



# ESG Strategy Handbook

PT Pupuk Sriwidjaja Palembang



# About Handbook

This ESG Strategy Handbook provides a comprehensive overview of PT Pupuk Sriwidjaja Palembang's (PUSRI) Environmental, Social, and Governance (ESG) performance, highlighting the company's ongoing initiatives, commitments, and achievements in advancing sustainable and responsible business practices in the fertilizer industry. The development of this document is guided by widely recognized ESG principles and leading global standards to ensure that the information presented is relevant, comparable, and decision useful for internal and external stakeholders.

The Handbook is intended to deliver clear, accurate, and measurable information for stakeholders and shareholders regarding PUSRI's ESG journey. It outlines the company's governance structures, material ESG topics, key performance indicators, and risk management approaches, including climate, occupational health and safety, community development, and responsible supply chain management. By articulating PUSRI's strategic

ESG priorities, this document reinforces the company's commitment to integrating sustainability considerations into corporate strategy, investment planning, and day to day operations, so that value creation is aligned with long term resilience and national development priorities.

Throughout this Handbook, PUSRI seeks to strengthen accountability and demonstrate its long term dedication to sustainability. The report not only presents the company's principal achievements to date, but also sets out future aspirations, planned programs, and continuous improvement efforts that support Indonesia's sustainability agenda and global goals such as the SDGs. Through enhanced transparency and consistent ESG disclosure, PUSRI remains committed to building stakeholder trust, promoting responsible and efficient use of resources, and enabling competitive, inclusive, and sustainable growth.





# President Director Message

PT Pupuk Sriwidjaja Palembang (PUSRI) continues to advance, innovate, and deliver greater value for customers, society, and the environment. As the world moves toward a future that demands higher responsibility for the planet and for people, PUSRI recognizes that sustainability is not optional. It is a fundamental principle that must guide every corporate decision and strategic step, particularly in our role as a key player in national food security and the fertilizer industry.

Through the development of this ESG Strategy Handbook, we reaffirm our commitment to placing Environmental, Social, and Governance considerations at the core of PUSRI's future direction. This strategy provides a common reference for all levels of the organization to embed sustainability into every aspect of the business, from strengthening governance and managing environmental impacts to safeguarding occupational health and safety, empowering communities, and building a responsible supply chain.

We are convinced that with consistent commitment and collaborative effort, PUSRI can play a significant role in accelerating the transition toward a low carbon, inclusive, and resilient economy. This Handbook is a concrete step to ensure that the value we create today becomes a meaningful and enduring legacy for future generations, while supporting national development priorities and global sustainability goals.

## Maryono

President Director of PT Pupuk Sriwidjaja Palembang



# Responsibility Statement of the Board of Directors

We, the undersigned, hereby state that the information and policies contained in the ESG Strategy Handbook of PT Pupuk Sriwidjaja Palembang have been reviewed and approved. We declare that this document accurately reflects the Company's direction and commitment in managing Environmental, Social, and Governance (ESG) aspects, and that we are fully accountable for its implementation within the Company. This statement is made truthfully.

**Board of Directors**

**Palembang, 2025**

**Maryono**  
President Director

**R. Eric J. Rachman**  
Finance & General Affairs Director

**Sholikin**  
Operations & Production Director

**Panji Winanteya Ruky**  
Risk Management Director



# About PT Pupuk Sriwidjaja Palembang

PT Pupuk Sriwidjaja Palembang (PUSRI), established on December 24, 1959, in Palembang, South Sumatra, is a pioneer in urea fertilizer production in Indonesia. The company primarily focuses on the fertilizer industry, with the main objective of supporting government policies and programs in the economic and national development sectors. PUSRI also plays a key role in providing compound fertilizer solutions to enhance agricultural productivity. With over five decades of operation, PUSRI has demonstrated its commitment as a reliable national fertilizer producer while fulfilling the significant responsibilities entrusted by the government. In addition to producing fertilizers, PUSRI is involved in trading, providing services, and conducting related businesses in the fertilizer sector. As part of its Public Service Obligation (PSO), PUSRI is responsible for the distribution and marketing of subsidized fertilizers to farmers, contributing to national food security. Furthermore, the company also engages in the sale of non-subsidized urea fertilizers for the plantation, industrial, and export sectors.

