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 SOLUSI BANGUN INDONESIA TBK PABRIK CILACAP

RECOGNIZED PROGRAM

DEMANGKARTA – CREATIVITY FOR COASTAL SUSTAINABILITY

AWARD CATEGORY

EARTH RESTORATION & ECOLOGICAL RESILIENCE

IMPACT NARRATIVE

Before: Along the coast of Karangtalun, declining mangroves meant more than disappearing trees. Coastal protection weakened, biodiversity was threatened, tidal flooding remained a concern, and communities whose livelihoods depended on the coast faced growing vulnerability.

Transformations: Through DEMANGKARTA, communities became "Mangrove Warriors." More than 11,000 mangroves were planted with over 85% survival, while conservation grew into green livelihoods through batik, coastal cuisine, ecotourism, and creative initiatives.

Significance: DEMANGKARTA demonstrates a powerful idea: when protecting nature creates value for people, conservation gains a reason to endure. Mangroves become not merely trees, but living infrastructure for ecological resilience, community empowerment, and a sustainable coastal future.

RECOGNITION LEVEL

PLATINUM GLOBAL RECOGNITION 94.26 & CEPI CHAMPION CANDIDATE 2.81
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.

GRAIA2026012

RECOGNIZED PROGRAM
DEMANGKARTA – CREATIVITY FOR COASTAL SUSTAINABILITY

BY
PT SOLUSI BANGUN INDONESIA TBK PABRIK CILACAP

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)	88.80	**20%**	**17.76**
TOTAL		**100%**	**94.26**

- **LRMI (100)** → All five identified local material risks are classified as significant, providing a comprehensive risk foundation for DEMANGKARTA. These include mangrove ecosystem degradation, tidal flooding exposure, coastal biodiversity decline, livelihood vulnerability, and corporate reputation and social license to operate risk.
- **RSAI (100)** → All significant risks are addressed through identifiable strategic interventions. Mangrove restoration, community-based conservation, green economic activities, ecotourism, education, and creative engagement establish a coherent connection between local risks and the program's response.
- **AMS (90)** → The program demonstrates strong mitigation performance. More than 11,000 mangrove seedlings have been planted with a survival rate exceeding 85%, while the program has expanded into batik, coastal culinary products, ecotourism, and certified tourism guiding. The score is not maximal because several outcome indicators—particularly tidal-flood reduction, biodiversity change, household income improvement, and SLO—require stronger quantitative evidence.
- **FVS (88.8)** → Field verification through desk review is supported by measurable implementation and outcome indicators, including mangrove survival, estimated carbon sequestration, product sales, visitor numbers, certified guides, and an SROI ratio of 1:2.01. Further improvement is required through baseline–endline data, direct biodiversity indicators, livelihood outcome measurements, and stakeholder perception metrics.

The program achieved an overall **Recognition Score of 94.26**, 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? - DEMANGKARTA operates within a coastal landscape exposed to interconnected environmental and social risks. Mangrove degradation can weaken natural coastal protection; tidal flooding can threaten communities and livelihoods; biodiversity decline can reduce ecosystem resilience; and livelihood vulnerability can increase community dependence on increasingly stressed natural resources.With LRMI = 100, all five local risks assessed are positioned as significant within the Local Materiality Matrix. The program therefore addresses a highly material local risk environment rather than isolated environmental issues.

Why Action High? - DEMANGKARTA responds to these risks through an integrated model connecting ecosystem restoration, community empowerment, green economic value creation, education, ecotourism, and creative engagement. The program has moved beyond conventional tree planting. Communities are positioned as "Mangrove Warriors," entrepreneurs, tourism guides, creators, and ecosystem stewards. The original program narrative describes this transformation as a sustainability cycle in which mangroves are protected, ecosystems recover, the economy grows, communities become empowered, and conservation gains a reason to continue.

GAP COEFFICIENT ANALYSIS

PT SOLUSI BANGUN INDONESIA TBK PABRIK CILACAP achieved an overall score of 94.26 (Platinum Global Recognition).

Gap = 1 – 0,9426 = **0,0574**

The 5.74% gap is relatively small and indicates a high level of alignment between local material risks, mitigation strategies, implementation, and verifiable program results. The remaining gap is concentrated primarily in measurement depth rather than intervention absence. DEMANGKARTA already demonstrates substantial implementation and measurable outputs, but stronger baseline–endline evidence would allow the program to demonstrate more conclusively how ecosystem restoration translates into reduced tidal-flood exposure, biodiversity recovery, improved household economic resilience, and stronger stakeholder trust.

