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 PERUSAHAAN GAS NEGARA (PERSERO) TBK. OMM REGION III

RECOGNIZED PROGRAM

KASIH BUMI (KEDUNGTURI ASRI DAN BERSIH UNTUK BUMI)

AWARD CATEGORY

HUMANITY, JUST TRANSITION & SOCIAL RESILIENCE

IMPACT NARRATIVE

Before: In Kedungturi, waste was more than a cleanliness issue. Accumulated waste, limited sorting, blocked drainage, and low community awareness created risks of pollution, flooding, health problems, and declining quality of life.

Transformations: Through KASIH BUMI, waste management has become a collective movement. Three waste banks, Dasawisma groups, schools, organic-waste processors, the village government, and residents are connected through Si-Lestari. Waste is gaining value, participation is growing, and local institutions are becoming stronger.

Significance: The greatest change is not only less waste, but a community increasingly capable of protecting its own environment. When awareness becomes a system, sustainability no longer depends solely on the company—it begins to belong to the community.

RECOGNITION LEVEL

PLATINUM GLOBAL RECOGNITION 93.28 & CEPI CHAMPION CANDIDATE 2.78

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 SCHOOL OF SOCIAL RESPONSIBILITY

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.

GRAIA2026009

RECOGNIZED PROGRAM
KASIH BUMI (KEDUNGTURI ASRI DAN BERSIH UNTUK BUMI)

BY
PT PERUSAHAAN GAS NEGARA (PERSERO) TBK. – OMM REGION III

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)	88.80	**35%**	**31.08**
FVS (Field Verification Score)	86.00	**20%**	**17.20**
TOTAL		**100%**	**93.28**

- **LRMI (100)** → All five identified local risks were classified as material risks and incorporated into the assessment baseline. The risk universe covers environmental degradation, environmental education, community behaviour, local governance, and corporate stakeholder relations.
- **RSAI (100)** → All significant risks are addressed through identifiable program strategies. Basis Bumi, Akci Bumi, Kelola Bumi, Si-Lestari, institutional strengthening, stakeholder engagement, and village-level governance collectively establish a clear alignment between local risks and program responses.
- **AMS (88.8)** → Mitigation actions demonstrate strong scale, effectiveness, and sustainability. The program has established three waste banks, expanded Dasawisma participation, strengthened local institutions, developed environmental education, and created an integrated waste-management ecosystem. The score remains below maximum because several outcomes have not yet demonstrated full risk reduction at village scale.
- **FVS (86)** → Field verification through desk review is supported by implementation records, SROI analysis, institutional documentation, quantitative outcome data, stakeholder participation, and evidence of policy response. Further improvement is needed in data harmonization, longitudinal outcome measurement, and direct verification of reputation and social-license outcomes.

The program achieved an overall **Recognition Score of 93.28**, 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 in a local context where unmanaged household waste can create interconnected environmental and social risks. These include waste accumulation, pollution, limited environmental awareness, weak community-based waste governance, and broader stakeholder risks surrounding the company's operating area. The materiality assessment resulted in LRMI 100, confirming that the identified risk universe is highly relevant to the program.

Why Action High? - KASIH BUMI responds through an integrated system rather than isolated activities. The program combines waste banks, organic waste management, environmental education, Dasawisma participation, capacity building, local leadership, institutional strengthening, and government involvement. The establishment of new waste banks and formal village policy provides particularly strong evidence that the intervention has moved from activity-based CSR toward community-based institutional change.

GAP COEFFICIENT ANALYSIS

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK. – OMM REGION III achieved an overall score of 93.28 (Platinum Global Recognition).

Gap = 1 – 0,9328 = **0,0672**

The 6.72% gap indicates that KASIH BUMI is already operating at a very high level of ESG risk alignment and mitigation maturity. Its strongest characteristics are the integration between local risks and intervention strategies, community-based waste governance, development of local institutions, and active stakeholder participation. The remaining gap is concentrated primarily in the depth and consistency of impact verification. Several quantitative indicators require further harmonization, behavioural changes need stronger longitudinal evidence, and corporate reputation or social license to operate should be supported by dedicated indicators rather than stakeholder-engagement proxies. With these improvements, KASIH BUMI has the potential to evolve from a high-performing community development program into a replicable best-practice model for community-based ESG risk management.

