LA TOFI SCHOOL OF SOCIAL RESPONSIBILITY
NAVIGATE THE CHANGE
INDONESIA

# CERTIFICATE OF GLOBAL RECOGNITION

PORTMAN UNIVERSITY
EDUCATION Empowering Superintelligence
CHICAGO, USA

## 3RD ASIAN IMPACT AWARDS & CEPI RECOGNITION 2026

PRESENTED TO

# PT ANTAREJA MAHADA MAKMUR SITE VALE INDONESIA

RECOGNIZED PROGRAM

**MODEL KEMITRAAN USAHA LOKAL DALAM MENDORONG PEMBERDAYAAN EKONOMI MASYARAKAT DESA MAHALONA**

AWARD CATEGORY

**CORPORATE RISK & ECONOMIC RESILIENCE**

IMPACT NARRATIVE

**Before:** The people of Mahalona Village lived alongside industrial activities, yet remained largely disconnected from the economic opportunities they created. Dependence on seasonal agriculture and informal employment made household incomes vulnerable, while access to the industrial supply chain remained limited.

**Transformations:** MITRA MAHALONA transforms operational needs into local economic opportunities. Community-owned houses serve as employee camps, local catering businesses and supporting services have grown, and residents have become part of the company's value chain. The program creates jobs, increases income, and opens a pathway toward business independence.

**Significance:** When communities do not merely live alongside industry but grow together with it, sustainability becomes shared value. The local economy becomes stronger, trust grows, and company–community relations become a foundation for long-term business resilience.

RECOGNITION LEVEL

**PLATINUM GLOBAL RECOGNITION 95.80**
**& CEPI CHAMPION CANDIDATE ZERO COST, HIGH IMPACT PROGRAM**
THE PROGRAM BELONGS TO RISK HIGH – ACTION HIGH CATEGORY (LEADER QUADRANT)

PROGRAM ASSESSMENT USING THE LA TOFI ESG RATING AND CEPI METHODOLOGY HAS BEEN VALIDATED THROUGH PORTES™ 1.0 UNDER OUR COLLABORATION BETWEEN PORTMAN UNIVERSITY AND LA TOFI SCHOOL OF SOCIAL RESPONSIBILITY

THIS CERTIFICATE, ACCOMPANIED BY TWO APPENDICES OF LA TOFI ESG RATING AND TWO APPENDICES OF CEPI, IS HEREBY ISSUED IN JAKARTA ON OCTOBER 21, 2026

LA TOFI ESG RATING
CEPI CORPORATE ECONOMIC PROTECTION INDEX
PORTES™ 1.0 Global ESG Standard PORTMAN UNIVERSITY & LA TOFI SCHOOL

**LA TOFI**
PRINCIPAL ASSESSOR LA TOFI ESG RATING, FOUNDER & OWNER ASIAN IMPACT AWARDS – INTERNATIONAL RECOGNITION FOR ESG IMPACT AND LEADERSHIP

- **CATEGORY LA TOFI ESG RATING**: SCORE 85 - 100 — PLATINUM GLOBAL RECOGNITION, SCORE 70 - 84 — GOLD GLOBAL RECOGNITION, SCORE 55 - 69 — SILVER GLOBAL RECOGNITION, SCORE 0 - 54 — BRONZE GLOBAL RECOGNITION.
- **CATEGORY CEPI**: CEPI ≥ 2.50 — CHAMPION CANDIDATE, CEPI 1.50 – 2.49 — CHAMPION CANDIDATE, CEPI 1.00 – 1.49 — QUALIFIED PROTECTION, CEPI < 1.00 — IMPROVEMENT NEEDED.

GRAIA2026002

RECOGNIZED PROGRAM

# MODEL KEMITRAAN USAHA LOKAL DALAM MENDORONG PEMBERDAYAAN EKONOMI MASYARAKAT DESA MAHALONA

BY

## PT ANTAREJA MAHADA MAKMUR SITE VALE INDONESIA

FOLLOWING AN ASSESSMENT CONDUCTED USING THE LA TOFI ESG RATING ASSESSMENT FRAMEWORK, THIS PROGRAM HAS BEEN AWARDED

## PLATINUM GLOBAL RECOGNITION

| ASSESSMENT PILLAR | SCORE | WEIGHT | WEIGHTED SCORE |
|---|---|---|---|
| LRMI (Local Risk Mapping Index) | 100.00 | **20%** | **20.00** |
| RSAI (Risk–Strategy Alignment Index) | 100.00 | **25%** | **25.00** |
| AMS (Action Mitigation Score) | 92.00 | **35%** | **32.20** |
| FVS (Field Verification Score) | 93.00 | **20%** | **18.60** |
| **TOTAL** | | **100%** | **95.80** |

