr 2016.
- Bacterial Vaccines: Preparation of Bulk Pertussis Production, Cultivation for Bulk Pertussis Production, Pooling for Bulk Pertussis Production, Preparation for Bulk HiB Production, Cultivation for Bulk HiB Production, Conjugation & Purification for Bulk HiB Production, validity until 16 Sep 2018.
- Bulk Measles Vaccine: Breeding of SPF Chicken, Bulk Production, validity until 31 Mar 2019.
- Bulk BCG Vaccine: Bulk Production, validity until 31 Mar 2019
- Diphtheria Toxoid Bulk: Bulk Production (Cultivation & Detoxification), Bulk Production (Purification), validity until 31 Mar 2019.
- Tetanus Toxoid Bulk: Bulk Production (Cultivation & Detoxification), Bulk Production (Purification), validity until 31 Mar 2019.
- Viral Vaccine: Formulation, Filling, Liofilisasi Measles Vaccine, Measles Vaccine Packaging, Formulation, Polio Vaccine Filling, Polio Vaccine Packaging, Formulation, Hepatitis B Vaccine Filling, Hepatitis B Vaccine Packaging, Formulation, Influenza Seasonal Vaccine Filling, Influenza Seasonal Vaccine Packaging, validity until 31 Mar 2019.
- Bacterial Vaccine: Formulation, Filling, Liofilisasi BCG Vaccine, BCG Vaccine Packaging, validity until 31 Mar 2019.
- Bacterial Vaccines: Formulation, Filling of DTP Vaccine, DTP Vaccine Packaging, Formulation, Filling of TT Vaccine, TT Vaccine Packaging, Formulation, Filling of DT Vaccine, DT Vaccine Packaging, Formulation, Filling of Td Vaccine, Td Vaccine Packaging, validity until 31 Mar 2019.
- Combination Vaccines: Formulation, Filling of DTP-HB Vaccine, DTP-HB Vaccine Packaging, Formulation, Filling of DTP-HB-HiB Vaccine, DTP-HB-HiB Vaccine Packaging, validity until 31 Mar 2019.
- Bulk Pertussis Vaccine: Preparation, Cultivation, Inactivation and Pooling, validity until 31 Mar 2019.
- Bulk Polio Vaccine: Bulk Production, validity until 31 Mar 2019.
- Bulk Antisera: Separation & Pooling of Plasma, Bulk Production, validity until 14 Jan 2020.
- Antisera: Formulation of Antisera, Filling of Antisera, Packaging of Antisera, validity until 14 Jan 2020.

\* Certificate has a validity period

\*\* Certificate has no validity period



### **Environmental Management System- ISO 14001:2004**

ISO 14001:2004 certification for Environmental Management System was given by Lloyd's Register Quality Assurance Ltd., Singapore, valid until 3 October 2015.\*\*



### **Bill & Melinda Gates Foundation Certificate of Appreciation**

Bio Farma received an appreciation from the Bill & Melinda Gates Foundation. This Certificate of Appreciation was given for Bio Farma's commitment and dedication in improving global health, among others in eradicating polio disease by producing two-third of the world's global demand for Oral Polio Vaccine (OPV).\*\*



### **Vaccine Vial Monitor (VVM) Certificate**

Certificate of Honor from the World Health Organization (WHO) in implementing the use of Vaccine Vial Monitor (VVM) for Indonesia through Bio Farma\*\*.



### **Occupational, Health and Safety Management System- OHSAS 18001:2007**

Occupational, Health and Safety Management System-OHSAS 18001:2007 for the management of occupational security, safety and health was given by Lloyd's Register Quality Assurance Ltd., Singapore. Valid until 16 September 2015.\*

### **Laboratory Accreditation from WHO Regional South East Asia**

Laboratory Accreditation Certificate was given by the World Health Organization (WHO) Regional South East Asia and Immunization and Vaccine Development (IVD) to Bio Farma for passing the accreditation for the laboratorium facility as a reference for polio laboratory test. Valid until December 2013.



REPORT BY THE PRESIDENT COMMISSIONER (G4-1)



Bio Farma has aspired to be a world class life-science company with global competitiveness. This is a challenge as well as an opportunity for Bio Farma, to always create innovations and develop products in order to be recognized by its peers in the biotechnology industry.

**Ahmad M. Ramli**  
PRESIDENT COMMISSIONER

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For over 124 years, Bio Farma has made a meaningful contribution to improving public health in Indonesia and globally. Increasing public awareness of the importance of preventing viral and bacterial diseases has driven Bio Farma to continue improving its competencies, growing from the vaccine industry to Life Science.

With all the challenges that it has faced and its proven financial performance achievements and successes, as well as success in the fields of Environment, Innovation, Exports and with an award for public information disclosure in 2014, the Board of Commissioners is optimistic that Bio Farma has a promising and sustainable future and will continue to contribute in the social, economic and environmental fields for all stakeholders.

### Respected Stakeholders,

Bio Farma closed 2014 with glittering and impressive achievements, including adding to its range of internationally acknowledged (PQ – WHO) vaccines with Pentabio (DTP, Hepatitis B, Hib), as well as various world-class environmental, community development and financial performance awards. Bio Farma can see significant progress, despite global economic conditions continuing to be unstable. Our continuing sustainability over the last 124 years is a result of our commitment to continue creating high quality vaccines and sera so that our products can be globally trusted and beneficial.

This Sustainability Report provides a transparent and accountable illustration of all our operational activities. Bio Farma's CSR philosophy is about sustainability, self-sufficiency, sovereignty and existence. Bio Farma's CSR strategy is not about charity however; all its programs are integrated through partnerships with relevant stakeholders. In addition, Bio Farma's CSR programs are based on ISO 26000, which is the most up-to-date and comprehensive international standard.



The reporting side is based on the most recent reporting standard from GRI (Global Reporting Initiative), version 4 or G4. Bio Farma uses these international standards because Bio Farma believes that for company operations to be sustainable, in addition to paying attention to the triple P balance (profit, people, planet), Bio Farma must also pay attention to another “P”, that of procedure. All these activities are implemented as evidence of the company’s commitment to impact economically, socially, environmentally and with social responsibility for all stakeholders, including employees, shareholders, investors and the public.

As a tropical country, Indonesia has fertile land and abundant biodiversity. However, behind this beauty are many seeds of disease that can result in dangerous

illnesses that can cause disabilities and death. With Bio Farma’s proficiency in managing viruses and bacteria, Bio Farma has been able to create innovations to reduce the spread of disease through the use of vaccines. Vaccinations are the greatest innovation that have occurred in the history of human medicine to date and are considered to be the most effective and affordable way of managing disease transmission.

Bio Farma’s strong relationship with the community has encouraged the company to continue in this industry. Trust has been established based on a genuine desire and intention to participate in increasing and improving the public quality of life, in particular as related to health, education, the economy and environment.



1 **Ahmad M. Ramli**  
PRESIDENT COMMISSIONER

2 **Herman L. Djuni**  
COMMISSIONER

3 **Nizar Yamanie**  
COMMISSIONER

4 **Ihsan Setiadi Latief**  
COMMISSIONER

5 **Heridadi**  
COMMISSIONER

6 **Paruli Lubis**  
COMMISSIONER

Bio Farma is committed to sustainable operations and all our employees contribute their best efforts and dedication to developing Bio Farma's strengths to improve the quality of life. Finally, on behalf of the Board of Commissioners, I would like to thank all our stakeholders for their support and participation in developing synergies to provided added value to all parties.

Bandung, June 2015

**Ahmad M. Ramli**  
PRESIDENT COMMISSIONER



## REPORT BY THE BOARD OF DIRECTORS



We give praise to God Almighty that Bio Farma managed to top off 2014 with an outstanding achievement. Various accomplishments, awards and global trust were gained through the hard work of all Bio Farma's employees.

**Iskandar**  
PRESIDENT DIRECTOR

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“Even though Bio Farma has been established for over 124 years, the company continues to innovate to create solutions that provide quality of life for society. With the demands of global development in the midst of unequal economic development and social inequality, as a global citizen we must play an active role in creating development that is inclusive, environmentally friendly and sustainable. We expect that this initiative will lead the Company to provided added value for global prosperity.”

### Respected Stakeholders,

In 2014, at Bio Farma we have once again prepared our Sustainability Report based on international-standard reporting systems, namely the most recent version of the Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI), version 4.0, known as GRI G-4. Through this report, we provide a genuine illustration of Bio Farma's commitment to participating in social, economic, cultural and environmental sustainability, backed up with genuine achievements realized in the reporting year.

We place customers as our top priority and for this reason have made this a fundamental philosophy, dedicating ourselves to improving society's quality of life nationally and globally.

Our skills and competencies line in managing sources of biodiversity, such as viruses and bacteria. Through innovations in the processes of purification and refinement, Bio Farma has created beneficial developments and produced vaccines to prevent the spread of various contagious diseases. As part of our responsibility for the vaccine products we market, we have implemented various integrated national and international standards to ensure quality, security and product efficacy. At all stages of these processes, we are committed to minimizing the impact of our operations and ensuring environmental sustainability. To face

industry challenges and opportunities in the future, we refer to various international requirements and future industry platforms determined by the United Nations Industrial Development Organization (UNIDO), which significantly influence our sustainability initiatives. We believe in the importance of mainstreaming social, cultural and environmental aspects into Bio Farma's operations so the company can compete globally. For this purpose, the Board of Directors implements policies and commitments that include ongoing environmental innovations and environmentally friendly (green) processes across all production processes to achieve the expected sustainability.

Praise God, in 2014, we achieved pleasing sustainability performance. Achievements included making a positive contribution to the community economically through



the application of fair business practices in line with pre-determined regulations. We also realize that Bio Farma's success as a company cannot be purely seen from the aspect of financial performance, rather it must also be measured from the aspect of its role and responsibilities environmentally and we have focused on all stakeholders, including consumers, employees, the shareholder, vendors, regulators, the community and society.

We are committed to implementing good corporate governance. One form of this is treating all of Bio Farma's people with the principle of equality. In employment practice and with the implementation of human rights, we do not differentiate based on gender, religion, ethnicity or race. This is carried through all Human Resource (HR) management processes, from recruitment, training programs, determining promotions and careers, to providing remuneration and retirement preparation. In our records, during 2014 there were no strikes or human rights violations.

Our role in environmental performance emphasizes how Bio Farma can continue to improve the Earth's resilience through the conservation of natural resources. Efforts to use more efficient energy, re-use materials that can still be used, such as paper for administrative purposes, waste management and conserving resources in company activities, are energy saving methods that we have implemented and aggressively campaigned for over the last 10 years.

Bio Farma also plays an active role in nature conservation, for example supporting the development of Ciletuh Geopark, working in synergy with the West Java Provincial Government, Sukabumi Regional Government, local universities, the Geology Agency and representatives of community groups with an interest in nature conservation. Bio Farma's role in this situation is to create concern for conservation that supports biodiversity from various aspects (bio-diversity, geo-diversity and cultural diversity), as well as empowering the community in the area, including within the Ciletuh Geopark. Because we believe in the potential of the area,

“  
**We are committed to implementing good corporate governance. One form of this is treating all of Bio Farma's people with the principle of equality.**  
”

Bio Farma supports efforts to make the Ciletuh Geopark part of the Global Geopark Network (GGN) through the United Nations Educational, Scientific and Cultural Organization (UNESCO).

In addition, Bio Farma also conserves art to preserve traditional culture. One embodiment of this is the creation of a traditional Sundanese arts community that provides a touch of rich art and culture to all internal and external corporate activities. The Sundanese culture has a very wide-reaching and valuable repertoire that contains extensive local wisdom that should be nurtured and developed. The creation of a leuit, or rice barn, in the employees' eating area was selected due to its philosophy being similar to that of the vaccine, namely preparedness, sustainability and sovereignty.

Realizing the importance of the environment for the company's sustainability, genuine participation in sustaining the environment can be seen in various strategic and ongoing programs. In 2014, Bio Farma was recognized for its efforts in environmental management with a number of awards, including the highest award in the form of Gold PROPER ranking from the Environment and Forestry Ministry, as well as the Green Global Award from an international institution. We will continue our efforts to uphold all these prestigious achievements in 2015.



1 **Iskandar**  
PRESIDENT DIRECTOR

2 **Andjang Kusumah**  
HUMAN RESOURCE  
DIRECTOR

3 **Mahendra Suhardono**  
MARKETING DIRECTOR

4 **Pramusti Indrascaryo**  
FINANCE DIRECTOR

5 **Juliman**  
PRODUCTION DIRECTOR

6 **Sugeng Raharso**  
PLANNING &  
DEVELOPMENT DIRECTOR

On behalf of the Board of Directors, I would like to express our thanks and appreciation to all our stakeholders for their support and contributions in supporting the Company to improve its performance across all operational lines, encompassing economic, social, cultural and environmental aspects. I believe that the involvement of the relevant stakeholders to achieve long-term corporate sustainability can be achieved in line with the achievement of all sustainable development goals with optimum benefits for all parties.

Bandung, June 2015,

**Iskandar**  
PRESIDENT DIRECTOR



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## ABOUT THIS SUSTAINABILITY REPORT

This report describes Bio Farma's Corporate Social Responsibility (CSR) activities during 2014 and is being published in the interests of transparency and accountability, in an effort to combine Bio-Diversity, Geo-Diversity and Cultural Diversity.

All Bio Farma's CSR activities are recorded and reported in a report that is separate from the Company Annual Report, however the two reports remain integral to each other and are mutually supportive. With this separation of reporting, stakeholders are expected to receive a complete explanation of efforts made by the company to support sustainability and fulfill its requirements and responsibilities to stakeholders. The 2014 Sustainability Report is the third sustainability report by Bio Farma, which has routinely published a sustainability report each year since 2011. [\[G4-29, G4-30\]](#)

The sustainability information contained within this report is based on the four pillars of Bio Farma's CSR program, namely access to health, economic access, access to education and environmental access. Under the company's philosophy, "Dedicated to Improving the Quality of Life", Bio Farma's CSR is not merely charity or donations, rather it is sustainable CSR so that the receiving community can progress and become self-sufficient economically and socially.

### REPORTING GUIDELINES

This report has been prepared based on the Global Reporting Initiative (GRI) and makes use of G4 Sustainability Reporting Guidelines. This report has been prepared using the Core option, as in previous years, and provides an illustration of the Company's sustainability programs, the implementation of its social responsibility activities, the Company's transformation, customer services, environmental management and economic performance, all of which are important matters for the stakeholders to be aware of. Verification of compliance with GRI G4 core has been conducted by an independent third party, namely the National Center for Sustainability Reporting (NCSR), as recorded in the third party verification statement on page 112 of this report. [\[G4-32\]](#)

The data contained in this Sustainability Report has not been assured by an independent external auditor (assurance).

However, to guarantee the credibility and quality of the information contained within this report, the contents and data in their entirety have undergone an internal verification stage. [\[G4-33\]](#)

### PERIOD AND REPORT BOUNDARY

In this 2014 Sustainability Report, the information presented is Sustainability information per 31 December 2014. This report is focused on the key topics determined, based on the principle of materiality and relevance to sustainability, namely encompassing governance, human resource management, economic performance, environmental management and implementation of the social responsibility and environment program, as well as initiatives to empower and conserve the environment. Bio Farma does not have any subsidiaries. [\[G4-20, G4-28\]](#)

In this year's sustainability report, there are no significant boundary changes compared to the previous year, thus there is no requirement for restatement of the previous year's report. [\[G4-22, G4-23\]](#)

In conducting business, Bio Farma is aided by various parties, such as suppliers and vendors, both of goods and services. All suppliers that support Bio Farma's business process must undergo a strict selection process. This is implemented to ensure that Bio Farma's excellent reputation for compliance with standards is maintained and to ensure that the basic materials for our products are sourced from suppliers and vendors who care for the environment, employee rights and who respect human rights.

### REPORT CONTENT

For this 2014 Sustainability Report, we studied what content should be presented and ensured that the report contained the most up-to-date issues related to the company's sustainability and stakeholder interests.

We used the following GRI G4 principles to determine report content:

Stakeholder Inclusiveness: the stakeholders referred to are entities or individuals that will be significantly influenced by business activities and that can influence the organization's ability to achieve its goals.

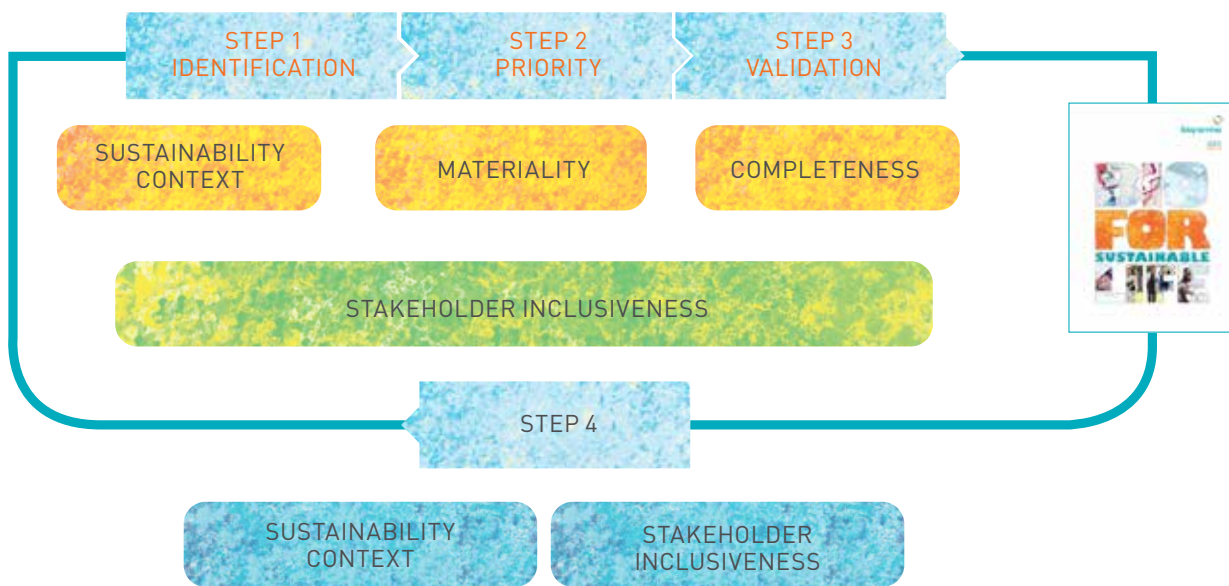


Sustainability Context: this report presents organization performance in the overall context of sustainability.

Materiality: This report presents the significant economic, environmental and social aspects that can substantially influence assessments and decisions made by stakeholders.

Completeness: This report contains sufficient Material Aspects and Boundaries to reflect significant economic, environmental and social impact, as well as allowing the stakeholders to assess the company’s performance during the reporting period. (G4-18)

Bio Farma took four steps to determine report content for this year, identification, prioritizing, validation and review to provide input to refine reports in future stages.



### DETERMINING MATERIAL ASPECTS AND BOUNDARIES

Bio Farma had an internal team for Sustainability Report Content Determination prepare the material aspects and boundaries for this report, involving various internal work units through the distribution of a questionnaire. From the feedback, it was possible to determine which material issues needed to be discussed to determine material aspects, the report scope and boundary, and the presentation of information and data to be published in the 2014 Sustainability Report.

### DETERMINING MATERIALITY LEVEL

To fulfill the principle of stakeholder inclusiveness, Bio Farma distributed questionnaires to stakeholders, including the employees’ union, customers, the community, business partners and NGOs in three cities, Bandung, Sukabumi and Jakarta. This was with the aim of requesting input from stakeholders with regards to the materiality level of issues that had been identified by the report preparation team for inclusion in the 2014 Sustainability Report. Following is the matrix used to determine the materiality level of these issues:

## LIST OF MATERIAL ASPECTS AND BOUNDARY (G4-19), (G4-21)



- Internal Bio Farma
- External Bio Farma

Material Aspect		Internal Bio Farma	External Bio Farma
No	Material Aspect & Boundary		
1	Economic Performance	○	
2	Indirect Economic Impacts	○	
3	Energy	○	
4	Emission	○	
5	Biodiversity	○	
6	Labour	○	
7	Industrial Relationship	○	
8	Health and Safety	○	
9	Training and Education	○	
10	Diversity and Equal Opportunity	○	
11	Equal Male and Female Remuneration	○	
12	Supplier Assessment for Labour Practices	○	○
13	Freedom of Association and Collective Bargaining	○	
14	Anti Corruption	○	○
15	Local Communities	○	
16	Compliance with regulations	○	○

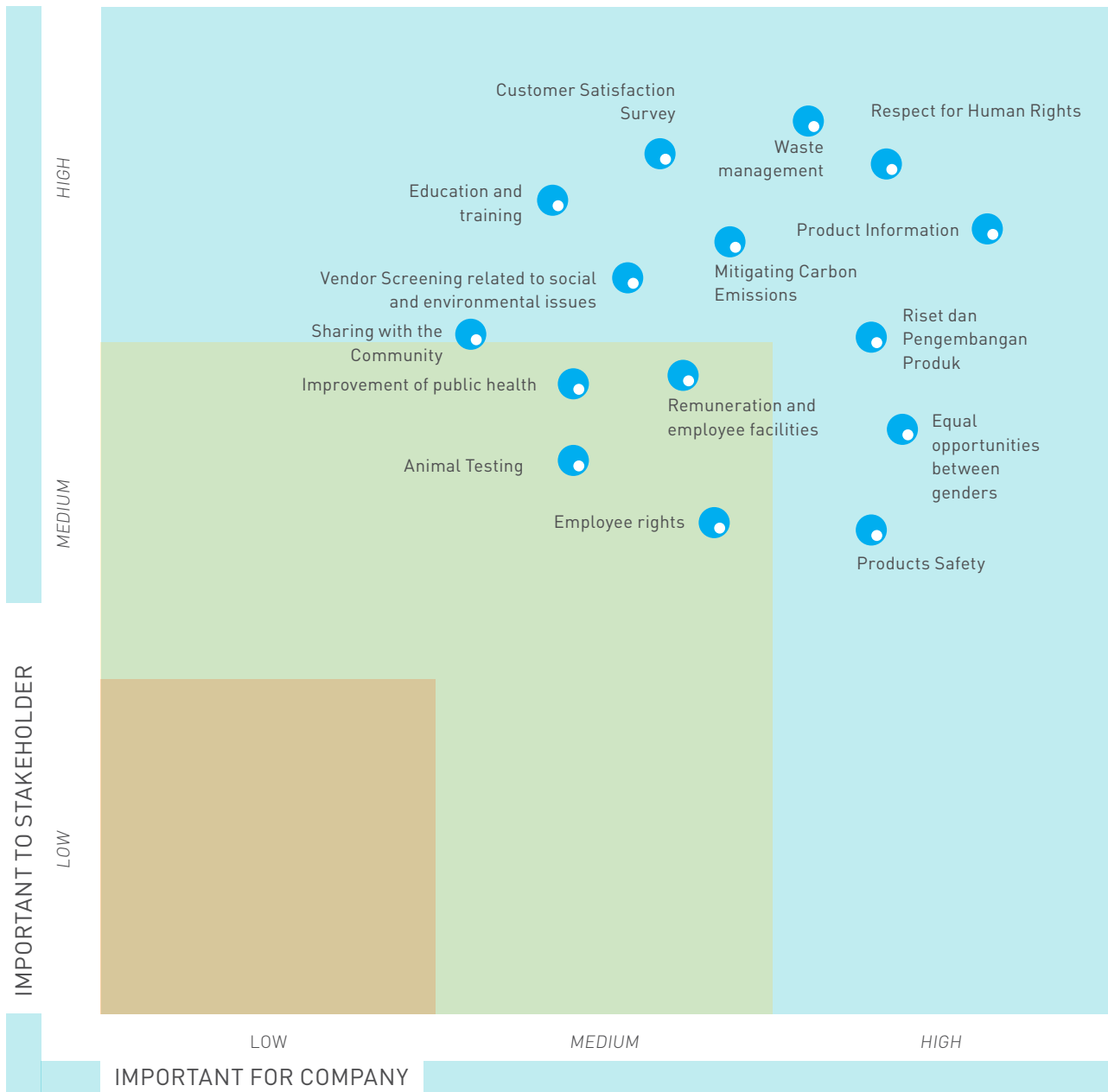


### MATERIALITY LEVEL

In accordance with the principle of stakeholder inclusiveness, we involved our employees and the local communities around Bio Farma to determine the level of materiality for the report and held.

