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 PUPUK KUJANG

RECOGNIZED PROGRAM

KUJANG MERAWAT HUTAN SEJAHTERAKAN DESA (KUWATAN SADESA)

AWARD CATEGORY

EARTH RESTORATION & ECOLOGICAL RESILIENCE

IMPACT NARRATIVE

Before: Forests and agricultural land faced ecological pressures, while farming practices, community preparedness, and local economic institutions required strengthening.

Transformations: Kuwatan Sadesa now connects conservation, regenerative agriculture, sensor technology, disaster mitigation, health, education, livestock, and economic empowerment within one integrated ecosystem.

Significance: The forest is not merely protected to remain green; it becomes a living space where knowledge, resilience, and community independence grow together

RECOGNITION LEVEL

PLATINUM GLOBAL RECOGNITION 95.10 & 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.

GRAIA2026011

RECOGNIZED PROGRAM
KUJANG MERAWAT HUTAN SEJAHTERAKAN DESA (KUWATAN SADESA)

BY
PT PUPUK KUJANG

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)	93.00	**20%**	**18.60**
TOTAL		**100%**	**95.10**

- LRMI (100) → All five material local risks were identified as significant and incorporated into the assessment: forest degradation and declining ecosystem quality; unsustainable agricultural practices; limited community capacity for disaster mitigation and environmental conservation; weak community economic institutions and independence; and corporate reputation risk.
- RSAI (100) → All significant risks are fully connected to program strategies and interventions. Conservation, regenerative agriculture, disaster preparedness, community capacity building, institutional strengthening, and multi-stakeholder engagement demonstrate clear alignment between identified local risks and the program response.
- AMS (90) → The program demonstrates very strong mitigation actions through conservation activities, regenerative agriculture, soil and fire-monitoring technology, environmental and disaster education, community health interventions, productive facilities, and institutional strengthening. The score is not yet at the maximum because several areas still require stronger outcome-level evidence, particularly ecological improvement, community preparedness, economic independence, and reputation outcomes.
- FVS (93) → Field verification through desk review is strongly supported by quantitative implementation data, documented activities, program targets, stakeholder involvement, and multi-year consistency. The program provides substantial evidence that mitigation actions have actually been implemented. Further improvement can be achieved through stronger baseline–endline measurements, longitudinal outcome data, ecological impact indicators, economic performance data, and direct stakeholder perception measurements.

The program achieved an overall **Recognition Score of 95.10**, 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 local context where environmental and social risks are materially interconnected. Forest and ecosystem degradation, unsustainable agricultural practices, community vulnerability to environmental and disaster risks, limited institutional economic capacity, and stakeholder expectations toward the company collectively create a significant ESG risk landscape.

Why Action High? - PT Pupuk Kujang has translated these material risks into integrated actions: forest conservation, regenerative agriculture, technology-enabled monitoring, disaster preparedness, environmental education, community health initiatives, productive economic activities, and institutional strengthening.

GAP COEFFICIENT ANALYSIS

PT PUPUK KUJANG achieved an overall score of 95.10 (Platinum Global Recognition).

Gap = 1 – 0,9510 = **0,0490**

A 4.90% gap indicates that Kuwatan Sadesa demonstrates a very high level of alignment between local ESG risks, strategic responses, mitigation actions, and verification evidence. The remaining gap does not primarily concern the absence of action. Rather, it reflects the opportunity to move from strong evidence of activities and outputs toward stronger verification of measurable outcomes and long-term impacts. The program therefore has a strong foundation to progress from a high-performing ESG initiative toward an increasingly evidence-driven best-practice model for integrated forest, agriculture, and community resilience.

STRATEGIC IMPROVEMENT PRIORITIES

1. **Strengthen measurable ecological outcome indicators**. Future assessment should move beyond the number of trees planted by measuring survival rates, changes in vegetation cover, biodiversity, soil quality, erosion reduction, and other indicators demonstrating actual ecosystem recovery.
2. **Develop baseline–endline measurement for regenerative agriculture**. The program should systematically measure changes in farmer productivity, input efficiency, soil conditions, production costs, product quality, income, and other economic outcomes before and after intervention.
3. **Strengthen community disaster preparedness measurement**. Training and equipment should be complemented by measurable indicators such as preparedness scores, simulation performance, response capacity, community participation, and the functionality of local disaster-response mechanisms.
4. **Accelerate community institutional and economic independence**. The transition toward stronger community institutions and cooperative development should be accompanied by indicators covering revenue, assets, market access, member participation, independent financing, and reduced dependency on corporate support.
5. **Develop stakeholder trust and corporate reputation indicators**. Periodic measurement of community satisfaction, stakeholder trust, grievance resolution, stakeholder perception, and social acceptance would provide direct evidence that Kuwatan Sadesa contributes not only to environmental and economic outcomes but also to stronger company–community relationships.

With this achievement, PT PUPUK KUJANG receives Platinum Global Recognition and is positioned in the Leader Quadrant under the La Tofi ESG Rating 2026.

PROGRAM
KUJANG MERAWAT HUTAN SEJAHTERAKAN DESA (KUWATAN SADESA)

IMPLEMENTED BY
PT PUPUK KUJANG

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	Forest Degradation & Declining Ecosystem Quality	20	0.8	1,500,000,000	1,200,000,000	65%	85%	663,000,000
2	Unsustainable Agricultural Practices	16	0.64	1,200,000,000	768,000,000	65%	90%	449,280,000
3	Limited Community Capacity for Disaster Mitigation & Environmental Conservation	12	0.48	900,000,000	432,000,000	65%	70%	196,560,000
4	Weak Community Economic Institutional Capacity & Independence	12	0.48	900,000,000	432,000,000	65%	75%	210,600,000
5	Corporate Reputation Risk	12	0.48	900,000,000	432,000,000	65%	65%	182,520,000
	TOTAL			**5,400,000,000**	**3,264,000,000**			**1,701,960,000**

FRE BASELINE: RP 3,264,000,000
REPRESENTS THE ESTIMATED ECONOMIC RISK EXPOSURE OF THE OPERATIONAL UNIT IN THE ABSENCE OF THE PROGRAM.

FRE ADJUSTED: RP 1,701,960,000
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 = 93
RME = 91.20%

Economic Protection Value (EPV)
EPV = FRE Adjusted × RME
EPV = Rp 1,552,187,520

Total Program Investment Rp 550,000,000
Corporate Economic Protection Index (CEPI) = 2.82

STRATEGIC INTERPRETATION

A CEPI score of 2.82 places Kuwatan Sadesa in the Champion Candidate category, demonstrating the program's strong capacity to protect economic value by mitigating interconnected environmental, social, institutional, and stakeholder-related risks.

Economically, every IDR 1 invested is associated with approximately IDR 2.82 of protected economic value within the program's relevant scope of influence. This represents risk protection value—not cash return or accounting profit.

Through an integrated approach combining forest conservation, regenerative agriculture, disaster preparedness, technology, community empowerment, and institutional strengthening, Kuwatan Sadesa helps reduce vulnerability while strengthening ecosystem and community resilience.

The result demonstrates CEPI's core principle: sustainability investment is not merely expenditure—it is an investment in resilience, risk mitigation, stakeholder trust, and long-term economic value protection.