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## Growing Balance

Over time, the precise relationships between Growing and Balance indeed change and constitute one of the primary objectives of strategy. Darma Henwa understands, however, that it is stability in assuring customer satisfaction which is the cornerstone of all successful growth. Strong systems, attention to the environment and investment in human resources sustain Darma Henwa's balanced approach to achieving maximum value and corporate social responsibility.

# **Targeting** Growth

Growth will occur, in both existing and new projects, on the secure basis of having reached strategic and operational targets.

Amidst an atmosphere of mining growth within Indonesia that is transforming the industry and directly affecting the mining contractor business, Darma Henwa is reshaping its full range mining services business, focusing on its core competencies and consolidating its internal operations. Foremost among these measures is ensuring that customers are provided with consistent and high quality output. 5032

With new long term clients, in addition to its long-standing projects, efforts in previous years to strengthen quality, price, technology, and operations have included obtaining and maintaining international health, safety and environmental certifications. With ISO certifications and long experience in the mining industry, Darma Henwa is confident in facing the tight competition.

Focus on Occupational, Health, Safety and Environment is also key to winning against competition, and our numerous HSE awards testify to excellence. The strategy is to target the Company's strengthened human resources capability, improved operational and equipment metrics and tightened internal control systems to meet client needs in their mining projects.



## Darma Henwa in Brief

PT Darma Henwa Tbk ("Darma Henwa") was established in 1991 as general mining contractor company, listing on the Indonesia Stock Exchange in September 2007 with stock code DEWA.

The Company built its reputation as a reliable mining contractor in Indonesia by effectively allocating professional management and fleets of excavators, dump trucks, bulldozers, loaders and graders to a wide range of mine associated civil works, overburden removal, output extraction and site rehabilitation.

The experience gained in completing projects with leading mining clients such as Aneka Tambang at Pulau Gebe Nickel, Freeport at Timika, Billiton at Lerokis & Kali Kuning Gold and Tanito Harum at Busang & Pondok Labu Coal is an indication of success in existing projects at Bengalon, Asam Asam, Berau and Sarongga.

On the basis of financial restructuring and a Company-wide strategy to increase productivity, the direction forward is to target growth within an expanding Indonesian, and regional, mining resurgence.

## Vision

To be the preferred regional integrated mining services Company

## Mission

- To establish a sound management knowledge and cost effective operations.
- To provide stakeholders with maximum value and deliver sustainable financial growth.
- To provide high quality services to our stakeholders with full commitment in best practices of Health, Safety and Environment as well as corporate social responsibility.

## Values

- Work with a high degree of integrity for everyone's development and success.
- Work with a high degree of discipline within the prevailing rules and regulations for everyone's development and success.
- Work with high speed to achieve optimum productivity through available resources for everyone's development and success.
- Work with a high degree of reliability established through diligence and a sustained learning process for everyone's development and success.
- Work with solid teamwork to achieve a healthy working environment and optimal performance for everyone's development and success.

## **Operational** Area

Kelian Projects

PT Kelian Equatorial Mining Project Value

USD 26.93 million

Existing Project

Previous Project

Busang & Pondok Labu Coal Projects Client PT Tanito Harum

USD 34.22 million Petangis Coal Projects Client BHP Project Value

USD 107 million

### Malinau Coal Projects

PT Mitrabara Adiperdana Project Value

USD 250 million East Binungan Coal Projects Client PT Berau Coal Energy Project Value

USD 340 million

#### Bengalon Coal Projects Client

PT Kaltim Prima Coal Project Value

USD 2.65 billion

#### Asam Asam Coal Projects Client

PT Arutmin Indonesia Project Value

USD 2.1 billion

Batu Hijau Projects Client PT Newmont Nusa Tenggara

USD 82.3 million

#### Lerokis & Kali Kuning Gold Projects Client Billiton Project Value

USD 21 million

#### Pulau Gebe Nickel Projects Client PT Aneka Tambang Project Value

USD 6.7 million

#### **Freeport Projects** Client PT Freeport Indonesia Project Value

USD 11.2 million



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Client satisfaction is achieved through increased productivity and consistent delivery.

In an effort to attract new clients, the Company has strengthened its operational structure. This strengthening is in line with and results from Darma Henwa's experience in large scale mining. Further, in full recognition that client satisfaction depends most critically on quality service delivery, the Company applies its proven managerial skills toward targeted growth in the areas of core mining services competencies, focusing on ensuring effective work systems, adequate financial support and competent human resources with heavy equipment support.

Having gained a satisfactory reputation in terms of quality, the Company has taken further steps to engineer productivity gains in order to maintain its competitive price structure. While allowing organic growth in line with the expansion of services to current clients, the Company is committed to utilizing its past experience and talent bank to ensure consistent quality for all new mining projects.

While continuing to focus on health and safety excellence, the Company is following a strategy to increase productivity. One aim of a detailed and comprehensive operational strategy is to instil a riskaware culture among all key employees. An updated risk profile will have the result of strengthening planning and bringing greater predictability and value for all clients.