Focus Group Discussions (FGD) attended by the Report Preparation Team. Meanwhile, to involve stakeholders who could not be accommodated through FGD, we distributed questionnaires. These were sent to the employees' union, customers, distributors, business partners, suppliers, vendors and NGOs. The results of the survey and FGD are illustrated in the materiality level graph below:

Materiality Graph







## ABOUT BIO FARMA [G4-3, G4-5, G4-17, G4-31]

### COMPANY NAME

PT Bio Farma (Persero).

### DOMICILE

Bandung.

### ESTABLISHMENT

6 Agustus 1890.

### ESTABLISHMENT DEED

Decree of the Minister of Justice of the Republic of Indonesia on 5 March 1998 with No. C2-1423hT.01.01. in 1998.

### AUTHORIZED CAPITAL

Rp 5 trillion consisting of 5 million shares with a nominal value of Rp 1 million per share.

### ISSUED & PAID-UP CAPITAL

Rp 1.25 trillion consisting of 1.25 million shares with a nominal value of Rp 1 million per share.

### SHARE OWNERSHIP COMPOSITION

100% owned by the Government of the Republic of Indonesia.

No Subsidiary.

Non Listed.

### SCOPE OF BUSINESS

Research, development, production, marketing of biological products, pharmaceutical products and medical devices.

### ADDRESS

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](mailto:mail@biofarma.co.id)

Website: [www.biofarma.co.id](http://www.biofarma.co.id)

Facebook: Info Imunisasi

Twitter: @infoimunisasi

@biofarmalD

Blog: [www.infoimunisasi.com](http://www.infoimunisasi.com)







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## VISION, MISSION, CORPORATE CULTURE AND CORPORATE POLICY

### OUR VISION

To become a World-Class Life Science Company with Global Competitiveness.

### OUR MISSION

Provide and Develop Life Science Products of International Standards to Improve the quality of Life.



### CORPORATE CULTURE

Each organ of the Company acts and thinks in a professional manner, with high integrity, spirit of teamwork, innovation-driven and customer service-oriented.

- Professional  
Committed to executing all tasks with responsibility, efficiency, effectiveness, forward-orientation, and procedural compliance.
- Integrity  
Honest, transparent, and accountable, in line with the Company's objective.
- Teamwork  
Working together by respecting others' roles and opinions.
- Innovation  
Carrying out continuous improvement and development to generate new ideas.
- Customer Oriented  
Understanding the needs of customers and providing the right solutions to them.

### CORPORATE POLICY

- High quality products.
- Environmentally friendly products.
- Global competitiveness.
- Customer satisfaction.
- Continuous improvement.
- Pollution control.
- Prevention of occupational accidents and work-related diseases.
- Conservation of energy and natural resources.
- Compliance to laws and other regulations.



## BRIEF HISTORY OF THE COMPANY

### 6 August 1890

Bio Farma was established under the name of "Parc Vaccinogene" on 6 August 1890 based on the Decree of the Governor of the Dutch Indies No. 14 of 1890, in the Weltevreden Military Hospital, Batavia, which now function as the military Hospital (RSPAD) Gatot Soebroto, Jakarta.

### 1942-1945

During the Japanese occupation, Bio Farma changed its name to "Bandung Boeki Kenkyusho" and was led by Kikuo Kurauchi.

### 1945-1946

The Indonesian name of "Gedung Cacar and Lembaga Pasteur" was attributed to the Company, which was then led by R.M. Sardjito, the first Indonesian officer who led the Company. Under his leadership, the head office was moved to Klaten.

### 1895-1901

The Company's name was changed to "Parc Vaccinogene en Instituut Pasteur."

### 1946-1949

During the Military Aggression, when Bandung was taken over by the Dutch army, the Company changed its name once more to "Landskoeboek Inrichting en Instituut Pasteur."

### 1902-1941

The Company changed its name again to "Landskoeboek Inrichting en Instituut Pasteur." In 1923, Bio Farma was relocated in Jalan Pasteur No. 28 Bandung, and led by L. Otten.

### 1950-1954

The Company changed its name again to "Gedung Cacar and Lembaga Pasteur", and was one of the institutions under the auspices of the Ministry of Health of the Republic of Indonesia.

## 1955-1960

During the nationalization of Dutch companies in Indonesia, the Company later changed its name to "State Company Pasteur". The Company was then more popularly known as PN. Pasteur.

## 1978-1996

Based on Government Regulation No. 26/1978, the Company changed its name to Bio Farma public company, better known as Perum Bio Farma.

## 1961-1978

The Company changed its name again to "Bio Farma state company" or better known as PN. Bio Farma.

## 1997-2011

Bio Farma succeeded in obtaining WHO Prequalification for 12 types of vaccines, marking WHO's approval for entering global market.

## 1997

Based on Government Regulation No. 1/1997, the Company changed its name from Perum Bio Farma to Perusahaan Perseroan (or more familiarly PT Bio Farma (Persero) up to the present time.

## 2009

Under the new management team, Bio Farma stepped forward as a worldclass vaccine company with global competitiveness.

## 2008

The launch of a new logo reflected the spirit and optimism towards entry into the world class vaccine industry.

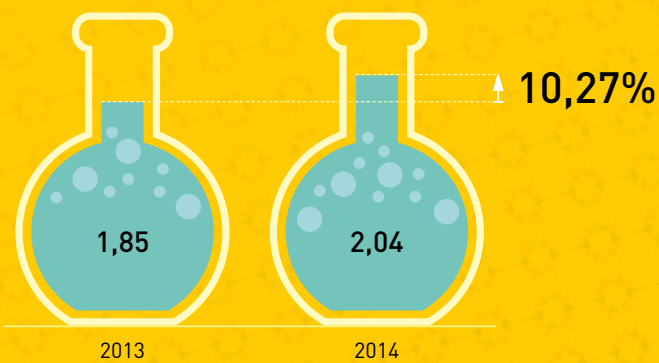
## 2014

Enhancement of a new Vision, "To be a World Class Lifescience Company with Global Competitiveness".



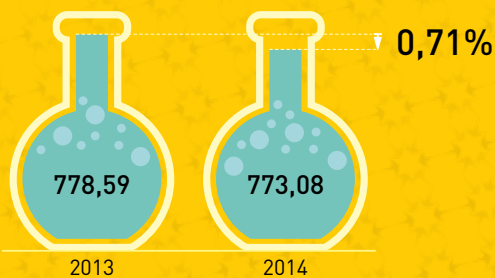
# BIO FARMA'S SIGNIFICANT ACHIEVEMENTS IN 2014

## NET SALES [Rp trillion]



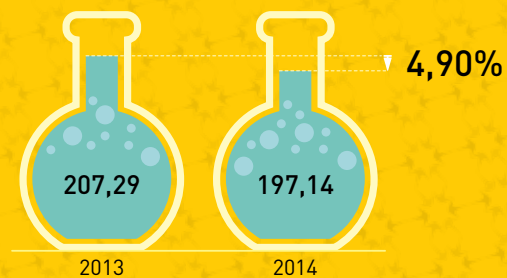
Bio Farma's net sales in 2014 reached **Rp 2.04** trillion, up **10.27%** from the net sales in 2013 amounting to **Rp 1.85** trillion.

## INCOME BEFORE TAX [Rp billion]



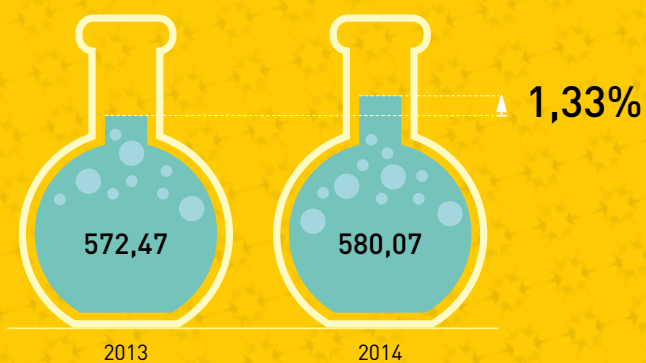
Bio Farma recorded income before tax of **Rp 773.60** billion in 2014, down **0.71%** from 2013 income before tax of **Rp 778.59** billion.

## CURRENT TAX LIABILITY [Rp billion]



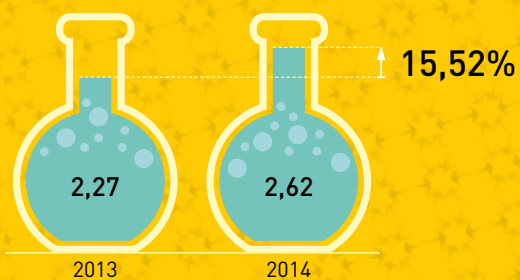
Bio Farma's contribution to the state through the payment of income tax of **Rp197.14** billion in 2014, down **4.90%** from 2013 income tax of **Rp207.29** billion.

## NET INCOME [Rp billion]



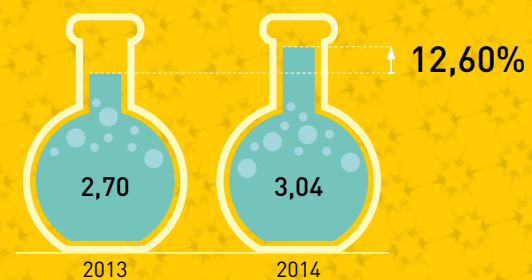
Bio Farma booked a net income of **Rp580.07** billion in 2014, up **1.13%** from 2013 net income of **Rp572.47** billion.

## TOTAL EQUITY [Rp trillion]



Bio Farma's total equity in 2014 was **Rp2.62** trillion, up **15.52%** from total equity at the end of 2013 of **Rp2.27** trillion.

## TOTAL ASSETS [Rp trillion]



In its 124<sup>th</sup> year, Bio Farma has reached a new milestone as a company, with total assets amounting to **Rp3.04** trillion as at end of 2014. Bio Farma's total assets increased **12.60%** from **Rp 2.70** trillion as at end of 2013.



## PROMULGATING OUR NEW VISION "BECOMING A WORLD-CLASS LIFE SCIENCE COMPANY WITH GLOBAL COMPETITIVENESS"

Per 31 December 2014, Bio Farma was a non-listed company, thus neither the public nor Bio Farma's Board of Directors and Board of Commissioners own shares in Bio Farma. The sole shareholder (100%) of Bio Farma is the Government of the Republic of Indonesia. (G4-13) (G4-7)

### COMPANY PRODUCTS (G4-4)

Our products consist of vaccines and antisera for human, classified as follows:



#### VIRAL VACCINES

1. Oral Polio Vaccine –for poliomyelitis type 1, type 2, and type 3 prevention.
2. Bivalent Oral Poliomyelitis Vaccine – for poliomyelitis type 1 and type 3 prevention.
3. Monovalent Oral Poliomyelitis Tipe 1 Vaccine (mOPV1) – for the prevention of type 1 poliomyelitis disease.
4. Measles Vaccine (Freeze Dried) –for measles prevention.
5. Recombinant Hepatitis B Vaccine –for Hepatitis B prevention.
6. Flubio Vaccine – for seasonal influenza disease prevention.



#### BACTERIAL VACCINES

1. TT Vaccine – for tetanus and Neonatal Tetanus (Tetanus in newborns) prevention.
2. DT Vaccine – for diphtheria and tetanus prevention.
3. DTP Vaccine – for diphtheria, tetanus and pertussis prevention.
4. BCG Vaccine (Freeze Dried) – for tuberculosis prevention.
5. Td Vaccine – for tetanus and diphtheria prevention, for children aged 7 years and over.



#### COMBINATION VACCINES

1. DTP-HB Vaccine – for prevention of Diphtheria, Tetanus, Pertussis (whooping cough) and Hepatitis B.
2. Pentabio Vaccine (DTP-HB-Hib) – for Diphtheria, Tetanus, Pertussis, Hepatitis B and Haemophilus influenza type B prevention.



#### ANTISERA

1. Anti-tetanus Serum – for treatment of tetanus.
2. Anti-diphtheria Serum – for curing diphtheria diseases.
3. Anti-snake Venom Serum – for curing the poisonous snakes bite which contains neurotoxin effects (Naja sputratix/cobra and Bungarus fasciatus/ striped snake) and hemotoxin effect (Ankystrodon rhodostoma/ground snake).



#### DIAGNOSTIKA

PPD RT 23 (Purified Protein Derivative) –for testing an individual's sensitivity against tuberculosis Infection.

## MARKET SHARE (G4-8)

Customers are the most important aspect of our business. Bio Farma is committed to continually maintaining and building good customer relations, as well as ensuring social responsibility to its stakeholders. Even though Bio Farma does not currently operate in certain countries, its vaccine products are used in excess of 130 countries. (G4-6) Twelve vaccine products have been acknowledged by WHO for pre-qualification (PQ) since 1997. Few vaccine producers have the capacity to supply vaccines to prevent contagious diseases globally and are entrusted to improve the quality of global health.

Bio Farma's market segmentation is as follows:

### 1. Government

Bio Farma supplies vaccines to Indonesia's National Immunization Program through the Health Ministry, which are then distributed to the public by the local health agencies at provincial or regency level, as well as community health centers, mother and baby clinics and other health services.

### 2. Private

Bio Farma supplies vaccines to the private sector through appointed distributors, which are then distributed to hospitals, doctors, clinics, pharmacies, etc.

### 3. International

Bio Farma provides vaccines globally through international institutions, including the United Nations Children's Fund (UNICEF), Global Alliance of Vaccines and Immunization (GAVI) and the Pan-American Health Organization (PAHO), for further distribution to countries that need to support their own national immunization programs. To meet demand for general exports, Bio Farma supplies vaccines directly to bilateral partners and various appointed third party agents.





### COLD CHAIN SYSTEM

Vaccine is a biological product that requires special handling in its distribution.

A special system called the Cold Chain System is required for the distribution of vaccines, starting from the manufacturer, distribution, storage at the destination, storage of stock vaccines, up to the delivery of vaccines to the customers.

Vaccine temperature must be maintained within the range of 2 to 8 degrees Celsius, for BCG, DTP, TT, Td, DTP-HB-Hib, Measles, Hepatitis B, and Influenza vaccines. Polio vaccines must be stored at -20 (minus twenty) degrees Celsius.

The Cold Chain System is a procedure to keep vaccines in a stable condition, so that their safety, efficacy, and quality will be maintained and thus the recipients obtain the benefit of protection and prevention from various infectious diseases.

Deadline for delivery of all vaccines must not exceed 48 hours, as stipulated in WHO guidelines, and with due regard to the Cold Chain System for all types of vaccine.

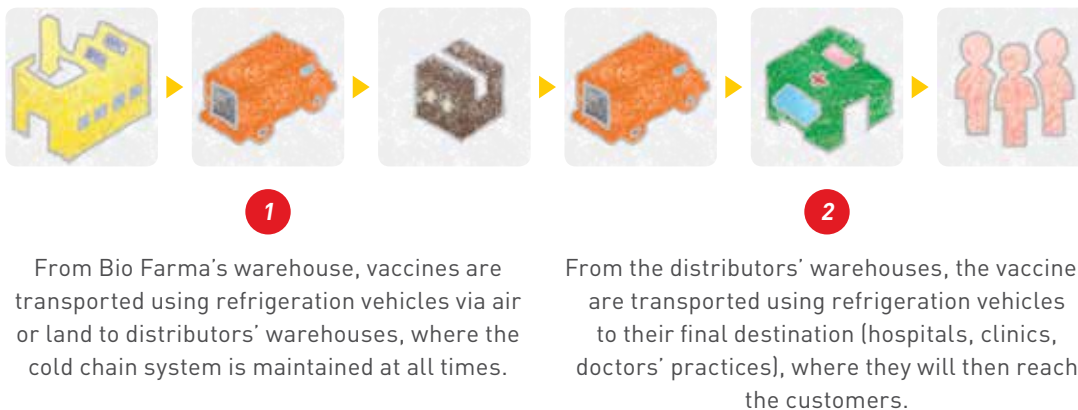


## HOW OUR VACCINES REACH OUR CUSTOMERS

### DISTRIBUTION OF VACCINES IN THE GOVERNMENTAL SECTOR



### DISTRIBUTION OF VACCINES IN THE PRIVATE SECTOR



### DISTRIBUTION OF VACCINES OVERSEAS





## VACCINE PRODUCTION PROCESSES [G4-12]



### 1. Media Preparation

Selection of the best vaccine seeds (virus/bacteria) to fulfill the needs of vaccine production.

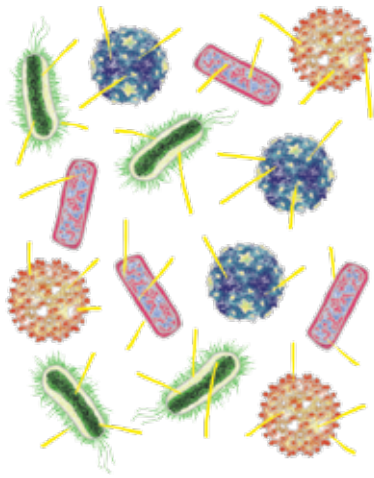
### 2. Inoculation & Cultivation

Cultivation of virus or bacteria on a media that has been purified.

### 3. Harvesting

Harvest of the virus or bacteria that have been grown on a media at a certain amount.





#### 4. Inactivation

Attenuation/inactivation of the virus or bacteria which have been harvested.



#### 5. Purification.

Elimination of substances that are not relevant to the function of the vaccine.



#### 6. Formulation

Formulation of vaccine bulk which has been purified with additional substances



#### 7. Final Product (Filling & Packaging)

Filling the vaccine into the packaging.

Labeling of the packaging.



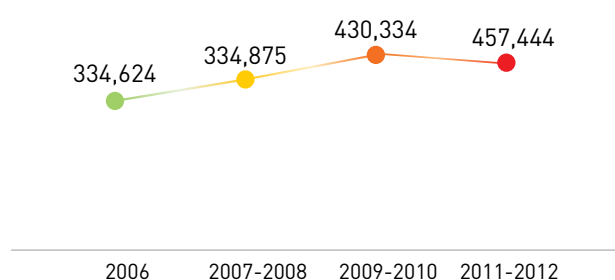
Vaccine production processes are highly regulated and complicated. This pictorial guide is for illustrative purposes only and provides a general overview of how a vaccine is produced. It is not representative of the actual production of any or all vaccines produced by Bio Farma.



## SUSTAINABILITY GOVERNANCE

The implementation of Good Corporate Governance (GCG) at Bio Farma, as a State-Owned Enterprise, is based on regulations set by the SOE Ministry and in line with the most recent regulations regarding Good Corporate Governance and Articles of Association in a State-Owned Enterprise.

Bio Farma's day-to-day operations demand consistent implementation of GCG principles, namely (1) Transparency; (2) Accountability; (3) Responsibility; (4) Independence; and (5) Fairness. These principles form the basis for the company's long-term planning oriented toward sustainability for all economic, social and environmental aspects.

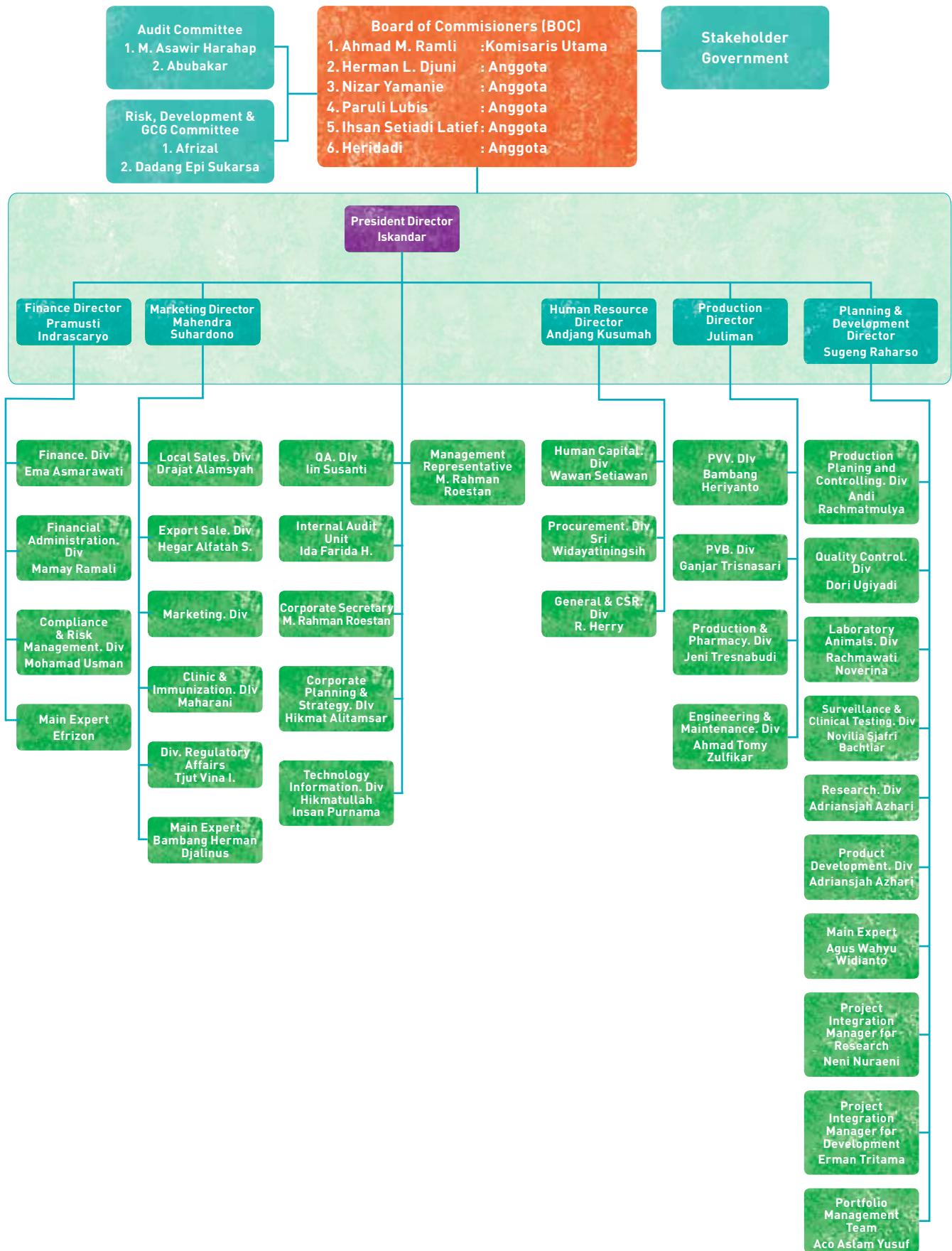


We entrust the assessment of our GCG implementation to an independent, competent external assessor. This is to monitor GCG implementation and make any necessary refinements to improve the quality of the company's GCG. In 2014, the Bio Farma Counterpart team conducted self-assessment, as required by Directors' Circular No: 00163/DIR/I/2015, in follow up to a recommendation by the external assessor. The final score from the self assessment was 87.2523, which is in the "very good" category. This score is similar to that given by the independent assessor for the 2011-2012 period, which was 83.416 and fell into the "good" category.