- **LRMI (100)** → All material local risks were comprehensively identified as the foundation of the MITRA MAHALONA Program. These risks include household income vulnerability, unequal distribution of economic benefits, limited participation of Ring 1 communities in the industrial supply chain, the readiness of local businesses to become qualified vendors, as well as reputational risks and potential impacts on the company's Social License to Operate. This demonstrates a strong understanding of the socio-economic context surrounding the operational area.
- **RSAI (100)** → All significant risks have been fully translated into the program strategy. The utilization of community-owned houses, empowerment of local catering businesses, creation of employment opportunities, development of supporting services, and capacity building toward vendor readiness establish a clear connection between identified risks, program interventions, and mitigation objectives.
- **AMS (92)** → The program demonstrates very strong mitigation actions and has generated tangible economic transformation. The company's operational requirements have successfully been converted into local economic opportunities through the involvement of 10 community-owned houses, 8 local catering businesses, 41 local workers, and approximately IDR 8.49 billion in annual local economic activity. The primary area for further improvement lies in ensuring that these benefits remain sustainable after the temporary camp requirement ends.
- **FVS (93)** → Field verification through desk review is supported by quantitative data, partnership documentation, business transaction records, employment data, monitoring activities, and evidence of changes in beneficiary income. Verification quality could be further strengthened through a more systematic baseline–endline methodology, independent verification, dedicated SLO indicators, and documented evidence that participating businesses have successfully transitioned into independent vendors.

The program achieved an overall **Recognition Score of 95.80**, placing it within the **Risk High – Action High (Leader Quadrant)** under the **La Tofi ESG Rating Assessment Framework**, conducted in accordance with the **PORTES™ 1.0 Global Standard**.

**Why Risk High?** - The program operates within a Ring 1 community exposed to material socio-economic risks. Community dependence on seasonal agriculture and informal employment, limited access to industrial supply chains, unequal distribution of economic benefits, insufficient readiness of local enterprises, and growing community expectations toward the company represent risks that may affect not only household economic resilience but also corporate reputation and the company's Social License to Operate (SLO). All of these risks have a significant level of materiality and therefore form the basis for the design and implementation of the MITRA MAHALONA Program.

**Why Action High?** - The program responds to these risks through a shared value approach that connects the company's operational needs with community economic empowerment.A total of 10 community-owned houses are utilized as employee camps, 8 local catering businesses have been empowered, and at least 41 local jobs have been created. These activities generate approximately IDR 8.49 billion in local economic circulation annually, accompanied by significant increases in the income of participating business partners. The program also goes beyond short-term economic benefits by preparing local entrepreneurs to strengthen their business governance, legal compliance, administration, capacity to meet industry standards, and readiness to independently participate in corporate procurement processes.

## GAP COEFFICIENT ANALYSIS

**PT ANTAREJA MAHADA MAKMUR SITE VALE INDONESIA** achieved an overall score of 95.80 (Platinum Global Recognition).

**Gap** = 1 – 0,958 = **0,0420**

The MITRA MAHALONA Program has a 4.20% gap from the ideal condition of 100%. This very small gap demonstrates an exceptionally high degree of alignment among local risks, mitigation strategies, program implementation, generated impacts, and supporting evidence. The program's core strength lies in its ability to transform the company's operational requirements into a mechanism for local economic empowerment. Rather than functioning merely as a CSR activity, the program establishes a direct relationship between business needs, community access to markets, increased household income, job creation, and stronger company–community relations. The primary opportunities for improvement lie in sustaining impact after the temporary camp requirement ends, successfully graduating local partners into independent vendors, diversifying market access, directly measuring Social License to Operate, and strengthening the verification of long-term outcomes. With these improvements, MITRA MAHALONA has the potential to evolve from a highly effective.

## STRATEGIC IMPROVEMENT PRIORITIES

1. **Strengthen Partners' Economic Independence Beyond the Temporary Camp Requirement**. As the use of community-owned houses for employee camps is temporary, the program should establish sustainability indicators that measure the ability of participating businesses to maintain their income after the camp requirement ends. Diversification of income sources will be essential to ensure that the economic benefits already created do not decline when operational demand changes.
2. **Accelerate the Transformation of Local Businesses into Independent Vendors**. Capacity-building efforts in business governance, administration, legal compliance, financial management, and procurement should be translated into measurable outcomes. These may include the number of partners with complete business licenses, the number that successfully pass vendor qualification, the number included in approved vendor lists, and the number securing contracts independently. Such achievements would provide tangible evidence of successful vendor graduation.
3. **Expand Markets and Diversify Local Business Value Chains**. Program partners should be encouraged to access markets beyond the direct requirements of PT Antareja Mahada Makmur, including contractors, other companies operating in the mining region, local institutions, and the broader commercial market. Market diversification will reduce dependence on a single source of demand and strengthen long-term business resilience.
4. **Develop Reputation and Social License to Operate Indicators**. The program should incorporate periodic measurements of community trust, stakeholder satisfaction, grievances, perceptions of the company, and Social License to Operate (SLO) indicators. These measurements would provide stronger evidence of the relationship between the program's economic benefits, corporate reputation protection, and the sustainability of company operations.
5. **Strengthen Impact Verification and Long-Term Outcome Evidence**. Monitoring should be enhanced through baseline–endline assessments, longitudinal income data, employment sustainability indicators, business growth measurements, and independent third-party verification. This approach will strengthen evidence that the changes generated by the program are not only significant during implementation but are also sustained and expanded over the long term.