STRATEGIC IMPROVEMENT PRIORITIES

1. **Strengthen Quantitative Coastal Resilience Indicators**. Develop baseline and periodic measurements of tidal flooding, including frequency, inundation depth, affected area, duration, households/assets exposed, and—where feasible—estimated economic losses avoided. This would strengthen evidence that mangrove restoration is functioning as natural protective infrastructure.
2. **Establish Biodiversity Baseline–Endline Measurement**. Complement mangrove planting and survival data with measurable biodiversity indicators such as species richness, abundance, indicator species, habitat condition, and appropriate biodiversity indices. This would convert the current biodiversity improvement claim into stronger ecological evidence.
3. **Measure Livelihood Resilience Beyond Economic Activity**. Current evidence on batik sales, culinary products, visitors, and certified guides is useful, but should be expanded to include household income changes, additional income generated, jobs created, business continuity, women's economic participation, and diversification of household income sources.
4. **Develop Reputation and Social License to Operate Indicators**. Introduce periodic measurements of community satisfaction, stakeholder trust, grievance trends, stakeholder perception, community acceptance, and social license to operate. This is particularly important because reputation/SLO is included as one of the five material risks in the assessment, while current evidence remains predominantly proxy-based.
5. **Strengthen Long-Term Impact Verification**. Develop an integrated monitoring system linking: Baseline → Risk → Intervention → Output → Outcome → Impact → Economic Protection Value. This would strengthen DEMANGKARTA's position from a highly successful sustainability program toward a risk-based ESG best practice capable of demonstrating not only environmental and social impact, but also the economic value protected through those interventions.

With this achievement, PT SOLUSI BANGUN INDONESIA TBK PABRIK CILACAP is recognized with Platinum Global Recognition and positioned in the Leader Quadrant under the La Tofi ESG Rating 2026.

PROGRAM
DEMANGKARTA – CREATIVITY FOR COASTAL SUSTAINABILITY

IMPLEMENTED BY
PT SOLUSI BANGUN INDONESIA TBK PABRIK CILACAP

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	Mangrove Ecosystem Degradation and Loss of Coastal Protection Functions	20	0.8	380,000,000	304,000,000	40%	90%	109,440,000
2	Vulnerability of Coastal Areas and Communities to Tidal Flooding	20	0.8	420,000,000	336,000,000	40%	75%	100,800,000
3	Decline in Coastal Biodiversity	16	0.64	280,000,000	179,200,000	40%	80%	57,344,000
4	Vulnerability of Coastal Community Livelihoods	12	0.48	280,000,000	134,400,000	40%	85%	45,696,000
5	Corporate Reputation and Social License to Operate Risk	12	0.48	190,000,000	91,200,000	40%	70%	25,536,000
	TOTAL			**1,550,000,000**	**1,044,800,000**			**338,816,000**

FRE BASELINE: RP 1,044,800,000
REPRESENTS THE ESTIMATED ECONOMIC RISK EXPOSURE OF THE OPERATIONAL UNIT IN THE ABSENCE OF THE PROGRAM.

FRE ADJUSTED: RP 338,816,000
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 = 88.80
RME = 89.52%

Economic Protection Value (EPV)
EPV = FRE Adjusted × RME
EPV = Rp 303,309,283

Total Program Investment Rp 108,000,000
Corporate Economic Protection Index (CEPI) = 2.81

STRATEGIC INTERPRETATION

A CEPI score of 2.81 places DEMANGKARTA – Creativity for Coastal Sustainability in the Champion Candidate category. Economically, every IDR 1 invested in the program is associated with approximately IDR 2.81 of protected economic value within its relevant scope of influence, demonstrating that sustainability investment can contribute not only to environmental and social benefits, but also to protecting economic value exposed to material risks.

DEMANGKARTA addresses an interconnected chain of risks involving mangrove degradation, tidal flooding, biodiversity decline, vulnerable coastal livelihoods, and corporate reputation and social license to operate. Through community-based mangrove restoration, green economic activities, ecotourism, environmental education, and the transformation of local communities into "Mangrove Warriors," the program integrates ecological recovery with community resilience and economic opportunity. By the end of 2025, 11,000 mangrove seedlings had been planted with a survival rate exceeding 85%, alongside growing livelihood opportunities through batik, coastal culinary products, and ecotourism.

From a CEPI perspective, DEMANGKARTA demonstrates how ecological restoration can function as economic protection. By restoring natural coastal protection, strengthening community livelihoods, and building stakeholder participation, the program helps reduce the economic consequences of material ESG risks surrounding the operating environment. CEPI 2.81 therefore reflects a shift from sustainability as expenditure toward sustainability as an investment in resilience, risk mitigation, stakeholder trust, and long-term economic value protection.