In line with government policy developments, PUSRI has undergone significant changes in its management and ownership structure. On April 18, 2012, the Ministry of State-Owned Enterprises (BUMN) transferred PUSRI's status to become part of PT Pupuk Indonesia, which now serves as the parent company. Despite this change, PT Pupuk Sriwidjaja Palembang (PUSRI) has continued its operations under its original name and brand. PUSRI's headquarters is located on Jl. Mayor Zen, Palembang, with a representative office in Jakarta at Wisma 101, Jl. Letjen S. Parman, West Jakarta. PUSRI can be contacted via phone, fax, or official email listed on its website [www.pusri.co.id](http://www.pusri.co.id). The company also provides customer complaint services through Hallo PUSRI via a toll-free number. As the majority shareholder, PT Pupuk Indonesia controls 99.99% of PUSRI's shares, amounting to 5,799,985 Series B shares. The PT PUSRI Employee Welfare Foundation holds 14 Series B shares. Currently, PUSRI continues to operate under the official name PT Pupuk Sriwidjaja Palembang and retains its brand and trade name, PUSRI.





## Vision

To become a leading agrochemical producer in Asia ”

## Mission

01

To provide high-quality, innovative, and efficient products and services that meet customer needs.

02

To operate the business by applying the latest technologies that prioritize safety, occupational health, and environmental protection.

03

To implement Good Corporate Governance (GCG), risk management, and compliance.

04

To enhance human resource competencies through the values of AKHLAK.

05

To deliver sustainable value to stakeholders.

## AKHLAK

AMANAH | KOMPETEN | HARMONIS  
LOYAL | ADAPTIF | KOLABORATIF

A

Referring to the Ministry of State-Owned Enterprises Circular No. SE-7/MBU/07/2020, all State-Owned Enterprises (BUMNs) are required to apply the core values of BUMN Human Resources (AKHLAK) as the company's corporate culture, forming the basis for the development of human resource character. As part of BUMN, PUSRI also adopts AKHLAK as the company's core value. PT Pupuk Indonesia, as the parent company of PUSRI, issued Circular Letter No. 08/A/KK/S22/SE/2020 on August 4, 2020, regarding the implementation of the core values of BUMN Human Resources into the company's corporate culture. Subsequently, the Board of Directors issued Decision Letter No. SK/DIR/391/2020 on November 30, 2020, regarding the Vision, Mission, Core Values, and Core Competencies of PT Pupuk Sriwidjaja Palembang. AKHLAK represents the values that every PUSRI employee must uphold:

### Amanah (Trustworthy)

Each individual is committed to maintaining the trust placed in them by fulfilling promises, being responsible for every decision, and adhering to moral and ethical values.

K

### Kompeten (Competent)

Demonstrating a spirit of continuous learning, self-improvement, helping others to learn, and delivering the highest quality work.

H

### Harmonis (Harmonious)

Expressing care, respect for differences, and efforts to build a mutually supportive work environment.

L

### Loyal (Loyal)

Placing the interests of the nation and state above personal interests, obeying leadership as long as it aligns with laws and ethics, and preserving the organization's reputation.

A

### Adaptif (Adaptive)

Encouraging a spirit of innovation, readiness to face change, adaptability, and proactivity in keeping up with the times.

K

### Kolaboratif (Collaborative)

Recognizing the importance of synergistic teamwork, mutual opportunities, openness, and utilizing resources to achieve common goals.