Quality and excellence begin with the commitment of each employee and each team, and every time we improve.

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At Darma Henwa, quality begins with people. In addition to conducting training for the best people, the Company builds a corporate culture through socialization of corporate values. Quality and productivity is further achieved by focusing on operational capabilities in managing the mining contractor business and developing other services. Through attention to developing top skills and positive attitudes, machinery is available when needed, projects are completed on schedule and clients receive the value and quality they expect.

# **Delivering** Quality

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To ensure alignment of the organizational structure with business growth and strategic plans and secure operational excellence, systems are being upgraded, inventories are arranged with each project's needs, and attention is paid to increasing cost efficiency. At each project, restructuring is done to streamline the organizational hierarchy for a more effective decision-making process while providing clearer relationships and workflows between functions in new projects.

One result of this commitment to delivering quality is that quotas are delivered on time and principals' deadlines are met. Through ensuring timely services, the Company also aims to both reduce competitive risk and increase customer satisfaction. With timely and quality service delivery, the Company can leverage its more effective and efficient production processes to meet client needs and increase production.

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Operational excellence requires many components and a strong track record on Health, Safety and Environment leads to increasing employee productivity and satisfaction, winning the competition and achieving overall client satisfaction.

Health and Safety has always been the Company's top priority. As a mining contractor that the puts emphasis on work quality, the Company ensures that all requirements relating to Health and Safety are fully and consistently met

In addition to winning awards from local governments and other parties, Darma Henwa has demonstrated an integrated management system through its ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications. Moving forward, the Company will apply these same standards in new projects.

The Company is committed to minimizing negative environmental impact of its operations within all its operational areas by referring to and adhering strictly to applicable environmental regulation and the ISO 14001 Environmental Management System. In line with client guidelines, the Company is able to draw up and/or follow rehabilitation plans.







# Harmonious Relations

Darma DEWA programs ensure that local communities are involved in building a better future. Success is measured by whether all stakeholders have received expected benefits. As Darma Henwa includes CSR within its strategy, stakeholders become aware that the Company gives its best through open and honest communication. In this way, harmonious relations will be created and maintained and benefits will flow to all stakeholders and to Company productivity.

Darma Henwa maintains these open channels of communications with stakeholders through open, constructive communication with employees, clients, government and communities surrounding work sites where all parties are able to work together for common goals.

The Company operates a wide variety of community engagement programs under the umbrella Darma DEWA program, comprising Darma Cerdas for education, Darma Mandiri for economic empowerment, and Darma Sehat for health and sport, with the slogan "Serve, Build and Empower the Nation".

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These programs embrace the Company's Philosophy that places corporate social responsibility as one of the crucial business aspects towards achieving sustainable economic development, as proposed by the World Business Council for Sustainable Development in 2002.

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### Darma Henwa places human resources as a crucial factor of growth and development.

The Company is committed to recruiting, training, developing, building career ladders, and growing up with the best professional human resources. To additionally contribute in achieving the Company's vision, the Company's personnel are brought into a corporate culture that focuses on the values of Honesty, Discipline, Productivity, Reliability and Cooperation.

As a sign of growth in response to client needs as well as a signal of expanding competencies, the Company continues to recruit new workers. Focus on recruitment is on providing talented operators and mechanics at mine areas and is aimed at secondary and vocational schools, with the Company actively recruiting local workers. Through its training and development approach, the Company demonstrates a high commitment to continuously develop workers' knowledge, competence, self-development and job enrichment, in order to provide future leaders.

Both internal and external training programs are conducted to realize the Company vision of becoming a leading mining services company. With an internally fair and externally competitive employee remuneration and benefits approach that follows a performance-based assessment system, the Company is creating an engine for competitive advantage



# Professional People

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## Long-Term Vision

### Going forward, Darma Henwa will develop and dedicate sufficient resources to meet challenges and unlock opportunites.

The future for Darma Henwa is replete with opportunity, with risks and challenges existing both within and outside the Company's control. With organizational strengthening and heightened human resources development, the Company is better positioning itself to meet oncoming challenges, deliver client expectations and achieve its vision to be the preferred regional integrated mining services Company.

Management is ready to act to preserve its competitive strengths while expanding competencies to capture opportunity in order to meet mission targets of cost effective operations and sustainable financial growth, among other goals.

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Foremost among structural changes that will bring the Company positive growth are the recent reorganizations to its governance structure, balance sheet and organizational structure strengthening and improved productivity metrics. To further its client centered approach, Darma Henwa will continue to insist upon operational excellence in terms of providing maximum stakeholder value and environmental preservation.

Guiding both decision making and on-the-ground action is a corporate culture, with specific objectives detailed to support Company and individual growth. It is because employees are expected and encouraged to work with integrity, discipline within the regulations, high productivity and reliability, and teamwork that Darma Henwa is confident in attaining Company targets and meeting client expectations.



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