STRATEGIC IMPROVEMENT PRIORITIES

1. **Strengthen quantitative environmental outcome indicators**. Build consistent baseline–endline indicators covering waste generation, diversion rate, recycling, transportation reduction, and environmental improvement.
2. **Establish behavioural-change measurement**. Track household participation, waste-sorting compliance, environmental literacy, and sustained behaviour over multiple assessment periods.
3. **Harmonize data architecture**. Create a single program data system so beneficiary numbers, waste volumes, emissions, financial outcomes, and stakeholder indicators use identical definitions across reports.
4. **Establish Social License to Operate indicators**. Measure stakeholder trust, satisfaction, grievances, acceptance, and community perception of PGN periodically.
5. **Expand independent verification**. Strengthen evidence through beneficiary confirmation, government records, structured testimonials, external verification, and longitudinal impact documentation.

With this achievement, PT PERUSAHAAN GAS NEGARA (PERSERO) TBK – OMM REGION III receives Platinum Global Recognition and is positioned in the Leader Quadrant under the La Tofi ESG Rating 2026.

PROGRAM
KASIH BUMI (KEDUNGTURI ASRI DAN BERSIH UNTUK BUMI)

IMPLEMENTED BY
PT PERUSAHAAN GAS NEGARA (PERSERO) TBK. – OMM REGION III

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	Waste accumulation and environmental pollution due to suboptimal household waste management	20	0.8	450,000,000	360,000,000	18%	80%	51,840,000
2	Limited environmental education for children and limited environmental learning/greening spaces	12	0.48	250,000,000	120,000,000	18%	70%	15,120,000
3	Low community awareness, knowledge, and participation in waste sorting and management	15	0.6	300,000,000	180,000,000	18%	80%	25,920,000
4	Weak local waste-management systems, institutions, and governance	16	0.64	400,000,000	256,000,000	18%	85%	39,168,000
5	Corporate reputation and social license to operate risk	12	0.48	500,000,000	240,000,000	18%	65%	28,080,000
	TOTAL			**1,900,000,000**	**1,156,000,000**			**160,128,000**

FRE BASELINE: RP 1,156,000,000
REPRESENTS THE ESTIMATED ECONOMIC RISK EXPOSURE OF THE OPERATIONAL UNIT IN THE ABSENCE OF THE PROGRAM.

FRE ADJUSTED: RP 160,128,000
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 = 88.80
FVS = 86
RME = 87.68%

Economic Protection Value (EPV)
EPV = FRE Adjusted × RME
EPV = Rp 140,400,230

Total Program Investment Rp 50,570,800
Corporate Economic Protection Index (CEPI) = 2.78

STRATEGIC INTERPRETATION

A CEPI score of 2.78 places KASIH BUMI in the Champion Candidate category, demonstrating that the program functions as a highly effective economic protection mechanism against material environmental, social, institutional, and stakeholder-related risks within its relevant scope of influence. Economically, every IDR 1 invested in the program is associated with approximately IDR 2.78 of protected economic value. This demonstrates that sustainability investment can extend beyond generating social and environmental benefits to protecting economic value exposed to material risks.

The program addresses an interconnected chain of risks. Suboptimal household waste management can increase pollution and environmental pressure; limited environmental education and low community participation can perpetuate unsustainable behaviour; weak local institutions can undermine the continuity of waste-management systems; and unresolved environmental and social pressures can ultimately affect stakeholder trust, corporate reputation, and the company's social license to operate. Through KASIH BUMI, these risks are addressed through an integrated model combining waste banks, household waste sorting, Dasawisma participation, organic waste management, environmental education, greening, institutional strengthening, and multi-stakeholder collaboration.

From a CEPI perspective, the significance of KASIH BUMI therefore extends beyond conventional CSR delivery. By transforming environmental awareness into collective action and strengthening community-based institutions, the program helps reduce the potential economic consequences of risks surrounding the operational environment. The result reflects the core philosophy of the Corporate Economic Protection Index (CEPI): sustainability investment should not be viewed solely as expenditure, but also as an investment in risk mitigation, resilience, stakeholder trust, institutional capacity, and the protection of long-term economic value.