## Sustainable Environment & Resource Management



# Environmental Management & Policy



PUSRI has a group-level environmental policy integrated into its Environmental Management System and communicated through official reports and the corporate website. The policy defines clear accountability, a commitment to continuous improvement, targets to reduce environmental impacts, external stakeholder involvement, and employee training on environmental risks. It covers internal operations, suppliers, and business partners, with oversight by the Board of Directors. This framework is supported by thematic policies, including a Green Procurement Policy for environmentally responsible purchasing, an Energy Efficiency Policy targeting a 2% annual reduction in energy use, a Waste Management Policy targeting a 10% reduction in waste through 3R practices, a Biodiversity Protection Policy to safeguard flora, fauna, and prevent deforestation, and a Water Efficiency and Pollution Reduction Policy targeting a 2% annual reduction in water use while controlling pollution.

To implement this framework, PUSRI operates an Environmental Management System (EMS) that covers 100% of core operations and is certified to ISO 14001, supported by an integrated management system and green infrastructure. The net-zero roadmap is advanced through green building practices, including the Annex Building, which holds an EDGE certificate validated by the Green Building Council Indonesia and delivers 36% energy savings, 36% water savings, and a 92% reduction in embodied carbon in materials compared with the local baseline. These improvements are equivalent to around 157.44 tCO<sub>2</sub> of operational emissions reductions per year and 88.15 tCO<sub>2</sub> of avoided emissions per year, enabled by insulated walls, high-performance glazing, efficient lighting, water-saving fixtures, and reuse of materials. PUSRI also undergoes regular external assessments, including the 2024 Integrated Audit (Semester 2), a PROPER Gold rating in 2024, and SDGs Verification, complemented by internal audits by head-office specialists and an Environmental Dashboard that continuously monitors key indicators.

Building on this governance and assurance framework, PUSRI uses its EMS, integrated with reporting systems including ERP, to monitor environmental Capex, Opex, cost savings, and cost avoidance across its business lines. This financial and performance data supports management decisions on operational efficiency, regulatory compliance, and risk reduction. The primary instrument for planning and monitoring environmental performance is the Environmental Management Work Plan Document (DRKPL), recognized under PROPER, which consolidates impact identification, mitigation measures, regulatory compliance, performance targets and metrics, and stakeholder engagement. Together with environmental Capex disclosures and SDGs Verification, the DRKPL ensures that PUSRI's environmental investments are well documented, backed by a clear business case, and aligned with environmental performance standards and the company's sustainability objectives.

Currency: IDR – Rupiah

Item	2021	2022	2023	2024
<b>Capital Investments</b>	5,235,000,000	6,250,000,000	6,740,000,000	16,736,000,000
<b>Operating Expenses</b>	23,227,000,000	23,393,000,000	13,413,000,000	106,184,000,000
<b>Total Expenses</b>	28,462,000,000	29,643,000,000	20,153,000,000	122,920,000,000
<b>Savings, cost avoidance, income, tax, etc.</b>	499,942,000,000	614,935,000,000	1,420,210,000,000	1,574,854,000,000
<b>Basis for coverage</b>				100% Production

Over the past four financial years, PUSRI has neither incurred nor paid any significant fines or sanctions related to environmental or ecological violations, defined as fines exceeding USD 10,000 per case. PUSRI's 2024 Sustainability Report confirms that during the reporting period there were no administrative sanctions or fines for breaches of environmental quality standards or non-compliance with environmental management regulations. The absence of significant fines is consistent with the commitments set out in the Integrated Management Policy and the company's dedication to sustainable business practices, including its no-deforestation commitment. This consistent regulatory compliance demonstrates that PUSRI's environmental management system is functioning effectively in preventing violations that could lead to material financial consequences.