## GOVERNANCE STRUCTURE [G4-34]

Strong synergy between the Company's governance bodies is the main requirement for effective GCG practice. In accordance with Law No. 40 of 2007 on Limited Liability Companies, the company's governance bodies consist of the General Meeting of Shareholders (GMS), Board of Commissioners and Board of Directors, which have authority and responsibilities as defined in Company's Articles of Association and Laws and Regulations, as well as initiatives and efforts that result in best practices. This structure is illustrated in the following graphic.



## GENERAL MEETING OF SHAREHOLDERS (GMS)

The GMS is the shareholder forum and is the highest decision-making body in Bio Farma's governance structure. The GMS has the authority and responsibility to make various important decisions regarding a range of corporate action plans (G4-34). The authority of the GMS includes determining the mechanism to appoint members of the Board of Commissioners and Board of Directors and to form their structures, as well as assessing their performances in achieving the operational targets contained in the Company Work Plan and Budget (RKAP). The performance of members of the Boards of Commissioners and Directors is measured through a Key Performance Indicator (KPI) mechanism, the evaluation of which is the responsibility of the GMS.

## BOARD OF COMMISSIONERS

The Board of Commissioners oversees the management of the Company as implemented by the Board of Directors, as well as advising on and overseeing implementation of the Company's Long-Term Plan, its Work Plan and Budget, stipulations in the Articles of Association, General Meeting of Shareholder Decisions and applicable legislation and regulations, to ensure Bio Farma performs well. The Board of Commissioners' oversight duty encompasses overseeing the implementation of all strategic decisions. The Oversight Report is made to the GMS. (G4-3)

The Bio Farma Board of Commissioners currently numbers six people, led by the President Commissioner. Bio Farma does not have an Independent Commissioner. The composition of the Bio Farma Board of Commissioners complies with the minimum requirements stipulated in the Articles of Association. The Company prohibits members of the Board of Commissioners from holding concurrent posts or having family or financial relationships with members of the Board of Directors.

### Composition The Board of Commissioner

Name	Position	Date of First Served	Appointment Basis
Ahmad M. Ramli	President Commissioner	23 January 2014	SOE Ministerial Decree Number: SK-17/MBU/2014 dated 23 January 2014
Paruli Lubis	Commissioner	5 November 2012	SOE Ministerial Decree Number: 392/MBU/2012 dated 5 November 2012
Herman L. Djuni	Commissioner	27 June 2011	SOE Ministerial Decree Number: 153/MBU/2011 dated 27 June 2011
Nizar Yamani	Commissioner	28 May 2012	Decisions Outside the AGM Number: 204/MBU/2012 dated 28 May 2012 Jo SOE Ministerial Decree Number: SK-81/MBU/2013 dated 4 February 2013
Ihsan Setiadi Latief	Commissioner	1 May 2013	SOE Ministerial Decree Number: SK-235/MBU/2013 dated 1 May 2013
Heridadi	Commissioner	23 January 2014	SOE Ministerial Decree Number: SK-17/MBU/2014 dated 23 January 2014

The Board of Commissioners has formed two committees to support it in its oversight duties. These are the Audit Committee and the Risk, Development and GCG Committee. A description of their functions and duties can be seen in the 2014 Bio Farma Annual Report.

## BOARD OF DIRECTORS

The Board of Directors has the duty of implementing all actions related to the Company's management, in the interests of the Company and in line with the Company's purpose and objectives, as well as representing the Company in and out of court on all matters and for all occurrences, with limits regulated in legislation and regulations, the Articles of Association and/or Decisions of the General Meeting of Shareholders. (G4-34)

In 2014, the Bio Farma Board of Directors consisted of six Directors led by the President Director, who is assigned to coordinate the Directors' activities. Each Director serves in a field of his competence and according to the division of duties and authority agreed within the GMS, including economic, environmental and social aspects. In accordance with the Articles of Association, Bio Farma prohibits the holding of concurrent positions and having family or financial relationships with members of the Board of Commissioners and other Directors.

Name	Position	Date of First Served	Appointment Basis
Iskandar	President Commissioner	12 April 2013	SOE Ministerial Decree Number: SK-221/MBU/2013 dated 12 April 2013
Juliman	Production Director	12 April 2013	SOE Ministerial Decree Number: SK-221/MBU/2013 dated 12 April 2013
Sugeng Raharso	Planning & Development Director	12 April 2013	SOE Ministerial Decree Number: SK-221/MBU/2013 dated 12 April 2013
Mahendra Suhardono	Marketing Director	12 April 2013	SOE Ministerial Decree Number: SK-221/MBU/2013 dated 12 April 2013
Pramusti Indrascaryo	Finance Director	12 April 2013	SOE Ministerial Decree Number: SK-221/MBU/2013 dated 12 April 2012
Andjang Kusumah	HR Director	4 February 2013	Company (Persero) PT Bio Farma Shareholders Decree Ouytside of GMS No.: SK-116 / MBU / 2012 dated March 7, 2012 Jo. SOE Ministry Decree Number: SK-69 / MBU / 2013



### **CORRUPTION RISK ASSESSMENT (G4-S03)**

Bio Farma has formed an Internal Monitoring and Control division to monitor and assess the effectiveness of management performance and compliance with procedures. The Internal Oversight Unit (SPI) is the work unit assigned to oversee and control internal matters with reference to Financial Accounting Standards, General Guidelines for Inspection Implementation, and the Internal Audit Charter of PT Bio Farma (Persero). (G4-DMA)

The Bio Farma SPI staff hold professional internal auditor qualifications, being Qualified Internal Auditors (QIA), as well as taking part in education and training in their commitment to prevent corruption such as fraud in procurement contracts for goods and services. They also participate in the annual conference for the Association of Certified Fraud Examiners (ACFE) and study risk management-based auditing, investigative auditing and advanced internal auditing. (G4-S04)

As part of the Company's strategy to improve the efficiency and effectiveness of internal oversight, we prioritize the examination of units prone to irregularities and corruption. In 2014, the SPI conducted Operational Oversight of 10 work units and generated 10 Audit Reports. From these findings, as of the end of 2014, 70% of the findings had been followed up. (G4-S05)

### **ANTI CORRUPTION AND COMMUNICATION AND TRAINING (G4-S04)**

To prevent corruption and fraud, Bio Farma disseminates its GCG policies and systems in the form of a commitment by Bio Farma Directors and Employees to avoid involvement in or engagement with such cases.

One of the Company's efforts to support anti-corruption is the application of a whistle blowing system, based on Directors' Circular No. 01026/DIR/II/2013. This system has been created to allow both internal and external parties to report any actions related to corruption, fraud, theft, bribery, gifts, conflicts of interest or violations of the law or the Company's policies/procedures. There are several ways provided to report any suspected violations, including by e-mail to pelaporan.wbs@biofarma.co.id, official letter addressed to the Violation Reporting Team at Jalan Pasteur No. 28 Bandung 40161, or via the Company's Dropbox. In addition, Bio Farma is currently developing a GCG portal to provide another medium to submit suspected violations reported either internally or externally to the Company.

The preventative actions taken by the Company against the types of violations mentioned above are noted in the Integrity Pact, which is a statement signed by Bio Farma's people stating they are committed to carrying out their duties and responsibilities in accordance with the principles of GCG, are willing to implement the GCG guidelines and Code of Conduct to the best of their abilities, are committed to reporting any violations and agree to be sanctioned in accordance with applicable regulations. This Pact was signed by all Bio Farma's directors and employees on 31 October 2014 and is renewed annually to restate their consistent commitment to each point noted in the statement.

To promote the spirit of anti-corruption and to ensure accurate understanding, we also hold meetings on the subject that are attended by the Board of Directors, Division Heads, Department Heads, Staff and Supervisors, as well as permanent and contract employees. During 2014, 98.6% of employees attended such meetings promoting the anti-corruption stance.

Our commitment to preventing corruption is not limited to within the Company. Our anti-corruption policies and procedures are also promoted to external parties, such as suppliers and business partners. All contracts and employment agreements with the company must contain the integrity pact statement and be signed by the supplier or business partner, so that they are also committed to maintaining integrity and do not attempt to bribe employees or the company's officials.

### **MECHANISM TO SUBMIT OPINIONS TO THE BOARD OF DIRECTORS**

Internal communication is very important to Bio Farma to improve the Company's performance and implement its vision and mission. This mechanism facilitates the relationship with employees. Formal mechanisms to submit opinions to the Board of Directors include: Union meetings with the Management, work meetings, morning coffee, executive meetings, work visits by the Directors and letters or e-mails. (G4-26)

## COMPANY INFORMATION MANAGEMENT POLICY

We realize the importance of managing Company information transparently for our stakeholders. Several of our policies on the management of company information are contained in established guidelines, including Governance of Public Information Management, Information Dissemination and Communication, Public Information Service and, of course, on Social Media.

Bio Farma use of various kinds of media to provide information to its stakeholders, including the Company's website ([www.biofarma.co.id](http://www.biofarma.co.id)), mass media, the Annual Report, meetings with distributors, clinical meetings, coffee mornings, Management Review Meeting, conference calls, field visits, national immunization meetings, as well as participation in conferences and associations to provide relevant information in line with application legislation.

## GOODS/SERVICES PROCUREMENT POLICIES

The procurement of goods and services is conducted through healthy competition in accordance with applicable legislation and regulations. In relation to this, Bio Farma issued Directors' Circular No: 02461/DIR/IV/2011 dated 29 April 2011 on Procedures for the Procurement of Goods/Services in PT Bio Farma (Persero). [\[G4-DMA\]](#)

Supplier selection is tightly related to their compliance with employment legislation. [\(G4-LA14\)](#)

## RISK MANAGEMENT

Bio Farma is aware that the Company's operations involve inherent risk, both that which the Company can control and that beyond its control. For this reason, risk must be managed comprehensively, optimally and sustainably as an inseparable part of the practice of good corporate governance. Risk management is a responsibility borne by everyone, thus every employee must recognize the risks inherent in their work and manage these proactively.

Since 2009, the Risk Management System implemented in Bio Farma has been based on COSO Enterprise Risk Management – Integrated Framework. In line with the design of the Bio Farma Integrated Management System, Bio Farma's Risk Management has been amended to combine ISO 31000 (2009) and COSO Enterprise Risk Management – Integrated Framework.

In 2014, Bio Farma had seven corporate risks, of which four were from routine activities and three related to projects. Having determined the corporate risks and strategic steps to manage these, the Corporate Risk Management (CRM) division, as the party responsible for corporate risks, evaluates and oversees the management of the risks in each unit. Each Division Head/risk unit is responsible for every risk and its management, which, as a whole, form an effective measurement method for risk management in Bio Farma. The corporate risks identified are as follows:

No	Risk Type	Risk Being Faced	Strategic steps taken by the Company for risk mitigation
1	Risk to Routine Activity	1. Increasing Global Competition	Product threats from competitors (such as China and India) for PQ WHO products and the ASEAN single market are serious threats to the Company's continuity. Likewise, more competitors are obtaining PQ WHO, which increases competition; they can then fight for increased market share both domestically and internationally. For this reason, ensuring products are in line with market trends must be an important factor for the Company's continuity. Products brought to market must meet market requirements and be available on time. Any delay in providing new products to the market will result in potential market loss. <ul style="list-style-type: none"><li>• Implement research policy in accordance with product trends and seek to accelerate research to the point where product marketing is in line with market needs.</li><li>• Cooperate with research institutes / other vaccine manufacturers to accelerate product availability to the market.</li></ul>



No	Risk Type	Risk Being Faced	Strategic steps taken by the Company for risk mitigation
	2. Delays to Vaccine Supply	<p>The Company is the only vaccine manufacturer in Indonesia that supplies all the vaccines needed for the nation's immunization program. In addition to fulfilling the government's needs, the Company also exports vaccines to various institutions, as well as other countries. The time frame to meet demand is very tight considering the long production process and quality control (QC) required, while the production capacity is very limited. Delays to contract signing can shorten the time available to supply products, leading to delays in product fulfillment, which is detrimental to the Company's good name and reputation and/or may result in a fine being imposed.</p>	<ul style="list-style-type: none"> <li>• Coordinate continuously with the Health Ministry and other buyers so that contracts are signed on time.</li> <li>• Optimize supply chain management based on information technology.</li> <li>• Optimize production schedules and QC in accordance with marketing needs.</li> </ul>
	3. Policy and Requirement Changes at WHO	<p>The Company exports its products to various countries for their national immunization programs, including some supplied through UNICEF, which has standard requirements for products that meet WHO pre-qualification. Thus, product quality recognition by WHO plays an important role in smooth export sales. The Company must always follow the policies and requirements stipulated by WHO.</p> <p>The risk of being unable to satisfy the policies and requirements of WHO (resulting in WHO delisting) is not only owned by the Company but also by suppliers and bulk-purchase customers (bulk materials to be processed into vaccine). If a partner is delisted by WHO, bulk sales to partners will be disrupted.</p>	<ul style="list-style-type: none"> <li>• Implement the Quality Management System (QMS) consistently and continuously, in accordance with WHO stipulations, so that the Company can maintain its pre-qualification status.</li> <li>• Work together with and support customers who buy in bulk to maintain QMS and avoid the risk of delisting by WHO.</li> <li>• Actively participate in international activities held by both WHO and other organizations, especially with regard to vaccines, so as to keep abreast of vaccine industry and market developments.</li> <li>• Identify other bulk consumers to reduce dependence for bulk sales on only a few consumers.</li> </ul>
	4. Foreign Exchange Rate Fluctuations	<p>To fulfill purchases of imported goods/materials, the Company will optimize the ongoing availability of foreign currency to pay for import transactions. A highly probable risk is that the exchange rate will fluctuate between opening the L/C when the goods/materials are ordered and the bill falling due when the goods/materials are received.</p>	<ul style="list-style-type: none"> <li>• Analyzing exchange rates that will be used when the L/C is opened for imported goods/materials.</li> <li>• Maintaining/always communicating with vendors regarding the arrival schedule for goods/materials, bearing in mind the longer the period of time between ordering and arrival, the more likely the exchange rate will fluctuate.</li> </ul>
Project Risk	5. Realized Investment Not On Schedule	<p>Companies must be able to maintain the availability of products that meet market needs, therefore, the company must conduct research and develop new products. Adequate infrastructure and facilities are required to support the research and development process, as well as the production stage, so product research and development can be completed on time and the product can enter the market to meet demand. Delays in the investment program, both supporting research and the production process, will result in a lost chance to gain market share, thus, the investment program planning and implementation must be timely and on target.</p>	<ul style="list-style-type: none"> <li>• Align investment program planning with the requirement for new product research and development, as well as market demand for existing products.</li> <li>• Establish investment program priorities that have a major impact on revenues.</li> <li>• Improve the quality of procurement systems and supervision over investment project implementation.</li> <li>• Accelerate the qualification process for new facilities and infrastructure so it is on time.</li> </ul>

No	Risk Type	Risk Being Faced	Strategic steps taken by the Company for risk mitigation
6.	Flu Vaccine Production is Unprepared	In anticipation of a flu pandemic, the government, through the Health Ministry, intends to build a production facility for human influenza vaccines. The plan is for the facility to be handed over after construction is completed to Bio Farma to manage in anticipation of a flu pandemic, given the Bio Farma has mastered flu vaccine production technology. However, to date there has been no significant development with the plan. This raises the risk of unpreparedness in the face of a pandemic flu, should one happen.	<ul style="list-style-type: none"> <li>• Coordinate with the Health Ministry to continue monitoring the possible continuation of the project, and also the possibility of a flu pandemic in Indonesia.</li> <li>• Set up facilities and infrastructure for seasonal flu vaccine production to reduce dependence on imported bulk seasonal flu vaccines. This facility could be used at any time to manufacture vaccines for an influenza pandemic if necessary, although on a small scale.</li> </ul>
7.	Improved Information Technology Integration	To improve administrative and operational activities, an integrated information technology system is required that suits the characteristics of the Company's business, as mistakes in IT system implementation could cause great harm.	<ul style="list-style-type: none"> <li>• Develop an integrated business application that involves all functions in the Company.</li> <li>• Develop an IT organization that maintains a harmonious balance between centralized and distributed policy (autonomy), accompanied by good change management.</li> <li>• Enhance cooperation with third parties (outsourcing) for development and maintenance, taking into consideration cost, time, solution quality, product and service quality, as well as flexibility.</li> <li>• Develop an IT infrastructure to accommodate the business needs of today and the future.</li> </ul>

#### PRECAUTIONARY APPROACH (G4-14)

The Company applies a precautionary approach with a variety of methods in the environmental field, among others by following international standard ISO 14001 and other certifications, including that of the Indonesian food and drug control agency. In addition, the company also takes preventive action to protect the environment, as well as innovating in the green and environmental field, while being committed to energy efficiency.

#### ADOPTION AND SUPPORT OF INTERNATIONAL INITIATIVES

Our commitment to offer high quality and innovative products is shown by performance that always refers to international standards and the most recent quality management systems. Bio Farma has implemented a wide range of integrated systems, among others: current Good Manufacturing Practices (cGMP) from the World Health Organization (WHO), Good Laboratory Practices (GLP), Good Clinical Practices (GCP), Good Distribution Practices (GDP), an integrated management system incorporating ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007, as well as world-class standards, among others CSR ISO 26000, Enterprise Risk Management ISO 31000 and International Financial Reporting Standards (IFRS). (G4-15)



### COMPANY ETHICS AND CULTURE (G4-56)

Ethical standards and work culture to be used in interaction with the company's stakeholders are set forth in Joint Circular of the Board of Commissioners and Board of Directors No. Kep 07/DK/BF/III/2014 and No. 01103/DIR/III/2014 regarding the Bio Farma Code of Conduct. Everyone in Bio Farma not only complies with legislation and regulations but is also required to comply with the norms in the world of business at the international level.

Bio Farma has five main behavior values, namely Professional, Integrity, Teamwork, Innovation and Customer Oriented (PITIC). Internalization of the key culture and behaviors includes economic, environmental and social aspects. The approach taken by the Company in disseminating these values includes promotion by the directors at face-to-face meetings with employees, guidance during induction training and the publishing of a handbook containing the rules of behavior.

### MEMBERSHIP IN INDUSTRY ASSOCIATIONS AND OTHER ORGANIZATIONS (G4-16)

To expand the Company's views and network, during 2014, Bio Farma played an active role in various organizations, including:

No.	Organization Name	Status
1.	National Vaccine Research Forum (FRVN)	
2.	<i>Developing Countries Vaccine Manufacturer Network (DCVMN)</i>	President
3.	Health Minister-level Conference of Nations of the Organization of Islamic Cooperation (OIC)	
4.	SOE Public Relations Forum	Member
5	Indonesian Pharmaceutical Manufacturers Association	
6	Immunization Advocacy Team	

### STAKEHOLDER INVOLVEMENT

We understand that stakeholders have a strategic role to play in maintaining the Company's long-term growth. Meanwhile, the Company's performance also has an influence on our stakeholders from the business, financial, operational, environmental and social aspects. For this reason, we continue to strive to improve the harmonious relationship with stakeholders through various direct meetings.

The following table explains our relationship and interaction with stakeholders during 2014.

No	Stakeholder (G4-24)	Basis for Determining Stakeholders (G4-25)	Frequency of Meetings with Stakeholders (G4-26)	Topics Discussed (G4-27)
1	Employees / Union	Representation	Bipartite Cooperation once a month	Welfare, HR development, Occupational Health and Safety, work discipline
2	Shareholder	Influencer, Responsibility	GMS – Technical / Special / Expose Meetings	Ratifying financial reports, managing performance responsibility, dismissing and appointing Commissioners and Directors, Determining remuneration for Commissioners and Directors
3	Consumers	Influencer	Clinical meeting once a year	Product knowledge, new vaccine research to develop loyalty
			Distributor meetings held quarterly	Product Acceptance Progress Evaluation, product distribution
			National Immunization Meeting held annually	Product knowledge, new vaccine research
4	Vendors	Dependency	Bid presentations and activities conducted for each procurement	Service training
5	Regulator and Overseer	Influencer and Representation	As required	Product safety, regulation compliance, product registration
6	Community	Proximity	As required	Training with the community, needs assessment, oversight and assessment, social mapping





## IMPROVING COMMUNITY ECONOMIES

Bio Farma is committed to direct involvement in activities that add value to improve community prosperity in various aspects of life as manifestation of its corporate social responsibility (CSR).

For Bio Farma, as a pioneer vaccine manufacturer in Indonesia, CSR has a wide meaning and is not limited to merely providing donations. Social responsibility actions taken by the company must provide a long-term and sustainable impact. The entire program implementation flow forms a synergy between international quality product development and innovative developments to be a sustainable Green Company that benefits the local community. This is in accordance with the "Triple Bottom Line" concept that asserts that a good company not only prioritizes profit but also cares for the environment and for society.

