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 KALTIM METHANOL INDUSTRI

RECOGNIZED PROGRAM

MODERNISASI KAMPUNG NELAYAN SELAMBAI

AWARD CATEGORY

HUMANITARIAN ACTION, JUST TRANSITION & SOCIAL RESILIENCE

IMPACT NARRATIVE

Before: For generations, the fishermen of Selambai faced an uncertain sea. Declining catches, rising operating costs, inadequate fish preservation, and mounting coastal waste threatened not only their livelihoods, but also the future of their families.

Transformations: Through Modernisasi Kampung Nelayan Selambai, PT Kaltim Methanol Industri transforms industrial surplus resources into practical solutions. Innovative cooling technology helps preserve catches and reduce costs, while coastal cleanups, waste management, and community partnerships strengthen environmental and economic resilience.

Significance: The greatest transformation is not simply keeping fish fresh or removing waste from the shoreline. It is turning industrial resources into renewed possibilities for coastal communities. When innovation protects livelihoods and communities become partners in safeguarding their environment, sustainability becomes more than a corporate commitment. It becomes a shared future worth protecting.

RECOGNITION LEVEL

PLATINUM GLOBAL RECOGNITION 94.90 & CEPI CHAMPION CANDIDATE 2.82
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.

GRAIA2026023

RECOGNIZED PROGRAM
MODERNISASI KAMPUNG NELAYAN SELAMBAI

BY
PT KALTIM METHANOL INDUSTRI

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)	90.00	**35%**	**31.50**
FVS (Field Verification Score)	92.00	**20%**	**18.40**
TOTAL		**100%**	**94.90**

- LRMI (100) → All five selected local risks were identified as significant, covering coastal ecosystem degradation, plastic and styrofoam pollution, livelihood instability, high fishing operating costs, and corporate reputation and Social License to Operate. This establishes a comprehensive risk-mapping foundation within the agreed assessment scope..
- RSAI (100) → The program demonstrates strong strategic relevance through innovative cooling technology, coastal waste management, livelihood empowerment, and stakeholder collaboration. The score of 100 reflects the stipulated assessment outcome, subject to confirmation that all five risks have explicitly documented performance indicators, targets, and budget allocations.
- AMS (90) → The program demonstrates strong mitigation performance through the productive reuse of industrial resources, improved fish preservation, reduced operating costs, and community-based environmental initiatives. Reported achievements include cooling capability of up to 72 hours, a reduction in the operating-cost ratio from 50% to 30%, and increased fishermen's productivity. Further longitudinal monitoring is required to confirm sustained risk reduction.
- FVS (92) → Field verification through desk review reflects the program's quantitative reporting, documented activities, and participation of fishermen, community groups, and local government representatives. Further verification is recommended for income calculations, waste reduction outcomes, technical performance, and stakeholder perceptions. The score represents the stipulated FVS outcome rather than a completed independent field-verification finding.

The program achieved an overall **Recognition Score of 94.90**, 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 addresses five significant local risks affecting Selambai's coastal communities and their economic resilience. Environmental degradation and waste pollution threaten the quality of coastal ecosystems, while uncertain catches and high fishing costs increase the vulnerability of traditional fishermen. Corporate reputation and community acceptance add a governance dimension to the assessment. All five risks exceed the materiality threshold established under LRMI. Accordingly, the program is positioned within the Risk High classification.

Why Action High? - PT Kaltim Methanol Industri responds through an integrated combination of industrial-resource innovation, fisheries productivity support, coastal waste management, and community empowerment. The Coldbox and Kotak Kehidupan technologies address fish preservation and operating costs, while waste collection, TPS3R development, and community partnerships respond to environmental risks. With an average action score of 94.00%, the program qualifies for the Action High classification under the stipulated assessment scores.

GAP COEFFICIENT ANALYSIS

PT KALTIM METHANOL INDUSTRI achieved an overall score of 94.90 (Platinum Global Recognition).

Gap = 1 – 0,949 = **0,0510**

The remaining gap of 5.10% indicates that the program is close to the maximum score under the stipulated assessment framework. The principal opportunities for improvement concern the depth of quantitative outcome measurement, long-term ecological monitoring, independent verification of fishermen's economic benefits, technological sustainability, and systematic measurement of stakeholder trust. Although the gap is relatively small, closing it would strengthen the program's credibility and support its development as a replicable model of risk-based ESG implementation.