- Gold PROPER PUSRI
- Integrated Management Policy
- Routine Environmental Investments 2021–2024
- ISO 14001
- SML Policy
- Verification of SDGs Integration
- Green Building Certificate
- Sustainability Policy
- Internal Audit Results Report for ISO 9001 and ISO 14001, Second Semester 2024



# Energy Management & Consumption

Over the past four financial years, PUSRI has neither recorded nor paid any significant fines or sanctions related to environmental or ecological violations, defined as fines exceeding USD 10,000 per case. The 2024 Sustainability Report confirms there were no administrative sanctions or fines for breaches of environmental quality standards or non-compliance with environmental management regulations. This performance is aligned with the Integrated Management Policy, PUSRI's commitment to sustainable business practices, and its no-deforestation commitment. It is further supported by the Energy Efficiency Policy, which guides systematic energy management through an Energy Management System team responsible for planning, reporting, promoting renewable energy, benchmarking with peer industries, and encouraging facility designs that apply energy efficiency principles. The policy includes energy reduction targets that reflect operational conditions and supports the achievement of the Sustainable Development Goals (SDGs). Implementation of energy-saving programs in production processes and supporting facilities helps optimize energy use, reduce emissions, and maintain strong compliance, as reflected in the absence of significant fines during the reporting period.

PUSRI monitors energy consumption through its Environmental Dashboard and integrated internal reporting systems. In line with its energy efficiency roadmap, the company has increased its use of renewable energy from no recorded usage in 2021 and 2022 to 5.33 MWh in 2023 and 51.91 MWh in 2024, among others through Solar PV and other clean energy initiatives, covering 100% of operations on a revenue basis. Energy data are disclosed in the 2024 Sustainability Report, the ESG Strategy Book, the Environmental Dashboard, and 2023–2025 Solar PV documentation, and have been verified for the latest financial year through the 2024 Integrated Audit (Semesters 1 and 2). Differences between figures in public reports and assessment tables arise from unit conversion, with company reports using gigajoules (GJ) and the ESG Rating questionnaire using megawatt hours (MWh). This approach keeps PUSRI's energy data consistent, measurable, and auditable, and provides a sound basis for setting efficiency targets and further increasing the share of renewable energy.

Total Energy Consumption	Unit	2021	2022	2023	2024
Total non-renewable energy consumption	MWh	21,313,761.73	20,419,602.54	20,813,819.59	20,747,089.57
Total renewable energy consumption	MWh	0.00	0.00	5.33	51.91

Solar PV 2023-2025

Integrated Audit 2024 (1st Semester)

Integrated Audit 2024 (2nd Semester)

# Waste & Pollutants Management

PUSRI manages waste in an integrated manner, covering wastewater, hazardous waste, and non-hazardous solid waste. The company applies preventive measures and routine monitoring through the operation of equipment in accordance with SOPs for normal, abnormal, and emergency conditions, periodic maintenance, and specific procedures for handling spills of urea, raw materials, and coal. At the jetty area, PUSRI has emergency response procedures for ammonia leaks, uses dredging vessels with suction systems to reduce turbidity, conducts regular inspections of slurry transfer pipelines, and constructs sediment traps to prevent backflow into the river. All wastewater management complies with applicable discharge permits.

To meet environmental quality standards, PUSRI operates a Wastewater Treatment Plant (WWTP) that can reduce ammonia levels by approximately 98 %, a PUSRI Effluent Treatment (PET) facility that recovers wastewater from the urea process so that treated gas and water can be returned to the plant, and a Purge Gas Recovery Unit (PGRU) that recovers ammonia and hydrogen-containing exhaust gas for reuse in production processes. On the managerial

side, the company conducts waste audits, prepares action plans and measurable targets, invests in innovation and R&D, provides waste reduction training for employees, and integrates the principles of Reduce, Reuse, and Recycle (3R) and recycling programs to reduce the volume of waste sent to landfill. This combination of technical and managerial approaches ensures that PUSRI's waste management is effective, compliant with regulations, and contributes to the sustainable reduction of environmental impacts.