In almost 125 years of existence, our achievements cannot be separated from contributions made by society, from local communities to those beyond the Company's environment. The presence and role of the community close to the Company not only provides a business opportunity, it is also a potential partner in the path to economic self-sufficiency, improving social welfare and conserving the environment along the way to achieving widespread sustainability for the community.

### LEGAL BASIS

1. Law No. 40 of 2007 on Limited Liability Companies article 74:
2. Law No. 25 of 2007 on Capital Investment states in article 15 (b) and article 16 (d) any company or investor shall make efforts to implement corporate social responsibility that has been budgeted and accounted for as Company expenses. This policy also sets penalties for companies that do not carry out this obligation;
3. Government Regulation No. 47 of 2012 on Social and Environmental Responsibility for Limited Liability Companies;

4. SOE Minister Regulation No. PER-05/MBU/2007, as amended by SOE Minister Regulation No. PER-20/MBU/2012 and most recently amended by SOE Ministerial Regulation No. PER-05/MBU/2013 on SOE Partnership Programs with Small Businesses and Community Development Programs;
5. Bandung Regional Regulation No. 13 of 2012 on Liabilities of Social and Environmental Corporate Responsibility Programs;

For the implementation of the entire CSR program, the Company adopted ISO 26000: 2010 as an internationally accepted standard and commitment to the implementation of ethical business conduct to create and develop a good corporate culture.

Community development programs conducted by the Company are implemented in accordance with problem identification and analysis results and based on existing potential of the target area during the planning stage. Thus, these activities can be implemented using the budget from CSR, or Partnership and Community Stewardship, program funding sources in accordance with the policies and mechanisms in the Company.

### VISION

To be a company that has trusted social responsibility and a global reputation in community development and environmental sustainability.

### MISSION

1. In a sustainable manner, improve the Company's reputation, social welfare and environmental quality improvements through health, education, economic and environmental preservation programs that have a broad impact.
2. Create a harmonious relationship between the company, government and the community in implementing CSR programs.
3. Improve the effectiveness and efficiency of CSR program management through active community participation.

Based on the core business considerations, Millennium Development Goal (MDG) program targets and long-term national and regional development targets, Bio Farma's CSR has four (4) priority pillars, namely:



1. Health, encompassing programs to improve health standards in specific community or social groups, such as reducing child mortality, improving maternal and child health.
2. Education, encompassing programs to improve the quality and level of public education in communities residing in the vicinity of the company, as well as employees' families, and focus on improving community partner expertise.
3. Economy, which encompasses programs to improve capabilities in the local economy and strengthen the growth potential of small-scale enterprises through partnerships and community development programs, particularly activities related to the Company's business, to provide benefit to all parties.
4. Environment, which encompasses programs to protect and maintain the quality of the environment both internally and externally, to maintain a harmonious relationship between the Company and the surrounding environment.

(In Full Rupiah)

**Direct Economic Value Generated and Distributed (G4-EC1)**

	2013	2014
<b>DIRECT ECONOMIC VALUE GENERATED</b>		
Income	1,853,681,642,506.00	2,044,080,451,982.00
Interest Income	13,100,831,441.00	34,611,011,020.00
Revenue Difference in Foreign Exchange Rates	127,501,194,468.00	70,215,332,574.00
Other Income	12,235,803,042.00	14,181,316,668.00
<b>Total</b>	<b>2,006,519,471,457.00</b>	<b>2,163,088,112,244.00</b>
<b>Economic value distributed:</b>		
Company Cost	279,332,474,727.00	252,010,690,063.46
<b>Employee wages and benefits:</b>		
- Service Department	1,361,206,594.59	914,469,820.57
- Production Department	112,335,894,655.17	135,683,819,864.20
- General and Administration department	173,050,921,211.93	207,334,353,634.98
- R&D Department	15,243,912,172.36	17,255,650,062.79
<b>Total employee wages and benefits</b>	<b>301,991,934,634.05</b>	<b>361,188,293,382.54</b>
<b>Payment to government</b>		
- Dividend	228,987,287,000.00	145,015,000,000.00
<b>Community investments</b>		
- Environment Development	-	4,061,787,035.00
- Community Social Contribution	1,367,928,971.00	1,650,420,366.00
<b>Total Economic value distributed:</b>	<b>811,679,625,332.05</b>	<b>763,926,190,847.00</b>
Economic value retained before dividend		
Economic value retained after dividend	1,194,839,846,124.95	1,399,161,921,397.00

**Payment to Suppliers and Employees**

	2013	2014
Payment to Suppliers and Employees	1,003,850,388,951.00	1,130,310,145,264.00

**Environment Development Fund and Community Social Contribution**

	2013	2014
Environment Development Fund and Community Social Contribution	1,367,928,971.00	5,712,207,401.00

## PARTNERSHIP PROGRAM

The company has been providing soft loans to the community through its Partnership Program. This assistance is very helpful in improving welfare and encouraging community economic growth with loan interest at 6% flat per annum. The accumulated total lending disbursed through Partnership Program funds between 1992 and 2014 amounted to Rp82,051,325,000, which derived from an allocation from net profit after tax until the year 2012 amounting to Rp32,930,886,878, which was distributed to 3,486 Development Partners, both Cooperatives and Small Businesses. Realization of capital loans disbursed in 2014 amounted to Rp15,022,000,000. (G4-EC1)

### Source and Use of Partnership Program Funds

A total of Rp 17,162,851,777 in funding was available for implementation of the Partnership Program in 2014. Funding made available during the year comprised:

- i. Starting balance, derived from the Partnership Program closing balance per 31 December 2013, of Rp9,765,053,070.
- ii. Corporate Budget burden derived from the Company's budget calculated at a maximum cost of 2%. However, for the Partnership Program in 2014, no funding was allocated from the Company's budget.
- iii. Loan repayments received in installments to pay back development partners' loans amounting to Rp6,271,124,935.
- iv. Administrative fees on loans to development partners amounting to Rp866,398,409.

- v. Unidentified installment during 2014 amounting to Rp49,234,000, further efforts to minimize unidentified installments will continue by sending debt confirmation letters and conducting oversight.
- vi. Payment of interest and other payments amounting to Rp210,189,622 and other income of Rp101,741.

The Partnership Program has created new jobs, thereby reducing unemployment. The Company effectively and efficiently provides assistance to development partners to improve and develop empowerment and skills (capacity building), including administration, accounting, marketing, human resource management, human character and behavior, as well as business development.

Education and training was implemented in 2014 in which 148 business units became candidate development partners. Additionally, a meeting attended by 63 development partners was held to improve cooperation between partners and to build synergies and business networks to foster success and self sufficiency.

The development partners who had successfully run a business were enrolled in an exhibition by the Company to promote, encourage and increase sales both at home and abroad. To facilitate development partners make installments on their loans, the Company established cooperation with Bank BRI and Bank Bukopin.

Following is the distribution of Partnership Program funds up to 2014 by Business Sector and Region:



Disbursement Per Regional Partnership Program By Business Sector (January to December 2014)

Disbursement Region	Business Sector												Total	
	Industry		Commerce		Services		Animal Farm		Agriculture		Crafts		Disbursement	
	Unit	[ Rp ]	Unit	[ Rp ]	Unit	[ Rp ]	Unit	[ Rp ]	Unit	[ Rp ]	Unit	[ Rp ]	Unit	[ Rp ]
Bandung Region	23	915,000,000	33	1,155,000,000	8	275,000,000	-	-	-	-	-	-	64	2,345,000,000
West Bandung Regency	2	50,000,000	6	195,000,000	3	110,000,000	3	80,000,000	1	15,000,000	-	-	15	450,000,000
Bandung Regency	17	560,000,000	7	210,000,000	5	115,000,000	1	30,000,000	1	45,000,000	1	30,000,000	32	990,000,000
Cimahi	6	160,000,000	9	315,000,000	2	70,000,000	-	-	-	-	1	25,000,000	18	570,000,000
Garut Regency	2	60,000,000	1	30,000,000	1	30,000,000	-	-	-	-	-	-	4	120,000,000
Sukabumi Regency	-	-	-	-	1	250,000,000	7	112,000,000	-	-	-	-	8	362,000,000
Purwakarta Regency	-	-	-	-	1	25,000,000	-	-	-	-	-	-	1	25,000,000
Cianjur Regency	-	-	1	10,000,000	-	-	-	-	-	-	-	-	1	10,000,000
Sumedang Regency	-	-	2	60,000,000	-	-	-	-	-	-	-	-	2	60,000,000
Tasikmalaya Regency	-	-	1	25,000,000	-	-	1	15,000,000	-	-	-	-	2	40,000,000
East Jawa	-	-	-	-	-	-	-	-	1	10,000,000,000	-	-	1	10,000,000,000
Jakarta	-	-	-	-	1	50,000,000	-	-	-	-	-	-	1	50,000,000
<b>Total</b>	<b>50</b>	<b>1,745,000,000</b>	<b>60</b>	<b>2,000,000,000</b>	<b>22</b>	<b>925,000,000</b>	<b>12</b>	<b>237,000,000</b>	<b>3</b>	<b>10,060,000,000</b>	<b>2</b>	<b>55,000,000</b>	<b>149</b>	<b>15,022,000,000</b>

**PUSPA COLLECTION: THE SUCCESS STORY OF AN ACCESSORIES BUSINESS**

Every business begins with a sense of certainty that success will surely come. This was also the case for Ria Puspa Handayani when she developed a business making accessories of natural stones and pearls combined with beads and scraps of leather. The business developed by this woman born in 1963 bore the brand Puspa Collection. Work started with handmade fashion accessories, such as rings, bracelets, necklaces, brooches and earrings. Ria made accessories that could be mixed and matched in a variety of types, shapes and colors, with inspiration and intuition derived from cyberspace and various exhibitions.

The business began with initial capital of Rp20 million and achieved turnover of Rp36 million in one year. Ria used raw materials native to Indonesia, namely natural stones from Pacitan, beads from Jakarta and pearls from Lombok. The products were made based on customer orders and thus were very exclusive as they were individually made. Ria successfully increased her product lines to make bags from traditional woven fabric combined with leather, which were marketed at prices ranging from Rp 350,000 to Rp1.2 million per model.

To develop her business, Ria received capital from Bio Farma. By becoming a development partner in the Partnership Program, her creativity and innovation to develop her business grew. With two employees assisting in production, Ria is now able to market her products to several major cities in Indonesia, as well as to foreign countries like Singapore and Malaysia.





## ENVIRONMENTAL PROTECTION EFFORTS

### ENERGY ASPECTS

Since 2008, Bio Farma has implemented a program of new and renewable energy use, and energy savings. The top management's full commitment to good energy environmental management can be seen from nine Bio Farma policies, in particular the point on Saving Energy and Natural Resources. In addition, Bio Farma has also established an Energy Saving Team that serves to supervise and carry out energy and resource saving processes in each of the Company's activities. [G4-DMA]

#### Energy consumption in the Organization [G4-EN3]

PT Bio Farma (Persero) use of three power sources. The first is from PLN-1 (the State Electricity Company) with 20 kV voltage, three (3) phases, 50 Hz frequency and a capacity of 3,465 kVA. The second source is PLN-2 with 20 kV voltage, three (3) phases, 50 Hz frequency and capacity of 3,465 kVA. The third is five generator sets, three supplying power of 1,000 kVA, 3.3 kV, 50 Hz, while the other two supply 2,000 kVA, 3.3 kV, 50 Hz. The five generators are operated and interconnected with PLN-1. While two other generators of 1,000 kVA, 380 V, 50 Hz are interconnected with PLN-2. Although the production and administrative building are separate from one another, power can be supplied either from PLN or the generators.

Bio Farma runs energy from the generators connected to PLN-1 and 2 simultaneously, whereby the generators are used for machinery or production equipment that is particularly susceptible to electrical interference, such



as the polio / measles vaccine production building and filling line-2 production premises, where a disruption in the electricity supply would result in significant losses. Meanwhile, other areas in the bacterial vaccine production building, pilot scale building, administrative buildings and other buildings, as well as some machinery and production tools, are not as sensitive to the electricity supply and are thus supplied by electricity from PLN-1 and PLN-2. Nonetheless, the distribution network system is designed so that if there is a power outage at one of the two power sources, the other source can serve as a backup for all the power requirements in Bio Farma.

Total electricity consumed in Bio Farma during 2013 and 2014 was as follows:

Year	Month	PLN I (kWh)	PLN II (kWh)	Genset (kWh)
2013	January	1,056,836	725,260	469,940
	February	944,968	667,156	461,000
	March	1,021,540	735,124	553,600
	April	1,097,100	669,344	587,200
	May	1,169,460	671,248	661,000
	June	1,094,232	644,104	643,800
	July	1,033,200	618,652	658,100
	August	914,584	587,316	638,300
	September	1,027,160	607,216	686,200
	October	1,052,092	655,980	707,000
	November	1,052,012	630,596	698,300
	December	1,115,684	654,424	536,530
<b>Total</b>				<b>27.746.258</b>



Year	Month	PLN I (kWh)	PLN II (kWh)	Genset (kWh)
2014	January	1,295,736	637,328	373,220
	February	1,106,060	590,060	423,500
	March	1,209,804	660,472	479,300
	April	1,183,212	641,420	435,000
	May	1,186,672	707,876	425,700
	June	1,054,748	648,548	646,700
	July	977,040	632,848	675,100
	August	1,002,868	650,532	725,500
	September	1,011,228	667,676	688,700
	October	1,046,500	676,720	753,800
	November	887,408	772,052	761,600
	December	1,085,072	688,312	631,000
<b>Total</b>				<b>28,039,312</b>

### Energy Use Intensity [G4-EN5]

Energy use intensity in Bio Farma is calculated as the ratio between electricity consumption for the production process and the number of production batches in one year. Therefore, the energy consumption data used is only that consumed for production, while the remainder is for support facilities.

Year	Total Consumption (kWh)	Production Consumption (kWh)	Support Consumption (kWh)
2013	27,746,258	20,177,983.46	7,568,274.54
2014	28,039,312	19,668,110.41	8,371,201.59

Hence the intensity of energy consumption related to production at Bio Farma:

Year	Energy Consumption (kWh)	Total Batch Production	Energy Intensity Consumption (kWh)
2013	18,191,856.23	2389	7614.84
2014	17,680,121.86	2424	7293.78

### Reductions in Energy Consumption [G4-EN6]

Thanks to the electricity efficiency program that has been running since 2008, the Company's electricity use has fallen between 9% and 12%. Following are details of the energy efficiency program for 2013 and 2014.

No	Program	Total/Savings Impact (2013)	Total/Savings Impact (2014)
1	Timer Control installation for 32 AHU cooling systems, which are off at night.	176,640 kWh/month	176,640 kWh/month
2	Installation of inverters for the cooling pump in the Polio-Measles Building and Packing Building	4,104 kWh/month (Packing Building) and 4,500 kWh/month (Polio-Measles Building)	7,905.6 kWh/month
3	Installation of inverters and night mode on 25 Laminar Air Flows	7,303.68 kWh/month	7,303.68 kWh/month
4	Increasing employee awareness to switch off office equipment that is not being used	9,870 kWh/month	9,870 kWh/month
5	Use of more environmentally friendly and energy saving coolers in two Cold Rooms and Split AC, previously using R22 now using Musicool Hydrocarbon	1,305.15 kWh/month Reduced use of ozone damaging substances	1,305.15 kWh/month Reduced use of ozone damaging substances

No	Program	Total/Savings Impact (2013)	Total/Savings Impact (2014)
6	Replacement of TL light bulbs with energy saving LED bulbs	672.48 kWh/month	701.28 kWh/month
7	Promoting CO <sub>2</sub> emissions reductions through experts in energy and CO <sub>2</sub> emissions reduction experts	Improving employee care for energy saving behavior related to reducing CO <sub>2</sub> emissions	Improving employee care for energy saving behavior related to reducing CO <sub>2</sub> emissions
8	Campaigns on saving electricity, water and diesel held by Bio Farma management and through various Company media	Improving employee awareness and behavior to save energy and natural resources	Improving employee awareness and behavior to save energy and natural resources
9	Use of solar cells for outdoor lighting	2,808.3 kWh/month	
10	Installation of timer controls for 70 drinking water dispensers	1,177.05 kWh /month	1,177.05 kWh /month
11	Energy recovery from exhaust heat from the HIB and Pertussis Vaccine Production Room	21,600 kWh /month	21,600 kWh /month

The following table shows the comparison of electricity usage with and without the efficiency program. Throughout 2014, Bio Farma saved nearly 10% in the amount of electricity used thanks to the efficiency program.

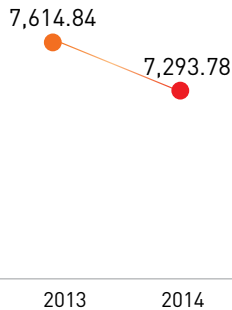
Year	Month	Amount of Energy Consumption (kWh) without Efficiency Program	Amount of Energy Consumption (kWh) with Efficiency Program	Amount of Energy Saved (kWh) with the Efficiency Program	% of Energy Saving
2013	January	2,458,023	2,252,036	205,987	9.15%
	February	2,279,111	2,073,124	205,987	9.94%
	March	2,516,251	2,310,264	205,987	8.92%
	April	2,559,631	2,353,644	205,987	8.75%
	May	2,707,695	2,501,708	205,987	8.23%
	June	2,588,123	2,382,136	205,987	8.65%
	July	2,515,939	2,309,952	205,987	8.92%
	August	2,347,246	2,140,200	207,046	9.67%
	September	2,528,957	2,320,576	208,381	8.98%
	October	2,623,453	2,415,072	208,381	8.63%
	November	2,589,289	2,380,908	208,381	8.75%
	December	2,536,619	2,306,638	229,981	9.97%
2014	January	2,536,745	2,306,284	230,461	9.99%
	February	2,350,081	2,119,620	230,461	10.87%
	March	2,580,896	2,349,576	231,320	9.85%
	April	2,490,952	2,259,632	231,320	10.24%
	May	2,551,568	2,320,248	231,320	9.97%
	June	2,581,316	2,349,996	230,840	9.82%
	July	2,515,828	2,284,988	230,840	10.10%
	August	2,614,424	2,378,900	235,524	9.90%
	September	2,603,344	2,367,604	235,740	9.96%
	October	2,712,510	2,477,020	235,490	9.51%
	November	2,656,403	2,421,060	235,343	9.72%
	December	2,639,798	2,404,384	235,414	9.79%
	<b>Total</b>	<b>30,833,865</b>	<b>28,039,312</b>		
	<b>Total Efficiency</b>			<b>2,794,073</b>	<b>9.96%</b>



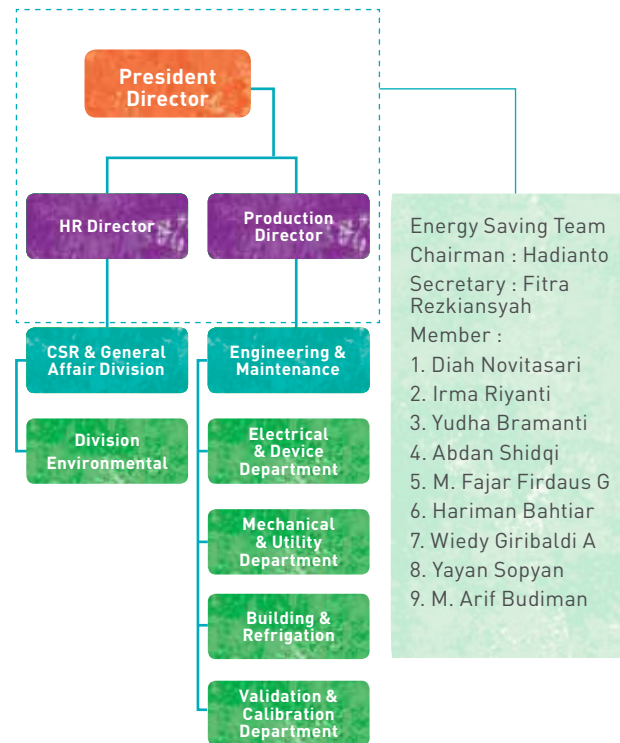
### Reduction in Energy Needs for Products and Services

The reduction in product energy can be seen from the reduced energy consumption intensity for production. With this reduced energy intensity, throughout 2014, the Company successfully saved 4% of energy compared to 2013.

Year	Energy Consumption (kWh)	Batch Production	Intensity (kWh)	Reduction
2013	18,191,856.23	2,389	7,614.84	4%
2014	17,680,121.86	2,424	7,293.78	



### WATER CONSERVATION TEAM ORGANIZATION STRUCTURE AND TEAM CERTIFICATION



### WATER

As with energy use, water resource management policies are set out in an official Bio Farma policy document entitled "Conserving Energy and Natural Resources", determined by the President Director. This demonstrates the top management's commitment to conserving energy and natural resources, including water. The water conservation program is implemented by a special task force, formed by the Board of Directors, which is in charge of the preparation and implementation of the energy and water conservation program. [G4-DMA]

The team is supported by the relevant sections of the Environmental Health and Safety (EHS) Department and a department under the auspices of the Engineering and Maintenance Division. The team members are competent in the field of managing and conserving water and have received in-house and external training. The water conservation program organizational structure and team training certification documents are shown in the image below.

## Total Water Used Based on Source [G4-EN8]

Bio Farma has two sources of water, the two pipelines from the Regional Drinking Water Company (PDAM) and four artesian wells. Total water taken from the artesian wells and PDAM during 2013 and 2014 is as follows:

Year	Month	Usage 2013 (m3)					
		Well I	Well II	Well III	Well IV	PDAM I	PDAM II
2013	January	1,369	2,688	28	1,410	3,130	3,311
	February	1,332	2,397	24	1,410	3,944	2,968
	March	1,387	2,678	29	1,481	3,656	1,999
	April	1,274	2,641	20	1,339	4,086	1,103
	May	1,191	2,917	15	1,410	5,373	0
	June	398	2,414	14	554	6,373	1,456
	July	676	3,033	15	806	8,739	1,435
	August	544	2,782	17	985	9,086	2,110
	September	574	2,838	16	1,104	8,909	2,247
	October	561	3,222	13	995	9,966	2,851
	November	507	2,970	10	828	7,984	3,382
	December	564	3,082	15	864	7,921	3,971
<b>Total</b>		<b>163.441</b>					
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	0
	November	577	2.986	1.815	3.053	4.679	4.300
	December	668	3.605	1.819	3.043	3.859	1.768
<b>Total</b>		<b>213.246</b>					

## EMISSIONS

Bio Farma is committed to controlling pollution and conserving natural resources as a form of corporate social responsibility to the community and the environment. The Company's efforts to establish an efficient and environmentally friendly green industry are evidenced by its implementation of compliance standards that are higher than those required by environmental management legislation. Pollution prevention measures undertaken include air pollution control, reduced liquid waste generation, reduced waste generation, energy efficiency and water conservation. The program plans are prepared for the both the annual and long-term, five-year programs. Significant aspects and impacts identified in each work unit are analyzed and then classified and prioritized for greater focus in implementation.