With this achievement, PT ANTAREJA MAHADA MAKMUR SITE VALE INDONESIA receives Platinum Global Recognition and is positioned in the Leader Quadrant under the La Tofi ESG Rating 2026.

PROGRAM
**MODEL KEMITRAAN USAHA LOKAL DALAM MENDORONG PEMBERDAYAAN EKONOMI MASYARAKAT DESA MAHALONA**

IMPLEMENTED BY
**PT ANTAREJA MAHADA MAKMUR SITE VALE INDONESIA**

BASED ON THE LA TOFI ESG RATING METHODOLOGY
**CHAMPION CANDIDATE**

## SUMMARY OF RISK ANALYSIS AND FINANCIAL RISK EXPOSURE (FRE)

| No. | Material Risk | P×I | Risk Weight | V (Rp) | FRE Baseline | SEF | PIF | FRE Adjusted |
|---|---|---|---|---|---|---|---|---|
| 1 | Household Income Instability and Economic Vulnerability Due to Dependence on Seasonal Agriculture and Informal Employment | 20 | 80 | 3.500.000.000 | 2.800.000.000 | 40% | 85% | **952.000.000** |
| 2 | Unequal Distribution of Economic Benefits Between the Company's Operational Activities and Local Communities | 20 | 80 | 4.500.000.000 | 3.600.000.000 | 40% | 90% | **1.296.000.000** |
| 3 | Limited Economic Participation of Ring 1 Communities Due to Restricted Access to Business Opportunities and Industrial Supply Chains | 16 | 64 | 3.000.000.000 | 1.920.000.000 | 40% | 90% | **691.200.000** |
| 4 | Limited Sustainability of Local Business Participation in the Supply Chain Due to Gaps in Governance, Legal Compliance, Administration, and Vendor Readiness | 12 | 48 | 4.500.000.000 | 2.160.000.000 | 40% | 75% | **648.000.000** |
| 5 | Reputational Risk and Potential Disruption to the Social License to Operate (SLO) | 12 | 48 | 7.000.000.000 | 3.360.000.000 | 40% | 85% | **1.142.400.000** |
| | **TOTAL** | | | **22.500.000.000** | **13.840.000.000** | | | **4.729.600.000** |

**FRE BASELINE: RP 13.840.000.000**
REPRESENTS THE ESTIMATED ECONOMIC RISK EXPOSURE OF THE OPERATIONAL UNIT IN THE ABSENCE OF THE PROGRAM.

**FRE ADJUSTED: RP 4.729.600.000**
REPRESENTS THE PORTION OF ECONOMIC RISK EXPOSURE THAT FALLS WITHIN THE PROGRAM'S SCOPE AND CAN BE EFFECTIVELY MITIGATED THROUGH THE PROGRAM'S INTERVENTIONS.

## ECONOMIC PROTECTION VALUE ASSESSMENT

Risk Mitigation Effectiveness (RME)
AMS = 92
FVS = 93
**RME = 92,50%**

**Economic Protection Value (EPV)**
EPV = FRE Adjusted × RME
EPV = **Rp 4.370.150.400**

**Total Program Investment Rp 0**
**Corporate Economic Protection Index (CEPI) = ZERO COST, HIGH IMPACT PROGRAM**

## STRATEGIC INTERPRETATION

The MITRA MAHALONA Program demonstrates a distinctive economic protection model by integrating operational needs with local economic capacity, rather than relying on additional CSR expenditure. This approach generates an estimated Economic Protection Value (EPV) of IDR 4.37 billion against material risks relevant to the operating unit. By transforming accommodation, catering, employment, and supporting service needs into local economic opportunities, the program strengthens household income, local sourcing, supply-chain resilience, stakeholder relations, and the company's Social License to Operate. With an RME of 92.40% and EPV of IDR 4.37 billion, achieved without additional direct CSR investment, MITRA MAHALONA is recognized as ZERO COST, HIGH IMPACT PROGRAM.

MITRA MAHALONA demonstrates that Corporate Economic Protection is driven not by how much a company spends on sustainability, but by how effectively sustainability is embedded into business decisions and operations.