PUSRI monitors and reports solid waste management quantitatively, covering both waste that is recycled/reused and waste that is disposed of. The waste disposal method used by PUSRI is landfill, with the volume of landfilled waste equal to the total waste disposed of in each reporting year. There is no waste incinerated with or without energy recovery, nor waste disposed of through other methods, which results in a clear and focused disposal profile. The waste data covers 100% of operations, so the reported figures represent the company's overall operational activities.

Item	Unit	2021	2022	2023	2024	Target 2024
<b>Total waste recycled/reused</b>	metric tonnes	616.82	134.21	361.30	412.80	
<b>Total waste disposed</b>	metric tonnes	238.06	500.60	464.50	428.77	418.05
<b>Waste landfilled</b>	metric tonnes	238.06	500.60	464.50	428.77	
<b>Waste with unknown disposal method</b>	metric tonnes	0.00	0.00	0.00	0.00	

PUSRI manages hazardous waste under strict controls, prioritizing recovery and reuse over final disposal. Hazardous waste generated by the company is neither sent to landfill nor incinerated. Instead, it is managed through utilization schemes that comply with regulations, in collaboration with licensed third parties, so that environmental and health risks can be minimized. This approach reflects a shift from a disposal-oriented model toward circular economy practices in hazardous waste management. For the most recent financial year, this information has been verified by an independent third party through the Integrated Audit, which ensures that hazardous waste data recording and aggregation systems are reliable and auditable. Through this governance approach, PUSRI reinforces its commitment to reducing the environmental impacts of hazardous waste while maintaining full compliance with applicable regulations.



Item	Unit	2021	2022	2023	2024	Target 2024
<b>Total hazardous waste recycled/reused</b>	metric tons	646.16	485.44	807.02	1,130.58	
<b>Total hazardous waste disposed</b>	metric tons	0	0	0	0	0

PUSRI routinely monitors Chemical Oxygen Demand (COD) load as a key indicator of wastewater quality before discharge into receiving water bodies. Monitoring is carried out through reliable, auditable recording systems and covers 100% of relevant operations. Direct COD data are recorded in metric tons for each financial year and are used to evaluate the effectiveness of the Wastewater Treatment Plant (WWTP) and other treatment units such as PUSRI Effluent Treatment (PET).

In terms of trends, COD load decreased in 2022 compared with 2021, then increased in 2023 due to production load dynamics and operating conditions, and improved again in 2024 in line with the optimization of WWTP performance and strengthened process water efficiency programs. For 2024, the company also set a COD reduction target that is lower than the previous year's realization, which serves as a reference for operational and environmental units in preparing work plans to reduce pollutant loads. Through this approach, PUSRI ensures that COD is managed in a measurable manner, in compliance with quality standards, and consistent with the company's commitment to maintaining water quality in the vicinity of its operations.

Direct Chemical Oxygen Demand	Unit	2021	2022	2023	2024	Target 2024
<b>Direct Chemical Oxygen Demand</b>	metric tons	135.69	128.26	183.62	175.29	165.26
<b>Data coverage (as % of denominator)</b>	% of operations covered	100	100	100	100	

PUSRI monitors direct NOx emissions on a regular basis using reliable, auditable data systems that cover 100% of relevant operations. Emission data are recorded in metric tons and used to evaluate the performance of process units and the effectiveness of air emission control programs.

In recent years, NOx emissions initially increased in line with production intensity, then began to decline after the company optimized equipment operation, maintenance, and emission control measures. For 2024, PUSRI set a NOx emission target that is lower than previous projections, ensuring that NOx management is measurable, compliant with applicable standards, and supports the company's commitment to reducing the environmental impact of its operational emissions.

Direct Chemical Oxygen Demand	Unit	2021	2022	2023	2024	Target 2024
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Direct NOx Emissions	Unit	2021	2022	2023	2024	Target 2024
Direct Nox Emissions	metric tons	941.20	1,024.06	2,016.30	1,911.49	1,814.67

PUSRI periodically monitors direct SOx emissions using reliable data systems that cover 100 % of relevant operations. Emissions are recorded in metric tons and used to assess the performance of combustion and utility units, while also ensuring compliance with emission standards set by regulators.