**Direct Greenhouse Gas (GHG) Emissions [G4-EN15]**

Direct greenhouse gas emissions are those emissions generated by operational equipment that can be measured directly. For example, chimney emissions can be converted into CO<sub>2</sub> eq. tons.

The grab sampling method is used to measure greenhouse gas emission parameters from each emissions source from the monitoring point of each boiler, generator and incinerator chimney and samples are analyzed by accredited laboratories appointed by the West Java Governor.

Emission load calculations for each parameter are made using Global Warming Potential (GWP) values to obtain a figure for the emission load resulting in potential global warming, measured in CO<sub>2</sub> equivalent tons. The GWP value for CO<sub>2</sub> is 1, for CH<sub>4</sub> is 0.021 and for N<sub>2</sub>O is 0.310.

No.	Source of Emissions	Parameter	Emission Load			
			2013		2014	
			Emission Load (Ton)	Emission Load (Ton Eq. CO <sub>2</sub> )	Emission Load (Ton)	Emission Load (Ton Eq. CO <sub>2</sub> )
1	Boiler	CO <sub>2</sub>	4,29688	4,29688	4,56258	4,56258
		CH <sub>4</sub>	0,00019	0,00047	0,00020	0,00499
		N <sub>2</sub> O	0,0003	0,88030	0,00031	0,09348
2	Genset	CO <sub>2</sub>	5,91305	5,91305	5,31715	5,31715
		CH <sub>4</sub>	0,00026	0,00067	0,00023	0,00582
		N <sub>2</sub> O	0,00041	0,12114	0,00037	0,10894
3	Incinerator	CO <sub>2</sub>	0,24465	0,24465	0,26581	0,26581
		CH <sub>4</sub>	0,00001	0,00027	0,00001	0,00029
		N <sub>2</sub> O	0,00002	0,00501	0,00002	0,00545

**Indirect Greenhouse Gas (GHG) Emissions**

Indirect greenhouse gas emissions are those that result as a consequence of utility usage and are not regularly measured emission sources. For example, electricity usage cannot be directly converted into CO<sub>2</sub> emissions.

CO<sub>2</sub> emission loads resulting from activities that use electricity supplied by PLN are calculated based on the US EPA 2011 eGRID 2010 Version 1.1 US Annual non-baseload CO<sub>2</sub> output emission rate, for which the electricity emission factor is 6.8956 x 10<sup>-4</sup> metric tons CO<sub>2</sub>/kwh. The calculation used is Emissions = energy consumed x emission factor.

Year	Month	PLN Consumption (kWh)		Emisi Gas Rumah Kaca (ton. Eq CO <sub>2</sub> )	
		PLN I	PLN II	PLN I	PLN II
2013	January	1,056,836	725,260	728,7518322	500,11029
	February	944,968	667,156	651,6121341	460,04409
	March	1,021,540	735,124	704,4131224	506,91211
	April	1,097,100	669,344	756,516276	461,55285
	May	1,169,460	671,248	806,4128376	462,86577
	June	1,094,232	644,104	754,5386179	444,14835
	July	1,033,200	618,652	712,453392	426,59767
	August	914,584	587,316	630,660543	404,98962
	September	1,027,160	607,216	708,2884496	418,71186
	October	1,052,092	655,980	725,4805595	452,33757
	November	1,052,012	630,596	725,4253947	434,83378
	December	1,115,684	654,424	769,331059	451,26461
<b>Total</b>		<b>20,445,288</b>		<b>14,098</b>	
2014	January	1,295,736	637,328	893,4877162	439,4759
	February	1,106,060	590,060	762,6947336	406,88177
	March	1,209,804	660,472	834,2324462	455,43507
	April	1,183,212	641,420	815,8956667	442,29758
	May	1,186,672	707,876	818,2815443	488,12297
	June	1,054,748	648,548	727,3120309	447,21276
	July	977,040	632,848	673,7277024	436,38667
	August	1,002,868	650,532	691,5376581	448,58085
	September	1,011,228	667,676	697,3023797	460,40266
	October	1,046,500	676,720	721,62454	466,63904
	November	887,408	772,052	611,9210605	532,37618
	December	1,085,072	688,312	748,2224483	474,63242
<b>Total</b>		<b>21,020,192</b>		<b>14,495</b>	

## Greenhouse gas (GHG) emissions intensity [G4-EN18]

Data	2013	2014
Total CO <sub>2</sub> Emission (ton CO <sub>2</sub> eq)	14,108,452	14,505,146
Total Batch	2389	2424
Emission Intensity	5,91	5,98

Data	2013	2014
Total CH <sub>4</sub> Emission (ton)	0,00141	0,0111
Total Batch	2389	2424
Emission Intensity	0,0000059	0,0000046

Data	2013	2014
Total N <sub>2</sub> O Emission (ton)	1,00645	0,20787
Total Batch	2389	2424
Emission Intensity	0,00042	0,000085

## Greenhouse Gas Emission Reductions [G4-EN19]

Bio Farma's emissions sources consist of generators/diesel and boilers (related to the production process) and the incinerator for supporting processes. Bio Farma implements preventive maintenance and periodic overhauls on emission-generating machinery to reduce conventional pollutant emissions (particulates, CO, SO<sub>2</sub> and NO<sub>2</sub>). All greenhouse gas-reducing activities are converted into CO<sub>2</sub> eq. tons/year to determine the extent of CO<sub>2</sub> reduction achieved through these programs.

Total energy savings as a result of efficiency programs are then multiplied by the emission factor of 6.8956 x 10<sup>-4</sup> metric tons CO<sub>2</sub>/kwh to determine the amount of CO<sub>2</sub> reduction based on the US EPA 2011 eGRID 2010 Version 1.1 US Annual non-baseload CO<sub>2</sub> output emission rate.

According to the EPA (2010) Waste Reduction Model (WARM), US EPA: Total emission reductions achieved from recycling inorganic mixed waste, such as paper, metals, plastic (as opposed to sending to a landfill) are 0.76 metric tons carbon equivalent (MTCE) per short ton. This value is then converted into CO<sub>2</sub> equivalent metric tons multiplied by 44/12 (molecular weight ratio CO<sub>2</sub>/C), thus:

0.78 MTCE/ton\* 44 g CO<sub>2</sub>/12 g C = 2.87 metric tons CO<sub>2</sub>E/ton of waste recycled instead of landfilled. This value is then multiplied by the amount of inorganic waste recycled.

To determine the amount of CO<sub>2</sub> absorbed as a result of our tree planting program, calculations were made using the Method for Calculating Carbon Sequestration by Trees in Urban and Suburban Settings document, Voluntary Reporting of Green House Gases, US Department of Energy, Energy Information Administration, April 1998. CO<sub>2</sub> absorption is calculated by multiplying the number of trees planted by the number of trees that have survived when recounting takes place multiplied by the average absorption rate per year.

Activities to Reduce Air Pollution	Absolute Equivalent Results with CO <sub>2</sub> Reduction (ton CO <sub>2</sub> eq/pa)	
	2013	2014
Tree planting	523.07	609.34
Energy Saving and Renewable Energy Programs:		
Solar cell installation for water pumps	-	3.97
Use of LED lighting, movement sensors and solar cell panels to light basement parking and public buildings	13.2	51.88
Energy recovery from exhaust heat from production rooms	178.73	144.49
Solar cell installation for outdoor lighting	1.67	5
Light bulb replacement with LED bulbs (energy saving)	7.86	5.8
Timer controls on drinking water dispensers	8.26	9.74
Environmentally friendly coolers	10.21	10.8
AHU timer control	1462	1462
Cooling pump inverters	65	65
Inverters and night mode for 25 laminar air flow	60	60
Switching off electrical equipment that is not in use	81.67	81.67
Recycling organic waste	188.24	181.5

## NO<sub>x</sub>, SO<sub>x</sub>, and Other Air Pollutants [G4-EN21]

Conventional exhaust gas emissions are from two sources – the production process through generators and boilers, and the supporting processes from the incinerator.



The emission value of each parameter is obtained through grab sampling at the monitoring point of each chimney and conducted by an accredited laboratory every six months for the boilers and generators and every three months for the incinerators.

**Total Emission from Production Source of Emission (Ton/ Year) - Diesel and Boiler**

Parameter	Year	
	2013	2014
Partikel	2.81	1.7
SO <sub>2</sub>	46.76	28.27
NO <sub>2</sub>	25.87	15.64
CO	2.35	1.29

**Total Emission from Support Source of Emission (Ton/ Year) - Incinerator**

Parameter	Year	
	2013	2014
Partikel	0,07	1,17
SO <sub>2</sub>	1,12	2,49
NO <sub>2</sub>	0,62	1,11
CO	0,1	2,58

**LIQUID WASTE AND WASTE**

To remain consistent with our commitment to be a green industry, Bio Farma waste management also implements compliance standards higher than those required by legislation. Waste management includes liquid waste, solid waste reduction, energy efficiency and water conservation. Planning for this program is prepared for the annual and long-term, five-year program. Significant aspects and impacts identified for each work unit are analyzed and then classified and prioritized for greater focus in implementation. [\[G4-DMA\]](#)

**Total Waste [\[G4-EN23\]](#)**

**Waste water (m<sup>3</sup>/month)**

Year	No IPAL	Mont												Total
		Jan	Feb	Mar	Apr	May	Jun	Jul	Agt	Sep	Oct	Nov	Dec	
2013	WWTP 1	640	321	750	1.011	1.022	757	906	806	1.084	1.029	857	614	17.290
	WWTP 2	201	122	312	848	907	348	818	684	910	995	763	585	
2014	WWTP 1	954	813	1.334	1.402	936	742	597	736	637	219	426	677	15.768
	WWTP 2	381	391	475	406	373	351	319	450	360	730	823	1.236	

**PRODUCTS AND SERVICES**

**Mitigating the Environmental Impact of Products and Services [\[G4-EN27\]](#)**

The work done by Bio Farma to manage the environmental impacts of its products and services includes creating Pentabio, a combination vaccine uniting five vaccines, namely Diphtheria, Tetanus, Pertussis, HB and HiB in one package. With the Pentabio vaccine, savings are made in packaging materials, leaflets and cartons as compared to manufacturing separate vaccines. A comparison of non-toxic and hazardous waste generation due to the innovation of Pentabio follows.

### Pentabio Vaccine Production

Pentabio	5 Dosage	1 Dosage
Total Production (vial)	340,000	2,880,000
Total Dosage	1,700,000	2,880,000
Total Dosage 2013		4,580,000
Package Weight per Box (gram)	19	17
Package Waste	646,000	4,896,000
<b>Total Waste (gram)</b>		<b>5,542,000</b>

### Production of DTP Vaccine, Hepatitis B and Hib vaccine with the same dosage (4,580,000 dosage)

Vaccine Production	DTP	Hep B	Hib
Total Box	45,800	458,000	458,000
Package Weight (gram)	20	17	17
Package waste	916,000	7,786,000	7,786,000
<b>Total package waste</b>			<b>16,488,000</b>

### Comparison of waste produced between pentabio package with vaccine DTP + Hep B + Hib package

Vaksin	Total Waste (Ton)
DTP + Hep B + Hib	16,49
Pentabio	5,54
Waste reduction percentage due to innovations	66%

The innovation of Pentabio has also resulted in reduced toxic and hazardous waste generation, with less packaging weight compared to producing similar, separate doses of DTP, Hep B and Hib vaccines.

Following is the packaging weight comparison of Pentabio to packaging for DTP + HB + Hib.

Type of Vaccine	Package waste weigh (kg)	Total weigh(kg)	Package Waste Weight Reduction (kg)
Pentabio	33134,8	33134,8	
DTP	18277,6		107779,6
Hepatitis B	32428	140914,4	atau
HIB	90208,8		76,5 %

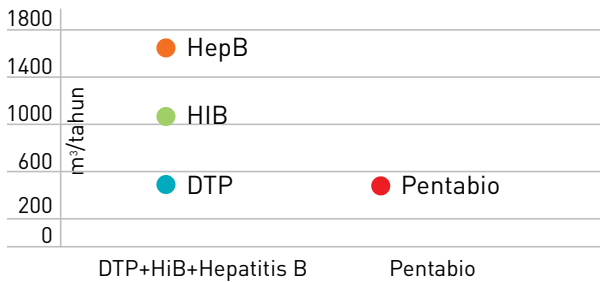
The Pentabio vaccine also saves energy compared to the total energy required to produce each type of vaccine separately. Prior to this innovation, total energy consumption to produce the DTP vaccine totaled 1.23 MWh/batch, the HB vaccine required 1,221 MWh/batch and the Hib vaccine required 1.21 MWh/batch. Thus overall energy consumption to produce five types of vaccine totaled 3,661 MWh/batch. Meanwhile, after the innovation, total energy consumption for sufficient Pentabio to be equivalent to the five vaccines amounted to only 0.778 MWh/batch. Thus, this innovation saved 2,883 MWh/batch.

Year	Batch	Before Innovation		After Innovation		Saving/yeat
		MWh/batch	MWh/year	MWh/year	MWh/year	
2013	41	3,661	150,101	0,778	31,898	118,203 MWh
2014	40	3,661	146,44	0,778	31,12	115,32 MWh



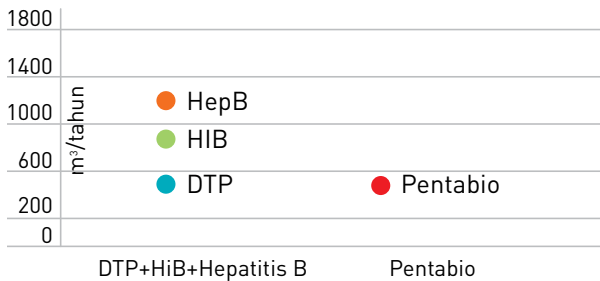
Creating a combination vaccine also resulted in reduced water usage for operations compared to producing separate vaccines. In general, water required for production is approximately 1,740.6 m3/pa, while the combination vaccine only requires approximately 580.2 m3/pa, thus saving approximately 66.67%, or approximately 1,160 m3/year.

Production Water Consumption



The Pentabio innovation also resulted in reduced water pollution compared to that caused by producing separate vaccines. In one year, water pollution reduced by approximately 914 m³.

Load of Water Pollution Air (m³/tahun)



COMPLIANCE

To achieve its target as an environmentally friendly vaccine industry (Green Vaccine Industry), Bio Farma ensures its environmental management strategies are based on ISO 14001 (Environmental Management System) and have been certified by the independent certification

agency Lloyd's Register Quality Assurance (LRQA) since 2005. Environmental management is based on Plan, Do, Check and Act, so as to attain high quality environmental management standards that constantly improve.

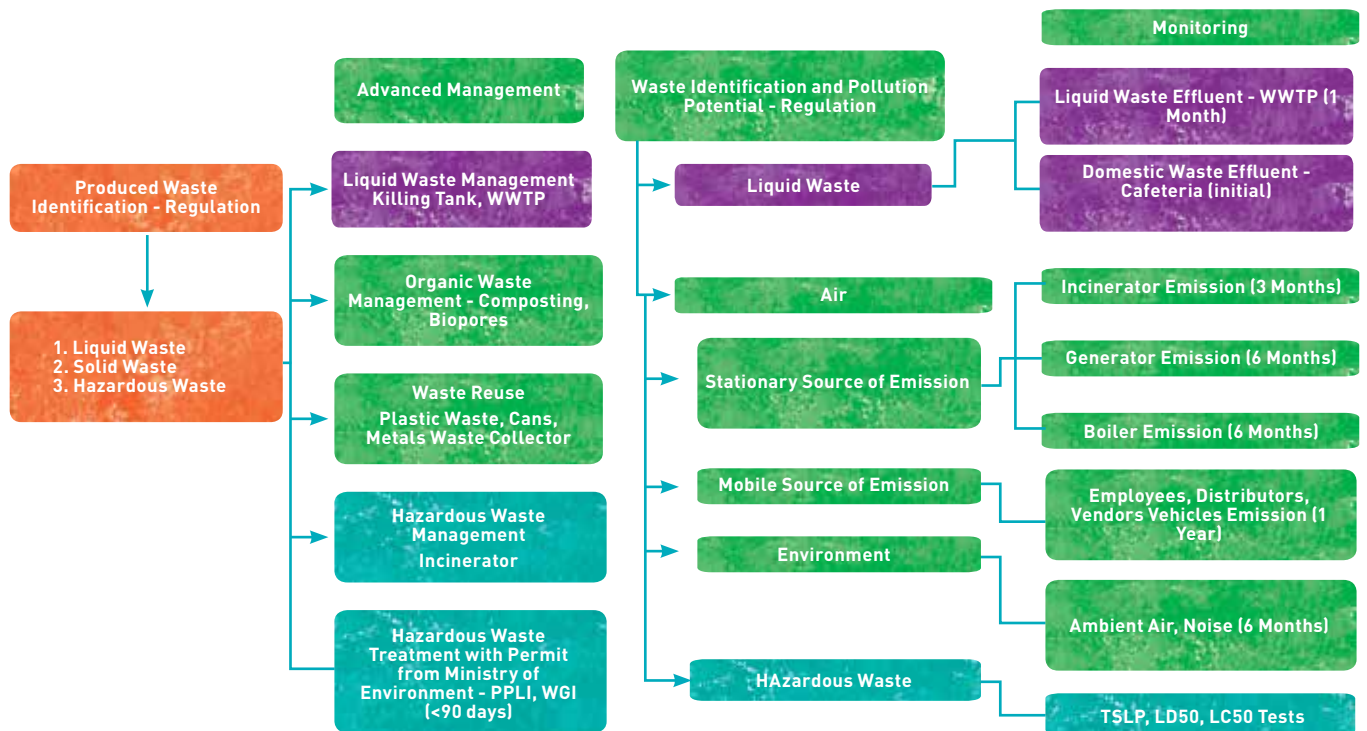
Strategy implementation begins at the planning stage with the procurement of raw materials, whereby Bio Farma selects vendors who implement their own environmental management systems and that have environmentally friendly products.

Overall, Bio Farma intends to achieve the following environmental management targets:

1. Energy and Natural Resource Efficiency through the implementation of Clean Production, from the planning stage of production, to optimization of production processes, to waste management.
2. Comprehensive environmental management of air, wastewater, solid waste and toxic and hazardous waste that complies and is in accordance with regulations set by the government.
3. Excellent compliance in environmental management to achieve operational efficiency and manifest the Company's commitment and responsibility to the environment and social issues.
4. Innovations to the environmental management program for continuous, sustainable environmental management that ensures continued high quality environmental management from year to year

Fines and Sanctions for Non-Compliance with Environmental Legislation and Regulations [G4-S08]

Control of environmental pollution is implemented by managing liquid waste, solid waste, toxic and hazardous waste and air pollutants. The results are monitored by an independent laboratory in accordance with schedules and regulations (monthly monitoring for waste water, quarterly for incinerator emissions and each semester for generator and boiler emissions). Environmental quality measurement results are then compared to quality standards set in the relevant regulations to evaluate environmental management performance.



Routine pollution monitoring is conducted on 100% of parameters set by laws and regulations. Pollution monitoring results in 2014 fully met the applicable standards and there was no result that exceeded the limits specified in quality standards. Bio Farma's high standards, which exceed regulatory requirements (beyond compliance), have resulted in a ranking of Gold for the Company's environmental performance in 2013-2014 in the Environment Ministry's PROPER awards.

Bio Farma hopes that it can continue to maintain and even improve on its environmental management performance so it can be an example for industry generally in Indonesia.

During the reporting period, Bio Farma received no sanctions or punishments for non-compliance with laws and regulations; in other words Bio Farma complied with all environmental provisions.



## PRIORITIZING OCCUPATIONAL HEALTH AND SAFETY

### OHS POLICY

The top management is fully committed to preventing workplace accidents and work-related illness. This commitment is contained within the nine Bio Farma policies in "Preventing Workplace Accidents and Work-Related Illnesses" noted in MBF-01 reve#12 and signed by the President Director in a document that includes the statement that Bio Farma continually strives to improve the sustainability of its OHS, Quality and Environmental management systems.

### OHS SYSTEM MANAGEMENT AT BIO FARMA

Bio Farma consistently implements an occupational health and safety system that is internationally recognized and received OHSAS 18001:2007 certification in 2009.



To ensure the OHS management system is well implemented, the organization structure is as follows:

1. Occupational Health and Safety Division, a work unit that monitors the OHS and environment management systems in Bio Farma.
2. Occupational Health and Safety Committee.
3. Emergency Response Team.



ORGANIZATIONAL STRUCTURE



Bio Farma's organizational structure is based on the Decree of the Board of Directors of PT Bio Farma (Persero) No. 02491/DIR/VI/2014 dated 2 June 2014 on PT Bio Farma (Persero)'s Organizational Structure.