STRATEGIC IMPROVEMENT PRIORITIES

1. **Strengthen quantitative measurement of fishermen's economic outcomes**. Develop a consistent baseline–endline system covering fishing productivity, operating expenditure, net household income, fish quality, and income stability across different fishing seasons. Reconcile reported income improvements with transaction records and clearly distinguish technology-related savings from changes in catch volume.
2. **Establish long-term coastal ecosystem and waste monitoring**. Expand monitoring beyond waste collection volumes to include the reduction of plastic and styrofoam consumption, waste leakage into coastal waters, mangrove survival rates, water quality, and relevant indicators of fish habitat condition. This will enable the program to demonstrate environmental outcomes rather than implementation outputs alone.
3. **Ensure the operational safety and long-term viability of cooling technology**. Develop documented operating procedures for the use of excess liquid nitrogen, including handling, ventilation, operator training, preventive maintenance, and emergency response. Establish the total operating cost, replacement requirements, and continuity arrangements to ensure the technology remains safe, accessible, and economically viable.
4. **Strengthen community institutions and independent financing mechanisms**. Support the fishermen's group, TPS3R operators, and women's community groups through defined governance arrangements, financial records, maintenance responsibilities, and sustainable income mechanisms. These measures will help reduce dependence on continued corporate assistance and improve the prospects for replication.
5. **Develop measurable stakeholder trust and Social License to Operate indicators**. Introduce periodic stakeholder surveys, structured community consultations, grievance monitoring, and transparent reporting of community feedback. These instruments will provide more reliable evidence of corporate–community relations and allow the company to identify emerging social risks before they affect operational trust.

With this achievement, PT KALTIM METHANOL INDUSTRI is recognized with Platinum Global Recognition and positioned in the Leader Quadrant under the La Tofi ESG Rating 2026.

PROGRAM
MODERNISASI KAMPUNG NELAYAN SELAMBAI

IMPLEMENTED BY
PT KALTIM METHANOL INDUSTRI

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	Coastal Ecosystem Degradation and Loss of Bawis Fish Habitat	20	0.8	800,000,000	640,000,000	75%	50%	240,000,000
2	Plastic and Styrofoam Waste Pollution	20	0.8	650,000,000	520,000,000	75%	75%	292,500,000
3	Livelihood Instability Among Traditional Fishermen	25	1	700,000,000	700,000,000	75%	60%	315,000,000
4	High Fishing Operating Costs	20	0.8	550,000,000	440,000,000	75%	80%	264,000,000
5	Corporate Reputation and Social License to Operate Risk	12	0.48	800,000,000	384,000,000	75%	40%	115,200,000
	TOTAL			**3,500,000,000**	**2,684,000,000**			**1,226,700,000**

FRE BASELINE: RP 2,684,000,000
REPRESENTS THE ESTIMATED ECONOMIC RISK EXPOSURE OF THE OPERATIONAL UNIT IN THE ABSENCE OF THE PROGRAM.

FRE ADJUSTED: RP 1,226,700,000
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 = 90
FVS = 92
RME = 90.80%

Economic Protection Value (EPV)
EPV = FRE Adjusted × RME
EPV = Rp 1,113,843,600

Total Program Investment Rp 395,000,000
Corporate Economic Protection Index (CEPI) = 2.82

STRATEGIC INTERPRETATION

A CEPI score of 2.82 places PT Kaltim Methanol Industri's "Modernisasi Kampung Nelayan Selambai" program in the Champion Candidate category, demonstrating its potential to protect economic value through integrated environmental management, industrial innovation, and community empowerment. The program addresses five interconnected risks: coastal ecosystem degradation, plastic and styrofoam pollution, fishermen's livelihood instability, high fishing operating costs, and corporate reputation and Social License to Operate.

By transforming surplus industrial resources into innovative cooling technology, the program helps fishermen preserve their catches, reduce operating expenses, and strengthen income resilience. Complementary initiatives in coastal cleanup, waste management, and community engagement contribute to environmental protection and stronger stakeholder relationships. With an investment of IDR 395 million, the CEPI model estimates an Economic Protection Value of IDR 1.114 billion. This means every IDR 1 invested is associated with approximately 2.82 in modeled economic protection value, subject to validation of the underlying risk assumptions. Beyond conventional CSR, the program illustrates how industrial resources can become instruments of shared resilience, connecting community livelihoods, environmental stewardship, and long-term corporate sustainability.