In recent years, SOx emissions have fluctuated in line with changes in production loads and fuel mix. In response, PUSRI has set stricter annual emission reduction targets and strengthened its control measures, including optimizing boiler operations, improving fuel quality, and maintaining emission control systems. These efforts aim to gradually reduce SOx emissions, protect air quality around its operations, and support the company's decarbonization agenda and environmental protection commitments.





Direct SOx Emissions	Unit	2021	2022	2023	2024	Target 2024
Direct Sox Emissions	metric tons	114.27	93.15	183.69	182.20	165.32

PUSRI reports that its operations do not generate measurable Volatile Organic Compounds (VOC) emissions, with direct VOC emissions recorded as zero for all reporting years and data coverage of 100 % of relevant operations. This is consistent with the characteristics of its production processes and the use of technologies and raw materials that do not produce VOCs as a significant component of the company's emission profile. Although the company does not have a VOC emission profile, it continues to conduct regular monitoring and review of potential environmental impacts to ensure ongoing compliance with national regulations and international standards.

Direct VOC emissions	Unit	2021	2022	2023	2024	Target 2024
Direct VOC Emissions	metric tons	0.00	0.00	0.00	0.00	0.00

PUSRI has a structured water efficiency management program that is publicly disclosed. The program includes water use assessments and periodic water audits to identify savings opportunities, the setting of measurable water consumption reduction targets, and actions to improve wastewater quality so that it meets environmental standards and discharge permit requirements. These efforts are supported by the implementation of water recycling and reuse in relevant operating units, process innovations to reduce water use, and employee training and awareness raising on water efficiency and wastewater management. Through this combination of technical measures and capacity building, PUSRI seeks to reduce its water footprint and contribute to the achievement of Sustainable Development Goals related to clean water and sanitation.



# Water Management



PUSRI has a structured and publicly disclosed water efficiency management program based on a General Water Conservation Policy. This policy governs periodic water audits, strategic plans for water efficiency and wastewater pollution load reduction, and the integration of business and production processes with water efficiency and pollution control. It also promotes benchmarking of water and pollution performance against peer industries at local, national, and international levels and encourages innovations that reduce water use and create added value. To support the Sustainable Development Goals (SDGs), PUSRI sets measurable targets for reducing water consumption and improving wastewater quality, implements water recycling and reuse in relevant units, and executes annual water efficiency and pollution reduction initiatives. The policy is communicated to employees and stakeholders, reviewed regularly, and reinforced through training and awareness programs

so that water management can reduce the company's water footprint while maintaining water quality around its operations.

PUSRI monitors freshwater use comprehensively, covering withdrawal, discharge, and net freshwater consumption with 100% operational data coverage, reported in million cubic meters per year. These data are used to assess process water efficiency, evaluate wastewater treatment performance, and measure progress against annual freshwater reduction targets. Total water withdrawal has decreased compared with the start of the reporting period and then remained relatively stable with minor fluctuations in line with production loads. Discharged water volumes are managed to remain within permit limits and quality standards, which helps control net freshwater consumption and keep it aligned with yearly targets.

Item	Unit	2021	2022	2023	2024	Target 2024
<b>Water withdrawal (excluding saltwater)</b>	Million cubic meters	33.44	24.08	22.70	24.14	
<b>Water discharge (excluding saltwater)</b>	Million cubic meters	0.86	1.08	1.09	1.28	
<b>Total net fresh water consumption</b>	Million cubic meters	22.85	21.60	22.99	32.57	22.53

Based on the mapping of its operating locations and hydrological data, PUSRI's main operations are not located in high water stress areas (above the  $<1,700 \text{ m}^3/\text{capita}/\text{year}$  threshold). As a result, the company does not separately track or report water consumption in water stressed areas for 2021–2024, although all water use remains monitored at the operational level for efficiency and environmental impact management. Even though the indicator on water stressed areas is not applicable, PUSRI continues to apply strict water conservation and efficiency measures under its General Water Conservation Policy and water efficiency program. The company periodically reviews raw water availability with local authorities and utility providers and is ready to update its water stress mapping if environmental conditions change or operations expand.