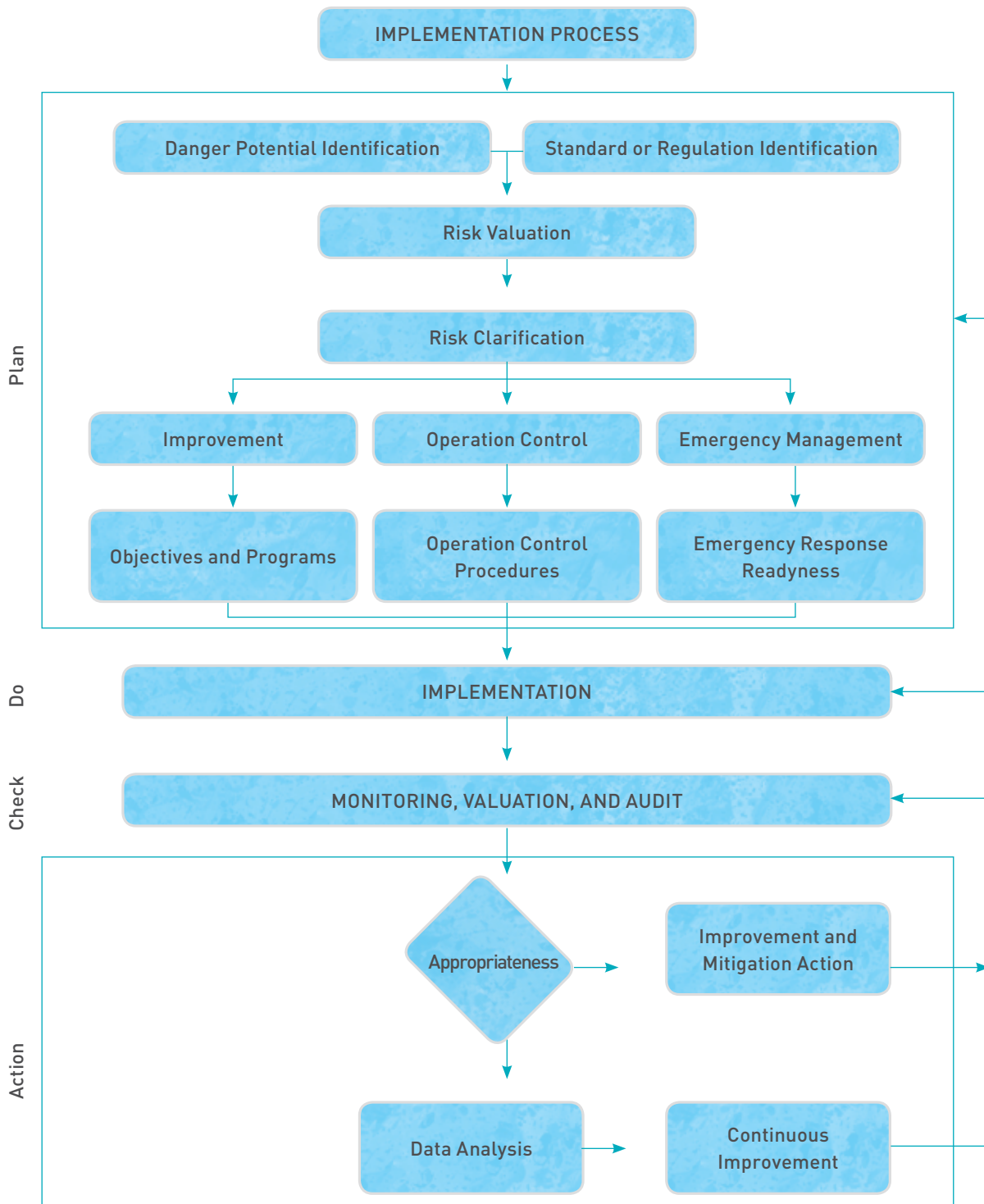




### TIM OHS

Bio Farma has formed the Occupational Health & Safety (OHS) Counseling Committee through the Board of Directors Decree No. 01 972 / DIR / IV / 2014. The team of 26 people are responsible for coordinating activities related to the OHS counselling committee.

Implementation of the OHS Management System is shown in Illustration 2 below. The flow process comprises plan, do, check and action.



## PLAN

The planning process encompasses:

1. Identifying Occupational Health and Safety risks and hazards, both internally and externally
2. Identifying and monitoring legislation, regulations, licensing and other criteria (including internal performance) related to OHS
3. Determining the OHS processes, targets and programs required to reach OHS policy
4. Developing and using OHS performance indicators

## DO

Implementing and Operating the OHS management system:

1. Create a management structure, determine satisfactory roles, responsibilities and authority.
2. Provide adequate resources.
3. Train employees and ensure employee awareness and competence in OHS, such as training in the use of fire extinguishers and hydrants, evacuation training and first aid, etc.
4. Develop and maintain documentation.
5. Determine and apply document control.
6. Determine and apply operational control and implement a control hierarchy.
7. Ensure readiness and emergency response with routine emergency response simulation.

## CHECK

Check the OHS Management System:

1. Monitor and assess OHS policies, goals, legalities and other conditions.
2. Assess OHS legislation and licensing conformity.
3. Identify non-compliance and take corrective and preventative action.
4. Manage recordings.
5. Conduct periodic (twice a year) internal audits.
6. Conduct routine Safety Patrols in all divisions.

## ACTION

1. Review the management of the OHS management system every month (QSHE Meeting).
2. Identify areas for OHS improvement.

## IDENTIFICATION OF OHS ASPECTS/DANGERS AND IMPACTS

Risk control in Bio Farma is based on the SM-S20 Guideline: Corporate Risk Management, 100K-SIS-IAP (Identifying Important Aspects) Standards and 100K-SIS-JSA (Analyzing Workplace Safety) Standards. In these documents it clarifies the following:

1. The entire Division should identify important OHS/Environment aspects. Important aspects are dangers that exist physically, chemically, biologically, ergonomically and psychosocially. In addition, consideration should also be made of things that could cause workplace accidents or disease, such as: unsafe actions, unsafe conditions and mismanagement.
2. These important aspects are then grouped and analyzed to see if they can be controlled or not. If they can be controlled, they are summarized in the 100K-SIS-JSA document. Steps to control risks are:
  - a. Elimination (removing the source of danger).
  - b. Substitution (replacing the dangerous material or equipment for something safer).
  - c. Engineering control (making changes to equipment by adding protective measures thus making the condition or equipment safer).
  - d. Administrative (standard procedures, warning signs, employee rotation, limiting time allowed in certain areas, supervision and training).
  - e. Personal Protection Equipment (ear muffs, ear plugs, gloves, masks, safety shoes, etc).
3. If the important aspects/dangers cannot be controlled, then an OHS/Environment program must be created.



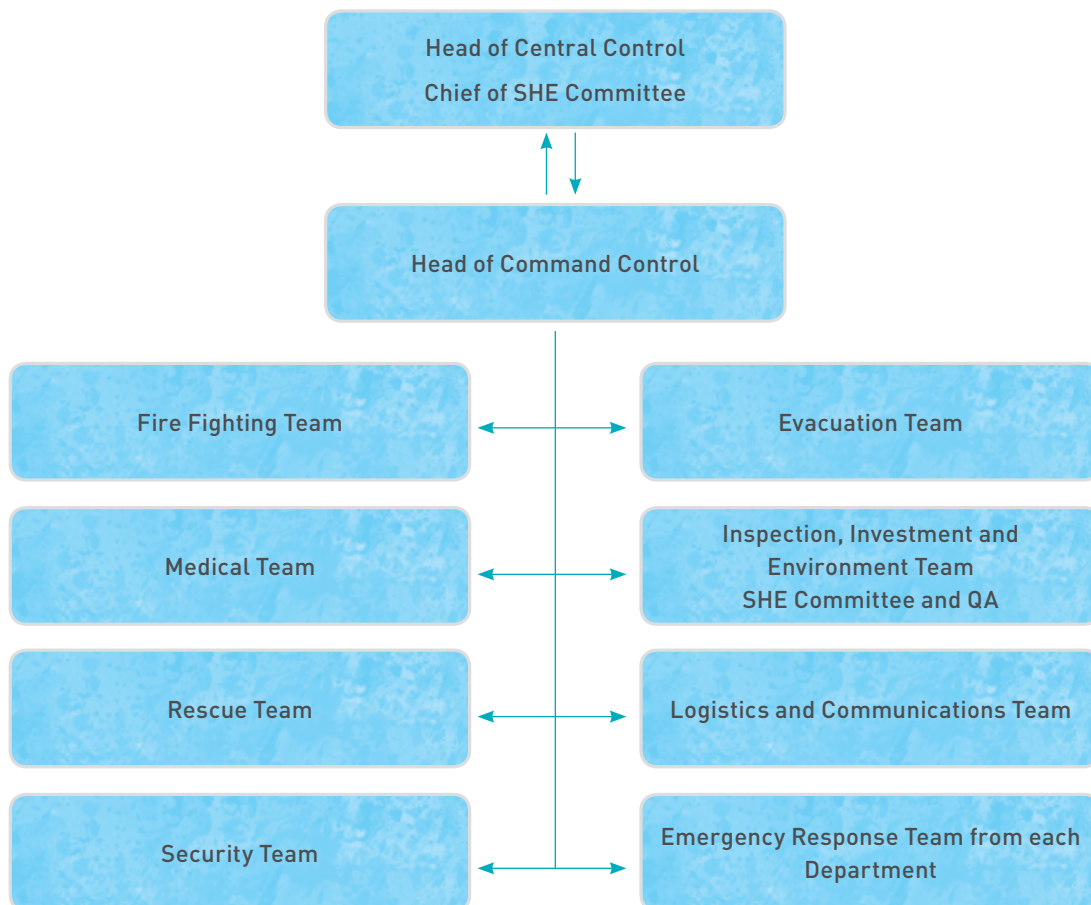
### REPORTING WORKPLACE ACCIDENTS

Workplace accidents are clarified in Procedure Standards 100K-KK-01: Handling of Workplace Accidents, which includes guidance on handling accidents / near misses (incidents), accident/near miss reporting internally and externally, accident/near miss investigations and the follow up of corrective actions and reporting procedures.

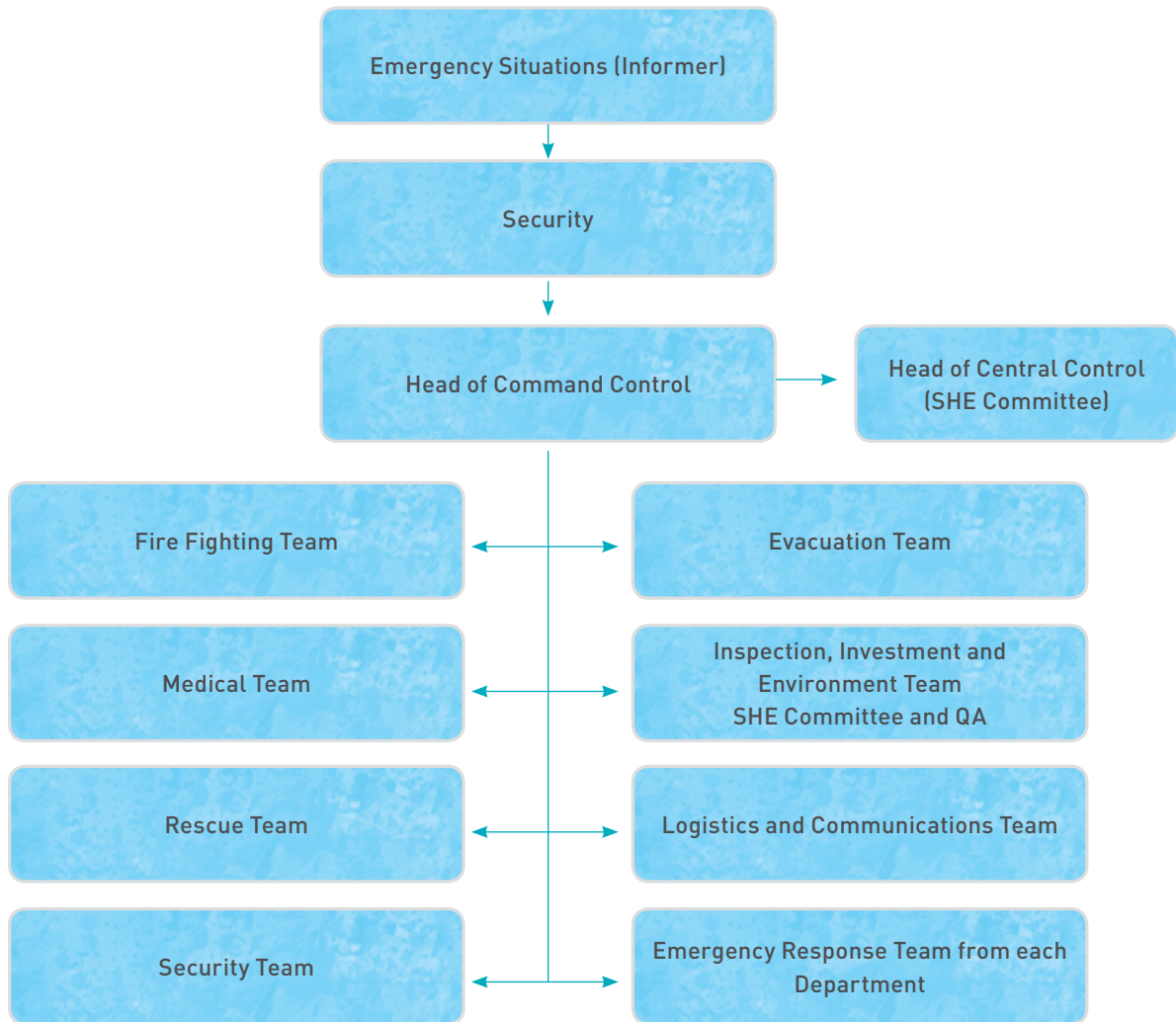
Workplace accidents are classified into: near miss, minor, moderate, severe and fatal. Workplace accident data is processed by the Occupational Health and Safety Committee team to determine Frequency Rate (FR), Severity Rate (SR) and Lost Time Injury (LTI).

In anticipation of emergencies and to minimize the impact of emergencies on employees, company assets, the community and the environment, a procedure under Document Number 214K-KTD-01 was produced that covers control, precaution and prevention and handling 24-hour emergencies (fire, earthquake, riots and threats), as well as readiness reporting and emergency response, as well as the command system. In addition, a procedure is in place regarding use of fire extinguishers, hydrants and fire alarms to support prevention and fire suppression, encompassing placement, operation and maintenance of extinguishers and fire detection equipment.

#### Organizational Structure for Emergency Situation Control



### Path of Communications for Emergency Situation Control



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. Riots.
4. Bomb threats.
5. 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.

### INDUSTRY HYGIENE

#### 1. Employee Health

To ensure employee health, health monitoring is regulated by Standard Procedure 100K-SIS-08 on Monitoring Employee Health, which is applied to eliminate potential sources of contamination from employees and also to protect employees from harm while in the vicinity of PT Bio Farma.



## 2. Monitoring Catering

In addition to monitoring employee health, the catered food is also monitored by the Company to ensure it meets the employees' nutritional needs in accordance with applicable laws and regulations. The procedure is stipulated in Standard Procedure 236K-MonC-01.

### OHS GOALS, TARGETS AND PROGRAM

Important Aspects	Goals	Targets	Program
Fire	No fires at the company	Prevent small, medium and large fires in accordance with SOP 214K-KTD-01	<ol style="list-style-type: none"> <li>1. <i>Routine safety patrols around company.</i></li> <li>2. Routine and regular training in fire detection and use of portable and mobile fire extinguishers, hydrants, and <i>fire alarm systems</i>, etc. conducted by the emergency response team, emergency response core team, security personnel, employee cooperative staff.</li> <li>3. Maintenance of fire detection equipment and infrastructure and fire protection equipment.</li> <li>4. Training to understand electrical systems and circuit panel placement for emergency response teams, security personnel, employee cooperative and the canteen.</li> <li>5. Induction training and hot work permit for project work at Bio Farma</li> <li>6. Placement of signs banning smoking, establishment of smoking areas in the company.</li> <li>7. Training or provision of OHS/emergency response information for all employees, new employees, company guests and project supervisors in print media, video and OHS email forum</li> <li>8. Fire drills in the company vicinity</li> <li>9. Strong coordination with the fire service</li> <li>10. JSA training and promotion, identification of important aspects for emergency response team</li> <li>11. Training in use of the lift and anticipating safety emergencies if trapped in a lift</li> <li>12. Creating signs regarding diesel transfer methods from the tanker to the Bio Farma storage tank</li> </ol>
Earthquake	Evacuate all employees, guests, project workers, etc. to gathering points in accordance with conditions.	<i>Emergency response time in an earthquake for all buildings of less than 6 minutes</i>	<ol style="list-style-type: none"> <li>1. Training or provision of OHS/emergency response information for all employees, new employees, company guests and project supervisors in print media, video and OHS email forum</li> <li>2. Earthquake evacuation drills around the company</li> </ol>
Acute Respiratory Infection (ARI)	Reduce number of ARI cases	Reduction of 10% in ARI cases	ARI vaccinations and promotion of ARI prevention methods
<i>Unsafe actions, unsafe conditions. Biological, chemical, physical, ergonomic and psychosocial risk factors.</i>	Prevent workplace accidents and work-related illnesses	No more than 2 workplace accidents / month. Maintain <i>zero accident award</i> No work-related illnesses	<ol style="list-style-type: none"> <li>1. Identification of OHS risks in all areas. Control of OHS risks based on hierarchy, including provision and use of PPE in accordance with 100K-SIS-JSA</li> <li>2. Work permits for employees (contractors) with high-risk jobs.</li> <li>3. Routine safety patrols.</li> <li>4. Regular reporting of internal and external workplace accidents (disnaker), investigation, workplace accident analysis and corrective &amp; preventive action</li> <li>5. Compliance with OHS legislation and regulations</li> <li>6. Identification of confined space areas/facilities</li> <li>7. Placing signs on confined space areas/facilities</li> <li>8. Identifying MSDS for all divisions and making summarized MSDS for signs.</li> </ol>

Important Aspects	Goals	Targets	Program
Employee and candidate employee health	Recruit healthy employees, early detection of infectious diseases in employees, provide protection against various types of virus and bacteria in the workplace.	Healthy employees and high productivity to prevent PAK.	<ol style="list-style-type: none"> <li>1. Conduct health checks on candidate employees</li> <li>2. Conduct periodic general health checks on employees</li> <li>3. Specifically check audiometric health of employees at risk</li> <li>4. Specifically check visual acuity of employees at risk</li> <li>5. Immunize against (check antibody markers) hepatitis B, TT, rabies, polio, measles, etc. for employees at risk.</li> </ol>

## OHS PERFORMANCE

### Workplace Accident Reports

#### 2013

Type of Workplace accidents	Jan	Feb	Mar	Apr	May	Jun	Jul	Ags	Sep	Oct	Nov	Dec	Total KK
Incidents	0	0	0	0	0	0	0	0	0	0	0	0	0
Minor	0	0	0	0	0	0	0	0	0	0	0	0	0
Moderate	0	0	0	0	0	0	0	0	0	0	0	0	0
Major	0	0	0	0	0	0	0	0	0	0	0	0	0
Fatal	0	0	0	0	0	0	0	0	0	0	0	0	0

#### 2014

Type of Workplace accidents	Jan	Feb	Mar	Apr	May	Jun	Jul	Ags	Sep	Oct	Nov	Dec	Total KK
Incidents	1	0	0	0	0	0	0	0	0	0	0	0	1
Minor	1	0	0	0	0	0	0	0	0	0	0	0	1
Moderate	0	0	0	0	0	0	0	0	0	0	0	0	0
Major	0	0	0	0	0	0	0	0	0	0	0	0	0
Fatal	0	0	0	0	0	0	0	0	0	0	0	0	0

### Workplace accidents frequency rate (FR) and severity rate (SR)

#### 2013

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Ags	Sep	Oct	Nov	Dec	Total KK
FR	1	0	0	0	0	0	0	0	0	0	0	0	1
SR	1	0	0	0	0	0	0	0	0	0	0	0	1

#### 2014

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Ags	Sep	Oct	Nov	Dec	Total KK
FR	1	0	0	0	0	0	0	0	0	0	0	0	1
SR	1	0	0	0	0	0	0	0	0	0	0	0	1



### Disease Caused by Accident in Work Place

#### 2013

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Ags	Sep	Oct	Nov	Dec	Total KK
ODB	1	0	0	0	0	0	0	0	0	0	0	0	1

#### 2014

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Ags	Sep	Oct	Nov	Dec	Total KK
ODB	1	0	0	0	0	0	0	0	0	0	0	0	1

### Safe Working Hours

Safe working hours is the number of hours in which there has been no accident. Safe working hours in 2013 totaled 2,653,644, while in 2014 it reached 2,839,393.

### Work Environment Measurement

The work environment is measured across the whole company. The parameters that are measured include noise levels and light intensity. The whole (100%) of the workplace was assessed and 100% of the results were within acceptable standards (light intensity >300 lux, noise <85dB).

### Award K3







## DEVELOPING OF BIO FARMA'S HUMAN RESOURCES

### BIO FARMA'S COMMITMENT TO EQUALITY

Bio Farma is committed to applying the principle of equality in its treatment of all its employees and does not differentiate based on gender, religion, ethnicity or race. This commitment is applied at all stages of human resource management, from recruitment to training and development, performance appraisal, career development and remuneration.

### RECRUITING THE BEST TALENT (G4-DMA)

Bio Farma conducts recruitment to find the best talent according to the organization's development and growth needs. Bio Farma provides equal opportunities for all job applicants, both male and female. As of 2014, Bio Farma was also gradually providing work opportunities for disabled job applicants.

The recruitment process is open and free from discrimination for all those who meet the pre-determined criteria. To solicit and provide employment opportunities as widely as possible, job opportunities are announced openly in national and local print media, electronic media (the Company's website, Facebook and Twitter, the SOE website) and on the radio, as well as through job fairs at various universities.

### FAIR REMUNERATION (G4-EC5, G4-LA13)

The remuneration provided to Bio Farma's employees is based on a formula related to the grade and level of specific job. Bio Farma guarantees that the minimum grade (17) will receive higher remuneration than the government-set municipal minimum wage. Remuneration is based on education level, length of service and grading. Payments to employees who die working for the Company are assessed at one grade higher, and employees who enter retirement age are also paid at one grade higher, in line with applicable terms and regulations. The Company applies a remuneration system that implements a basic

salary that is relatively high compared to the minimum wage. In addition, the Company does not differentiate between remuneration for male and female employees at any level. (G4-DMA)

### Employee income per month (gross) based on level and grade in 2014

Level	Grade	Gross income per month (Rp)	
		Minimum	Maximum
Head of Division	6-2	15,845,847	28,081,906
Head of Department	8-3	10,815,727	19,937,323
Head of Section	12-3	5,856,204	16,397,396
Staf	9-5	6,253,860	8,338,027
Junior Staff	13-5	4,407,853	11,246,004
Executor	17-7	3,396,621	9,089,201

### Employee Welfare (G4-LA2)

Bio Farma provides more than merely a salary to its employees, with monetary benefits such as Religious Holiday Allowance, welfare benefit, annual leave allowance, long-service leave allowance, uniform allowance and bonus (production service). In addition, employees are provided with medical facilities (outpatient and inpatient).

The Company also provides a retirement allowance, including a defined contribution pension that provides a monthly income, old age savings, life insurance and healthcare for retirees.

### Freedom of Association and Industrial Relations (G4-HR4, G4-LA5)

To manage employee discipline, the Company has established three types of offense and disciplinary penalties for violating provisions, namely mild, moderate and severe offenses. To provide follow up to violations, the Company has a Bipartite Cooperation Institution (LKS) composed of representatives of the Company and employee representatives, whose function is to provide advice and opinions when the Board of Directors is imposing a moderate or severe disciplinary action on employees, and at which employees can file a complaint in accordance with the stipulations.



Bio Farma has formed a Bipartite Cooperation Institution Management comprising representatives from the Company and employee representatives, in accordance with Board of Directors Circular No. 01395/DIR/III/2013. The bipartite forum was established to develop industrial relations for the sustainability, growth and development of the Company, including employee welfare. The bipartite forum board meets periodically and communicates Company policies and employee aspirations. The forum is also a medium for employees to submit suggestions, considerations and opinions to the Company to establish and implement company policy.

As of the end of the reporting period, the company has not set in the bipartite collective labour agreement, the minimum time limit notice to employees in the event of a fundamental change in the company such as acquisitions, mergers, downsizing, or restructuring of the company.

### RETIREMENT PREPARATION PROGRAM [G4-EC3, G4-LA10]

Employees who have reached the age of 56 have the right to receive the normal pension, in accordance with Company regulations. Bio Farma provides its retirees with a financial payment, severance pay and retirement savings managed by the Pension Fund Jiwaskarya. Prior to taking the normal pension, employees are provided with pre-retirement training, which involves mental preparation, entrepreneurial and investment training. After one year of retirement, the Company provides further business training over two days.

The Company implements a policy and Retirement Preparation Period that involves a Retirement Preparation Period of one year and release from work without loss of rights, thus, for one year, an employee receives his/her salary, production service/bonus and religious holiday allowance.

### HUMAN RESOURCE EDUCATION AND TRAINING PROGRAM

Bio Farma has designed a training and development program for employees that can maintain performance quality and improve competencies on an ongoing basis. Every employee has the same opportunity to improve their competencies in accordance with their potential, abilities and skills.

A range of training programs are available in-house and at outside education and training institutions, offering training in competencies, technical/functional skills and specialist certification as required in specific positions (mandatory training), managerial training and various knowledge sharing sessions. In addition, the Company also provides scholarships to continue formal education at post graduate level. Training and development activities that took place during 2014 were as follows:

<p><b>HIKA</b> Employee Association PT Bio Farma (Persero)</p>	<p>90% membership from total of 1,481 employees [G4-11]</p>
<p><b>FORWAN</b> Employee Forum PT Bio Farma (Persero)</p>	<p>10% membership from total of 1,481 employees</p>



## Development Programs and Realization of Programs

Training of Leaders					
Year	2010	2011	2012	2013	2014
Plan	134	150	117	177	109
Realization	77	87	49	129	50
Training of Non- Leaders					
Year	2010	2011	2012	2013	2014
Plan	143	202	64	148	139
Realization	114	181	51	117	30
Formal Education					
Year	2010	2011	2012	2013	2014
Budget	3,118	3,567	4,158	6,444	7,839
Realization	2,973	4,056	3,968	5,111	3,775
Number of participant					
- Domestic	-	20	1	1	1
- Overseas	-	-	2	2	1

Expenses of Employee Capacity Building and Number of Participants					
Year	2010	2011	2012	2013	2014
Expense					
- Domestic	1,268,371,857	972,764,500	1,593,634,460	5,236,670,299	4,025,550,883
- Overseas	1,268,371,857	559,227,360	1,049,928,981	1,629,923,768	1,689,115,734
Number of Training Participants					
- Domestic		213	182	196	
- Overseas		43	38	40	

## Rewards for Bio Farma Employees

Bio Farma provides awards to employees with high levels of achievement, dedication and professionalism. Each year, Bio Farma makes awards such as religious pilgrimages for exemplary employees, service awards, awards for 20 years of employment and for donating blood.

Following are details of the number of employees who received awards in 2014.

Types of Awards	Number of Recipients 2012	Number of Recipients 2013	Number of Recipients 2014
Hajj Pilgrimage	3 and partner	3 and partner	3 and partner
Umroh Pilgrimage	5	5	11 and partner
20 years works Service	28	22	16
Blood Donor	54	37	31

## Employee Turnover (G4-LA1)

One of several supporting functions of the Company's main vision, mission and strategy is the Human Capital function, in which there are "People, Skills and Roles". Through proper management, Bio Farma employees are the main capital that generates added value for stakeholders.



Total turnover employee base on gender

TOTAL EMPLOYEES

	2013	2014	
MALE 	747	810	 Increase <b>107.97%</b>
FEMALE 	206	219	
Total	953	1,029	

EMPLOYEE TURNOVER

	2013	2014	
MALE 	21	11	 Decrease <b>138.88%</b>
FEMALE 	4	7	
Total	25	18	

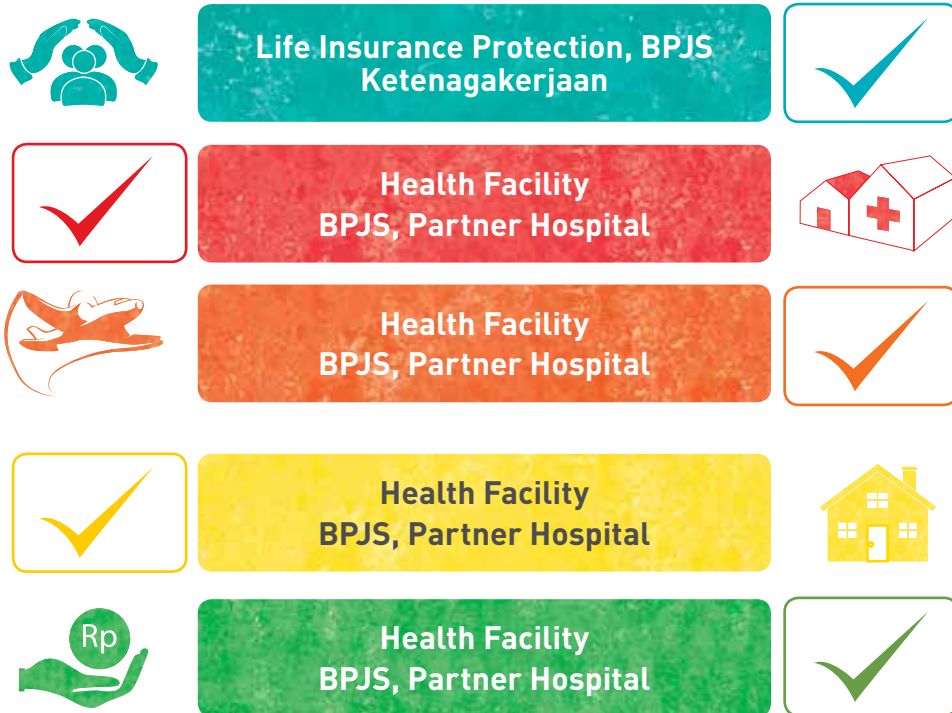
Strengthening human resources based on qualifications and work placement remained a major priority for the Company in 2014. The percentage increase in human resources and the turnover percentage each year are carefully maintained and aligned with the short-term and long-term work plans and the Shareholder's direction.

**Male**  
Science **24** person  
Non Science **9** person

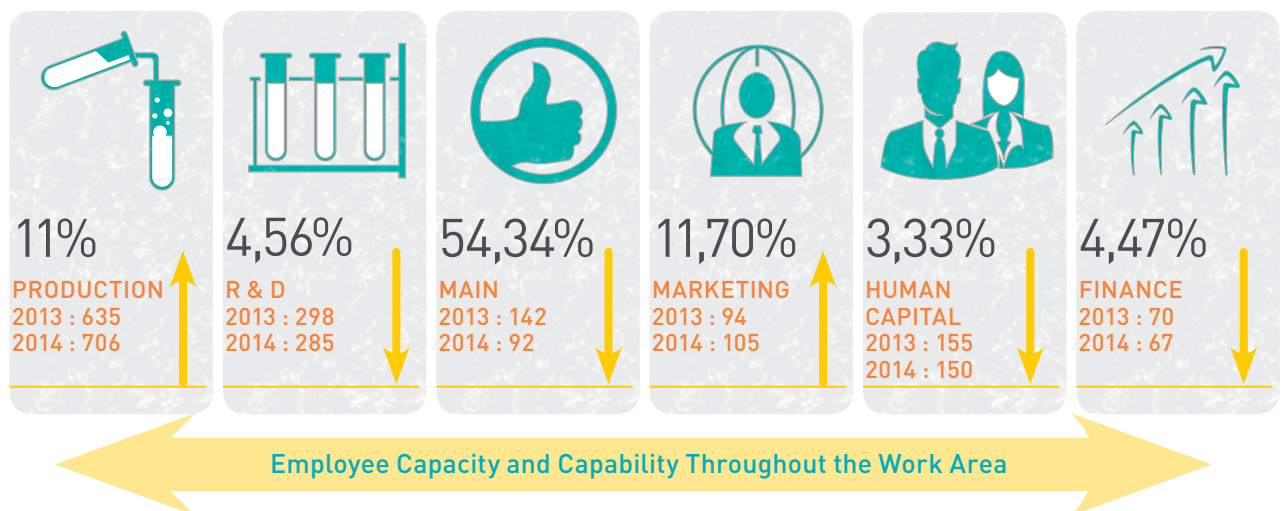
**Female**  
Science **6** person  
Non Science **21** person

**Total**  
Science **30** person  
Non Science **30** person

Human resource management is balanced between the rights and obligations that must be met by each of the parties, namely the employees represented by the Union and the Company represented by the management.



Bio Farma constantly implements an employee development strategy tailored to the needs of each field, mapping of the competence of individuals, working position groups and global business demands. Employee development by age group and educational background has a large impact on program selection and method development so as to achieve effective results, stable career paths and ultimately, a sustainable company.







### EQUALITY IN CAREER DEVELOPMENT (G4-DMA, G4-LA12)

Bio Farma is committed to implementing equality when determining employee rank and career development. Performance and competence are considered in the promotion process and determined through assessment by an independent team, so employees at various levels of management are not dominated by one particular age or gender group.



### DISTRIBUTION OF HIERARCHY BASED ON AGE AND GENDER

		2013		2014	
		Managerial	Non Managerial	Managerial	Non Managerial
MALE		321	426	349	461
FEMALE		181	25	194	25
Total		502	451	543	486

Employee grouping into appropriate levels or rank is conducted through competency mapping, promotion and career transfer. The promotion mechanism at Bio Farma is implemented openly and does not distinguish between the sexes. Each vacancy is announced via the intranet and candidates that pass the verification stage can compete through selection and promotion assessment. The Assessment Team and Board of Directors then select and specify the best participant to fill the vacant position. For some positions with high requirements, Bio Farma has implemented synergies with other state-owned enterprises to employ at Manager and Senior Manager level. (G4-LA11)

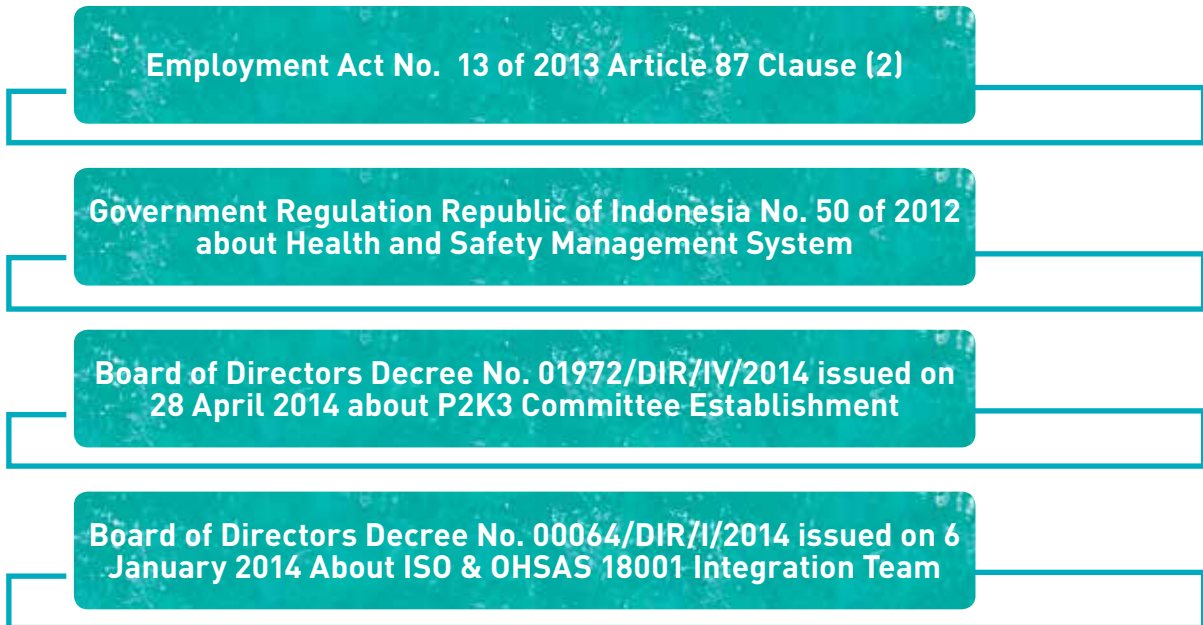
Employees of a productive working age dominated the workforce composition at Bio Farma in 2014. We accept 3-year diploma graduates or those over the age of 20, thus the working age of our employees is higher than that required under Law No. 13 of 2003 on Manpower.

### EMPLOYEES COMPOSITION BY AGE GROUP (Years)

		21 - 30 year	31 - 40 year	41 - 50 year	>51 year	TOTAL
MALE		203	303	257	47	810
FEMALE		61	90	56	12	219
TOTAL COMPOSITION BY AGE GROUP						1.029

## OCCUPATIONAL HEALTH AND SAFETY

Bio Farma's commitment to implementing an Occupational Health and Safety Management System is to implement all preventative actions related to workplace accidents and occupational diseases. The basis for implementation refers to several regulations:



As a company with a global vision, Bio Farma implements Occupational Health and Safety Management System (OHSAS) 18001:2007, an international standard to develop and implement Occupational Health and Safety Management Systems and comply with WHO requirements.

Eighty-six employees (6 percent of total employees) are employee representatives on the Formal Committee between Management and Employees to implement Occupational Health and Safety Management. (G4-LA5)

Types and Level of Accident, Occupational Illness, Safe Working Hours, Absenteeism and Death Arising from Work 2014. (G4-LA6)





## The Paradigm of a Healthy Life through Work-Life Balance

Work-life balance is a way of working that takes into account all life aspects, namely work, personal, family, spiritual and social, thus a person is able to be fully responsible for their work, family, personal life and social life and is thus able to give their best contribution and service. Realizing the importance of employee quality, not just physically but also being internally happy, in 2014, Bio Farma created a special team entitled the Healthy Life Paradigm Team, which has been assigned to preparing the Bio Farma Employee Healthy Life Paradigm and assessing the successful implementation of this program.

There are five important aspects to this program, encompassing personal life, work, religion, family and community and culture. The Company's philosophy of being Dedicated to Improving Quality of Life is applied to create employees who are BAHAGIA, an acronym for Fit, in Harmony and Active, which also means "happy" in the Indonesian language.

## Bio Farma Employee Profile (G4-9, G4-10)

Per 31 December 2014, Bio Farma had 1,029 permanent employees, 446 contract employees and 192 outsourced employees. In 2014, there was a 7% increase in permanent employees, rising 3.5% compared to the 953 in 2013. The Bio Farma employee profile for the last six years is as follows:

### Employee Composition based on Directorate

Directorate	2010	2011	2012	2013	2014
Main	148	150	83	77	97
Financial	102	102	58	57	61
Marketing	78	80	76	83	82
Human Resource	0	0	110	122	126
Production	348	336	369	405	450
Planning and Development	218	214	225	209	213
<b>Total</b>	<b>894</b>	<b>882</b>	<b>921</b>	<b>953</b>	<b>1029</b>

### Employee Composition based on Position Levels

Position	2010	2011	2012	2013	2014
Head of Division	148	150	83	77	30
Main Researcher	102	102	58	57	-
Head of Department	78	80	76	83	98
Senior Researcher	0	0	110	122	-
Head Of Section	348	336	369	405	167
Junior Researcher	-	-	-	-	-
Staf	218	214	225	209	116
Junior Staff	894	882	921	953	132
Executor	429	388	419	439	486
Researcher Matrix					
Main Researcher / Management Team Portfolio	0	0	4	4	-
Main Researcher / Project Integration Manager	0	0	2	2	-
Senior Researcher / Research Coordinator	0	0	2	1	-
Researcher	0	0	4	5	-
Junior Researcher	0	0	21	14	-
Operational Staff	0	0	12	12	-
<b>Total</b>	<b>894</b>	<b>882</b>	<b>921</b>	<b>953</b>	<b>1,029</b>

### Employee Composition based on works Service

works Service	2010	2011	2012	2013	2014
0-5	311	301	326	316	333
6-10	172	187	197	194	261
11-15	155	160	147	174	162
16-20	110	105	108	118	119
21-25	60	52	63	68	79
26-30	71	63	62	54	48
>31	15	14	18	29	27
<b>Total</b>	<b>894</b>	<b>882</b>	<b>921</b>	<b>953</b>	<b>1029</b>

### Employee Composition based on Age Group

Age Group	2010	2011	2012	2013	2014
<20	0	0	0	0	0
21-25	67	56	43	27	43
26-30	154	160	171	193	221
31-35	183	186	201	210	228
36-40	207	185	166	172	165
41-45	142	159	192	189	201
46-50	97	96	102	112	112
>51	44	40	46	50	59
<b>Total</b>	<b>894</b>	<b>882</b>	<b>921</b>	<b>953</b>	<b>1029</b>

### Employee Composition based on Level of Education

Level of Education	2010	2011	2012	2013	2014
Doctorate	2	2	2	2	1
Master degree	38	41	44	43	44
Bachelor degree	212	227	231	234	262
Diploma	149	162	157	170	189
High School Equivalent	493	450	487	504	533
<b>Total</b>	<b>894</b>	<b>882</b>	<b>921</b>	<b>953</b>	<b>1029</b>

### Employee Composition Based on Gender

Gender	2010	2011	2012	2013	2014
Male	695	674	716	747	810
Female	199	208	205	206	219
<b>Total</b>	<b>894</b>	<b>882</b>	<b>921</b>	<b>953</b>	<b>1029</b>

### Employee Composition Recap Based on Position and Gender

Position	2010		2011		2012		2013		2014	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Head of Division	13	5	15	5	19	9	18	11	14	9
Main Researcher	0	0	0	0	0	0	2	0	4	1
Head of Department	32	27	31	28	32	28	32	24	32	26
Senior Researcher	16	6	14	4	16	2	22	4	30	9
Head of Section	91	39	94	43	86	43	87	41	85	44
Junior Researcher	12	5	14	6	16	7	19	13	19	14
Staff	56	56	64	61	63	60	52	57	57	46
Junior Staff	73	34	81	34	79	30	89	31	98	34
Executor	402	27	361	27	405	26	426	25	450	25
Researcher Matrix										



Position	2010		2011		2012		2013		2014	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Portfolio Management Team	-	-	-	-	-	-	-	-	0	0
Research Coordinator	-	-	-	-	-	-	-	-	1	0
Researcher	-	-	-	-	-	-	-	-	4	1
Junior Researcher	-	-	-	-	-	-	-	-	4	9
Operational Staff	-	-	-	-	-	-	-	-	11	0
<b>Total</b>	<b>894</b>		<b>882</b>		<b>921</b>		<b>953</b>		<b>1.029</b>	

#### Employee Composition Recap Based on Employment Status

Employment Status	2010	2011	2012	2013	2014
full-time employees	894	882	921	953	1.029
Contract Based Employees	291	326	311	376	421

#### Employee Performance Reviews (G4-LA11)

Review Category	Gender		Total	Percentage	
	Male	Female		Male	Female
A ( Outstanding)	25	16	41	61%	39%
B (Good)	663	180	843	79%	21%
LDC (More than Adequate)	44	9	53	83%	17%
C (Adequate)	12	2	14	86%	14%
K (Unsatisfactory)	0	0	0	0	0
<b>Total</b>	<b>744</b>	<b>207</b>	<b>951</b>	-	-

Description: The performance evaluation is done every 6 (six) months, which is presented on the second semester of 2014 data.

#### Types and Budget Realization Employee Trainings

No	Types of Trainings	Training Program	Budget	Tahun 2014 Realization	Percentage (%)
1	Leadership				
2	English Speaking				
3	Customer Service Training				
4	Character Building Training				
5	Microsoft Office				
6	Retirement Period Preparation Training	Organizational Training	4.687.500.000	4.328.055.661	92.33
7	Microsoft Project				
8	Public speaking				
9	Creative Design for Presentation Training				
10	Thematic Public Training	Division Training (Domestic)	2.000.000.000	2.084.712.299	104.24
		Division Training (Overseas)	2.000.000.000	2.84.712.299	104.24
		Training Support Facility	3.562.500.000	5.438.296.962	152.65
11	Retirement Period Preparation and Business Training	Career Transition Program	150.000.000	134.315.789	90





## BIO FARMA CARES [G4-S01]

As part of its social responsibility toward the community, Bio Farma, among others, provide grants through the Partnership and Community Stewardship (PKBL) Program. In accordance with SOE Minister Regulation No. 08/MBU/2013 dated September 10, 2013, the source of funds for the Partnership and Community Stewardship Program in 2014 must derive from the Company's budgeted costs and make use of funds from the remaining provision from 2012 earnings.

Accumulated aid disbursed through the PKBL Program from 2002 to 2014 totaled Rp32,848,646,239, including the SOE Cares PKBL Program at Rp3,775,013,932. Meanwhile, the funds available for the Partnership and Community Stewardship Program in 2014 amounted to Rp9,305,867,696.

In 2014, the amount of the aid disbursed in the PKBL Program amounted to Rp6,313,826,540, as follows:

<b>(Billion Rupiah)</b>	
Relief to natural disaster victims	238,061,347
Education and/or training assistance	1,272,562,700
Health improvement assistance	2,189,464,010
Support in developing public infrastructure and facilities	1,074,020,052
Support in worship facilities	1,161,915,500
Support in nature conservation	331,991,000
Social and community support	61,195,750
<b>Total</b>	<b>6,329,210,359</b>

In addition to funding from the PKBL budget, Bio Farma CSR activities are also funded from CSR Program costs budgeted by the Company to be disbursed for CSR activities under the pillars of Health, Education, Economy and Environment. Following are details of the aid disbursed through the 2014 CSR program:

<b>(In Rupiah)</b>	
Health Sector Support	718,813,554
Education Sector Support	188,204,812
Economic Sector Support	265,266,700
Environmental Sector Support	471,635,300
<b>Total</b>	<b>1,643,920,366</b>

## SMART SCHOLARSHIP PROGRAM

In 2014, Bio Farma cooperated with DKM An-Nuur PT Bio Farma (Persero) to hold the Smart Scholarship Program. This program provides educational aid to school and university students from underprivileged backgrounds with good scholastic achievement. In addition, educational aid is provided to school and university students from the Health Clinics.

## PRIMATE CONSERVATION PROGRAM [G4-EN13], [G4-EN14]

The International Union for Conservation of Nature and Natural Resources (IUCN), states that 25 types of primate in the world are at risk of extinction, several of which are in Indonesia, namely the Sumatran Orangutan (*Pongo abelii*), Siau Island tarsier (*Tarsius tumpara*), Javan slow loris (*Nycticebus javanicus*) and the pig-tailed langur (*Simias cocolor*). The Indonesian government has also categorized primates into national priority species, and those endemic to West Java, based on Forestry Minister Decree No. P57 of 2008, namely the silvery gibbon (*Hylobates moloch*) and the Javan surili (*Presbytis comata*), which are at risk of extinction.

Bio Farma's commitment to nature conservation caused the company to become involved in a conservation and primate rehabilitation program during 2013 - 2014 along with the Cikananga Animal Conservation Center (PPSC) in Sukabumi. This program has successfully released 21 primates, including orangutans, gibbons, macaques, ebony leaf monkeys and grey monkeys. In addition, the Company and PPSC have rehabilitated and released some other primate species into their native habitat.



### PPSC INTERVIEW

The Cikananga Animal Conservation Center has been working with Bio Farma since 2010 to conserve and rehabilitate animals at risk of extinction, in particular primates. Bio Farma has provided aid in the form of food, medicines and rehabilitation, so the animals have finally been able to be returned to their natural habitat.

As PPSC manager, I feel that the aid and support that we have received from Bio Farma, including the process to save animals at risk of extinction, has gone as expected. The impact of the increasing commitment and direct contribution from Bio Farma can be seen in the number of species that have been helped with conservation and rehabilitation.

As PPSC representative, I would like to thank Bio Farma for its great care and genuine contributions in saving and rehabilitating Indonesian primates at risk of extinction so that our grandchildren will still have the opportunity to see animals endemic to Indonesia.

### KOI FISH CULTIVATION PROGRAM IN SUKAMULYA VILLAGE

The CSR program implemented in the village of Sukamulya is genuine integration of the four priority pillars, namely health, education, economy and environment. Assistance includes koi cultivation infrastructure development, for example, fish sedimentation basins. In the process of developing this program, the Company not only helped the koi fish farmers but also the local people in the vicinity of this village development partner. Assistance was provided with the construction of sanitary facilities related to a Clean and Healthy Lifestyle and a health clinic for ease of access to health services.

In the education and skill development (capacity building) sector, the koi fish farmers were given training related to bio secure-based koi fish farming management, which adopted a vaccine production process at Bio Farma. Meanwhile, for empowerment, the Company provided

group mentoring to the Mizu-mi Koi (KMK) Group, which was given 18 high quality koi as breeding fish. Group development used an core-plasm model so that the current group members would be able to develop a new group using the same methods of cultivation.

KMK currently employs 26 local residents. Prior to joining KMK, their income was only Rp 500,000/month. Nowadays, their income has reached Rp 3,000,000/month with average production having increased to ± 3,500 fish/month. In 2013, KMK had 15 fish breeding ponds with a bio-secure system.

The Bio Farma CSR environmental pillar was also applied in Sukamulya village, where the koi farming development program has conserved and utilized three springs for koi fish farming and community needs. KMK has independently built one source of water for conservation and piping that is used by 85 families to provide access to clean water. [\(G4-EC7\)](#)

Stakeholder development and export scale Koi breeding in Sukabumi

## SUSTAINABLE PROGRAM CSR BIO FARMA 2010 – 2015

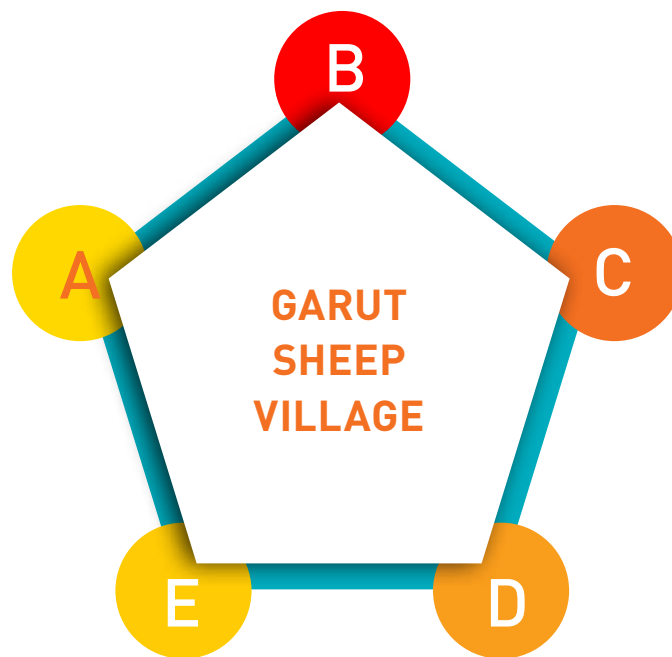
2010	2011	2012	2013	2014	2015
<p>Purchase of 18 Japanese Koi brood stock</p> 	<p>Prospective broodstock selection and breeding mentoring</p> 	<p>Bio secure pond assistance</p> 	<p>Export scale Koi breeding training and business management training</p> 	<p>Color blind testing for Koi breeders, building sanitation facilities and integrated health care service post (posyandu) and free Flubio vaccination in the village</p> 	<p>SOP drafting for farmer production and business.</p> 
		<p>Tree planting with 200m radius around water spring</p> 	<p>comparative studies, exhibitions and expeditions</p> 	<p>Koi Cooperatives establishment</p> 	
		<p>Pinailais water spring to the grow-out pond</p> 		<p>Assistance for Bio Secure pond building Sukamulya</p> 	<p>Sounding the export market by participating in ornamental fish exhibition in Aquarama Singapore</p> 

### GARUT SHEEP BREEDING PROGRAM FOR VILLAGE DEVELOPMENT

Garut sheep are the easiest on earth to breed. However, sheep breeding development has become relatively static as the genetic purity has tended to decrease because of the difficulty in controlling breeding with sheep of other breeds, as well as inbreeding. Animal Husbandry and Health Statistics in 2012 showed a sizable sheep population in Indonesia, with as many as 13.4 million

head. Approximately 8.2 million sheep were in West Java (61% of the national population) and, in the same year, approximately 367 thousand sheep in West Java were recorded as being slaughtered.

Realizing the importance of efforts to save this biodiversity for the welfare of society and the preservation of a native West Javan livestock, Bio Farma also included the Garut Sheep breeding village development program in its CSR program. The village is located Wanajaya village, Wanaraja District, Garut Regency.



- A Improving farmer welfare
- B Saving the genetic information of the Garut Sheep
- C Becoming a tourist attraction to increase tourist visits
- D Social license to operate
- E Government acknowledgment/ others

Target				
2014	2015	2016	2017	2018
Garut sheep farmland and supporting infrastructure available	Creation of basic sheep population	Core population development	Core population and germ plasm development	Core population and germ plasm development
Provision of quality Garut sheep breeding stock in accordance with standards	Strengthen farming institutions and individuals with entrepreneurial and organizational mentoring	Establishment of an eco-tourism area based on Garut sheep	Provision of superior Garut breeding stock	Community empowerment preparation program
Training provision on Garut sheep breeding and good livestock management	Strengthening public facilities and infrastructure	Development of farming institutions, organizations and individuals	Community business development and increased prosperity through Garut sheep breeding	
			Developing supporting facilities for Garut sheep breeding	

In 2014, a Focus Group Discussion (FGD) was held for stakeholders related to this program and land was prepared for the bio secure breeding facility. The implementation of the bio secure standard was a form of knowledge transfer from the Company to the community. In addition, Bio Farma also established a public health hall and provided influenza vaccinations free of charge to all the residents of Wanajaya district, Garut regency. [\(G4-EC7\)](#)



### INTERVIEW WITH PAK KOKO

Since 2012, Bio Farma has been helping me and the Garut sheep breeding community to return the Garut sheep to its glory in its place of birth. The assistance started with grants in the form of lambs through the development partnership program, which was then developed further by the breeding group.

The grant assistance provided by Bio Farma continued with the Community Development program, which built and developed the Garut sheep breeding village. I am very proud of the care and commitment that Bio Farma has shown to conserve the Garut sheep. The assistance that Bio Farma has provided has had a positive impact, in particular by raising the welfare of the breeders. I hope that the Garut sheep breeding village development program will continue so we can achieve equality in welfare for breeding for greater self-sufficiency in the local community.

### GEO-TOURISM RURAL DEVELOPMENT PROGRAM AT CILETUH GEOPARK

A geopark is a geographical area with a geological heritage and is part of an overall protection, education and sustainable development concept. A geopark is also a geodiversity management concept that serves as a tourist attraction and encompasses geological, biological, socio-cultural and tourism interests.

Geopark development is based on:

1. Conservation
2. Education
3. Local economic value development through tourism

Ciletuh Geopark is located to the south and east of Pelabuhan Ratu bay, Sukabumi, West Java. Inside is one of the only areas of the world's oldest rocks (pre-Tertiary) found in West Java. Within this area are mountains, hills, rivers, waterfalls, beaches and stunning view of ancient rocks.

As part of the Company's CSR program, specifically for environmental preservation, Bio Farma is developing a Geotourism Village located in Tamanjaya village, Ciemas District, Sukabumi. The village is part of the Ciletuh Geopark area, which is being developed in conjunction with the West Java Provincial Government, Sukabumi local government and involves community groups, including the Pakidulan Sukabumi Nature Association (PAPSI).

The CSR program aims to elevate various values within the local Ciletuh communities that include biodiversity, geology and culture. The Geotourism village will be the site of integrated conservation, education, special interest tours and local economy development, which is in line with Bio Farma CSR priority pillars.

In the health sector, in 2014 in Tamanjaya village, a range of social welfare activities took place, including a Public Health Hall and free influenza vaccines. This social welfare activity was held in cooperation with Padjadjaran University Faculty of Public Health.

Bio Farma also arranged for clean water to be piped from a water source to the village to improve community access to clean water. In 2014, construction started on an Emergency Department at the Ciemas District Health Center. The establishment of this emergency department, in addition to increasing public health services in the area, is to support tourism at the Ciletuh Geopark. (G4-EC7)

As part of its commitment to environmental conservation, Bio Farma also entered into cooperation with PAPSI to plant and adopt trees in the vicinity of Tamanjaya village.



Stakeholder development and export scale Koi breeding in Sukabumi

## SUSTAINABLE PROGRAM CSR BIO FARMA 2013 – 2018

2013	2014	2015	2016	2017	2018
<ol style="list-style-type: none"> <li>1. Human and natural resources survey</li> <li>2. Focus Group Discussion with Geological Body</li> <li>3. Initiation of community group PAPSI establishment</li> </ol> 	<ol style="list-style-type: none"> <li>1. Infrastructure and health network</li> <li>2. Community institutions empowerment</li> <li>3. Health education for cadres and housewives</li> <li>4. Geopark area socialization</li> <li>5. PAPSI institutional empowerment</li> </ol> 	<ol style="list-style-type: none"> <li>1. Women cadre and tourist service provider training</li> <li>2. English language training</li> <li>3. Economic assistance</li> </ol> 	<p>Economic assistance for village tourist service provider</p>  	<ol style="list-style-type: none"> <li>1. Creative economy assistance and improvement to increase added value</li> <li>2. Organizational training and customer satisfaction</li> <li>3. reforestation and water spring conservation</li> </ol> 	  <p>Increase creative economy capacity based on local wisdom</p> 
		<p>Reforestation and water spring conservation</p> 		<p>Monitoring &amp; program evaluation</p> 	



#### INTERVIEW WITH PAPSI

Since the discovery of the unique rock landscape in the Ciemas area, Sukabumi, in 2012, Bio Farma began to try to help the community to develop the region into a special tourism destination. By taking on the concept of Ciletuh Geopark Development, the Pakidulan Sukabumi Nature Association (PAPSI) could be formed to serve as community group representatives in the Ciemas area.

We've been greatly helped by everything that Bio Farma has provided to develop Ciletuh Geopark, ranging from community capacity building to repairing public facilities to support tourism. We've gained a lot of experience from working with Bio Farma to manage this geopark, for example, study visits to community groups managing Pindul Cave in Gunung Kidul Geopark in Yogyakarta province.

Currently, PAPSI and Bio Farma are equally striving to achieve recognition as a National Geopark for Ciletuh. We hope that if we can achieve this status, it will pave the way for improved community welfare by utilizing the existing natural potential wisely.

#### MANGROVE CONSERVATION AND SILVO-FISHERY PROGRAM

Another environmental conservation initiative by Bio Farma is the mangrove conservation program in the vicinity of Karangsong, Indramayu district, West Java. Since 2012, this program has seen the planting of 12,000 mangroves across approximately 2 hectares, with species planted including *Avicennia* sp., *Rhizophora* sp., *Bruguiera* sp. and *Sonneratia* sp. The program has been implemented in cooperation with Siklus NGO, the Karangsong village community, the Indramayu Fisheries and Maritime Agency, Walhi West Java and Wiralodra University in Indramayu. The program has seen a successful reduction in abrasion of 10 meter/annum and 30 meters worth of reduced sedimentation.

Another mangrove conservation step taken by the Company was the construction of six breakwaters stretching for 500m made of bamboo and used tires donated by the Company's employees to curb the speed and reduce the direction of the ocean waves.

In 2014, Bio Farma entered into cooperation with Siklus NGO to conduct silvo-fishery in the vicinity of Karangsong beach, which combines mangrove conservation with shrimp and milkfish breeding. It is hoped that this program, as well as being environmentally beneficial by maintaining and safeguarding the mangrove ecosystem, will also be beneficial economically to the community through shrimp and milkfish farming. Approximately 5,000 mangrove trees were planted and 12,500 milkfish fry and 15,000 shrimp fry have been cultivated.

#### INTERVIEW WITH MADRI OF SIKLUS NGO

The cooperation between Siklus and Bio Farma started in 2011. The first assistance we received from Bio Farma was rehabilitation of a beach suffering from abrasion by planting approximately 12,300 mangrove trees. The help we have received from Bio Farma has reduced the impact of coastal abrasion around Karangsong, Indramayu.

Siklus then had the opportunity to receive mangrove conservation training to develop our cultivation skills. In addition, Bio Farma provided facilities to manage the mangrove conservation, such as a boat to conduct supervision.

At the end of 2014, Bio Farma then raised the program status from mangrove conservation to a silvo-fishery program. All the assistance and support provided has been very beneficial to Siklus and the communities in the vicinity of Karangsong beach to improve our welfare and repair the local environment, the results of which we continue to see.



## PRODUCT RESPONSIBILITY

Bio Farma's basic philosophy of dedicating itself to improving community quality of life at the national and global level is the reason why the company places customers as its main priority. The entire company at Bio Farma, from directors to employees, is committed to meeting customer requirements through the implementation of applicable regulations. Our orientation toward customer service and satisfaction is evident in every activity and the company is always trying to understand customer needs and providing the best solutions.

Bio Farma is committed to continuing to provide its best contribution to the health of the nation and the world. For Bio Farma, customers, or consumers, are one of the stakeholders with capital strength to produce a generation that is healthy, intelligent and creative. These values are upheld and used as part of the corporate culture.

By applying national and international standards, Bio Farma has been recognized by the World Health Organization (WHO) since 1997 for producing high quality, affordable products. To date, Bio Farma has contributed to raising national and international health standards and its products are used in and benefit more than 130 countries. By referring to world health data, we continue to strive to make improvements and developments to create new ideas and products that can improve the quality of life.

The programs implemented and realized to improve customer satisfaction are described below.

### COMMITTED TO MAINTAINING PRODUCT QUALITY IN ACCORDANCE WITH NATIONAL AND INTERNATIONAL STANDARDS

Bio Farma implements an integrated management system based on fulfilling customer needs and conditions/regulations stipulated in Good Manufacturing Processes (CPOB), ASEAN Good Manufacturing Practices (GMP), WHO GMP and production conditions contained within WHO Reference Series, including the Technical Report Series, Good Laboratory Practices (GLP), Good Clinical Practices (GCP), Good Distribution



Practices (GDP), ISO 9001 quality management system, ISO 14001 environmental management system, OHSAS 18001 occupational health and safety management system, Good Corporate Governance (GCG), Corporate Risk Management (CRM), Social Responsibility (SR), International Financial Reporting Standards (IFRS), ISO 17205 specifically for test laboratories in the Immunization and Clinic Division, as well as other regulatory systems related to improving Bio Farma's performance.

Guaranteed product quality and assurance starts from the beginning with the selection of raw material suppliers. Suppliers who are directly involved in the final product must apply minimum standards for quality, environment and occupational health and safety. Bio Farma regularly audits suppliers to ensure the proper implementation of these standards, to ensure the quality of raw materials is in accordance with established specifications. During the



product formulation process, we also apply in-process control. Prior to shipping, our final products are tested by the Food and Drug Supervisory Agency (BPOM) so that any products distributed to the public have passed the BPOM tests, fulfill quality standards and are in accordance with national and international specifications.

#### ACCURATE PRODUCT INFORMATION (G4-PR3)

Our customers are always provided with accurate data related to the product they receive as the related product information provided has been approved by BPOM and WHO. Customers can easily access product information on the Company's website at any time. Other health-related information can be discussed directly on social media, which is managed by employees competent in their field.

#### PROVIDING CUSTOMERS WITH BEST SERVICE (G4-PR4)

Bio Farma provides a customer complaint service that is able to answer and follow up on all customer complaints with the Adverse Events Post-Immunization (KIPI) service. Bio Farma continually disseminates information through distributors, doctors and health service personnel to use the KIPI reporting mechanism so that should an event occur, a pre-appointed independent team can move to follow up on the customer complaint and all complaints can be quickly handled. However, in 2014, Bio Farma had received no complaints related to violations of product information or violations of privacy.

Bio Farma provides means of communication through the following channels:

Company Site	: <a href="http://www.biofarma.co.id">www.biofarma.co.id</a> (menu Customer Care)
Portal BUMN	: <a href="http://www.bumn.go.id/biofarma">www.bumn.go.id/biofarma</a>
Company Blog	: <a href="http://www.infoimunisasi.com">www.infoimunisasi.com</a>
Tel.	: +62 22 2033755, ext. 37608
Fax.	: +62 22 2041306
Surel/E-mail	: <a href="mailto:corcom@biofarma.co.id">corcom@biofarma.co.id</a> , <a href="mailto:mail@biofarma.co.id">mail@biofarma.co.id</a>
Facebook	: <a href="https://www.facebook.com/infoimunisasi">infoimunisasi</a>
Twitter	: <a href="https://twitter.com/biofarmalD">@biofarmalD</a> dan <a href="https://twitter.com/infoimunisasi">@infoimunisasi</a>

#### GATHERING & SHARING INFORMATION WITH CUSTOMER (G4-PR5)

Bio Farma conducts meetings and shares information on a regular basis with customers in various regions. These meetings are organized in cooperation with the Health Ministry, Immunization Sub-Directorate, Public Communication in the Health Ministry, Health Promotion, and various health-related organizations that include, among others, the Indonesian Pediatric Association and the Indonesian Pharmaceutical Association. These meetings target raising public awareness of the importance of disease prevention through vaccines to better improve the quality of life. This is also useful for participants who attend, such as medical practitioners, midwives, immunization experts, community leaders, religious leaders, housewives, health clinic managers and the general public.

Bio Farma believes that face-to-face events such as these create two-way communication that ranges from criticism and suggestions to sharing information, which provides input for Bio Farma. Bio Farma also has the opportunity to provide education on the importance of prevention, healthy living, preservation of the environment and establishing a close sense of family so that both sides understand each other and the Company can narrow the gap between the customers' demands and Bio Farma's abilities.

In 2014, Bio Farma conducted various Customer Meetings in various cities across 17 provinces in Indonesia. Through these activities, we received feedback by increasing public awareness of the importance of vaccines, thus assisting the government in improving immunization coverage nationwide.

#### EDUCATING ON THE IMPORTANCE OF VACCINES THROUGH THE MEDIA

Bio Farma also organizes education on the importance of vaccines in the form of workshops for media and journalists. This specific competency program serves as initial briefing for our media colleagues, discussing the A to Z of vaccines, as well as presenting competent sources to answer questions about vaccine issues.

This program has been implemented since 2013 and aims to improve the relationship between Bio Farma and journalists. With journalist training about the ins and outs of vaccines and biotechnology, we hope that journalists will be able to deliver the correct information to the untutored public, so that people can understand vaccine technology and its developments. From the results of media education through the School of Vaccine for Journalists, a book has been produced entitled "Journalists Talk Vaccines, Safeguarding Civilization through Vaccines".

#### **CUSTOMER SATISFACTION SURVEY (G4-PR5)**

Periodically, Bio Farma gathers information with the aim of identifying, analyzing and providing information on development requirements, desires, expectations, preferences, behavior and customer satisfaction that can be used to define and realize the company's policy, ongoing improvements and improve Bio Farma's quality system performance. Our customers play a major role, as with other sources that can be used to assess customer satisfaction. To be certain that our customer satisfaction survey obtains accurate data, the implementation mechanism is determined based on guidelines and standard procedures under the responsibility of the Product Development Department. For accurate, all-encompassing results, the survey is conducted by an independent agency and involves national and international customers.

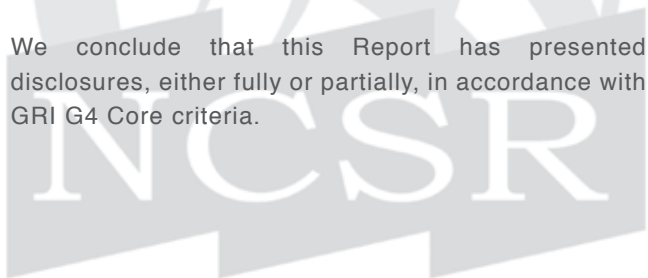




### **Statement GRI G4 Core In Accordance Check**

The National Center for Sustainability Reporting (NCSR) has conducted a GRI G4 Core in Accordance Check on the PT Bio Farma (Persero) 2014 ("Report"). The check communicates the extent to which the GRI G4 Core criteria has been applied in the Report. The check does not provide an opinion on the sustainability performance of the reporter or the quality of the information provided in the report.

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



**National Center for Sustainability Reporting**

A handwritten signature in black ink, appearing to read "Elmar Bouma", is positioned above the name and title.

**Elmar Bouma  
Director**

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We would like to thank you for taking your valuable time to read this Sustainability Report 2014. In an effort to improve the Sustainability Reporting in the coming years, Bio Farma would like to ask you to kindly fill out this feedback sheet and send it back to us.

1. This Sustainability Report has provided you with any information on activities that have been conducted by Bio Farma in its compliance with corporate social responsibility.

Agree  Don't Know  Disagree

2. The material in this Sustainability Report, including data and information presented are easy to understand and comprehensible.

Agree  Don't Know  Disagree

3. The material in this Sustainability Report, including data and information presented are sufficient.

Agree  Don't Know  Disagree

4. The material in this Sustainability Report, including data and information presented are accountable.

Agree  Don't Know  Disagree

5. What do you think about the presentation of this Sustainability Report, including content, design and layout, as well as pictures?

Agree  Don't Know  Disagree

6. Which information that you find useful in this Sustainability Report?

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7. Which information that you find less useful in this Sustainability Report?

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8. What information that you find insufficient and needs to be improved in the next Sustainability Report?

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- Media
- Industry
- Community

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