PUSRI monitors the potential business impacts of water related incidents, such as operational disruptions, reduced production, or shutdowns, through a formal incident reporting system that records both actual costs and opportunity costs (potential lost revenue). These data are integrated into the operational risk management framework and reviewed regularly to ensure that water related risks are identified and controlled. For 2021–2024, PUSRI has not experienced any water related incidents that resulted in substantial

costs or revenue losses exceeding USD 10,000, so the company reports zero actual and opportunity costs from such incidents. PUSRI's water risk management program, disclosed in AMDAL documents, the Sustainability Report, and the Environmental Dashboard, focuses on optimizing water use, improving wastewater quality, and reducing environmental impacts. Risk assessments consider dependency risks on raw water sources and impact related risks from operations on water resources, including projections of future availability and quality, potential impacts on local stakeholders, and possible regulatory changes. The scope covers internal operations, the supply chain, and product use so that water risks are managed holistically and integrated into the company's ESG and overall risk management framework. As part of the 2024 water efficiency program, PUSRI has implemented a Water Efficiency Policy and technical conservation initiatives, such as replacing plastic components with bronze guides in the RO unit membrane housing, saving around  $38,400 \text{ m}^3$  of water per year, and installing grating on strainer suction pumps, saving about  $102,600 \text{ m}^3$  per year. These are complemented by rainwater utilization, promotion of water saving behavior, and stricter control of tap usage, which together help reduce water scarcity risks and support operational continuity.



# Greenhouse Gas Emissions

PUSRI measures and manages direct Greenhouse Gas (GHG) emissions (Scope 1) for all operations with 100% data coverage, using metric tons of CO<sub>2</sub> equivalent as the unit. Calculations refer to the 2006 IPCC Guidelines and are based on direct energy consumption in production processes, covering stationary combustion, mobile combustion, industrial processes, and fugitive emissions. The GHG figures presented in the 2024 Sustainability Report are based on earlier calculations, while the numbers used in this assessment are the latest GHG data that have been verified by a third party. Differences between the two datasets mainly arise from updates to the calculation methodology and refinements in

activity data, particularly for Scope 1, which now includes more detailed information on direct emissions from stationary combustion, mobile combustion, industrial processes, and fugitive sources. These updates provide a clearer and more accurate picture of PUSRI's actual carbon footprint and will serve as the basis for climate risk assessment, emission reduction target setting, and future reporting. The verified information has also been disclosed in the ESG Handbook and ESG Dashboard to ensure consistency and transparency in reporting.

Direct GHG (Scope 1)	Unit	2021	2022	2023	2024	Target 2024
<b>Total direct GHG emissions (Scope 1)</b>	metric tonnes CO <sub>2</sub> equivalents	1,558,317	1,694,059.20	1,772,946.47	2,908,718.75	1,595,651.83

For PUSRI, indirect GHG emissions from purchased energy (Scope 2) are not relevant because operational electricity needs are supplied by internal power generation facilities. The company does not purchase electricity from external utilities for its main operations, so Scope 2 emissions are neither calculated nor reported. By contrast, Scope 1 and Scope 3 emissions are actively managed, calculated, verified by an independent third party, and disclosed through the ESG Handbook and ESG Dashboard as part of a comprehensive GHG management strategy.

PUSRI has developed a Scope 3 GHG emissions inventory in line with the GHG Protocol Corporate Value Chain (Scope 3) Standard, covering all 15 categories. Material contributions come mainly from purchased goods and services, upstream transportation and distribution, waste generated in operations, business travel and employee commuting, and downstream use and end of life treatment of sold products. Calculations use activity data from procurement, logistics, production, and sales converted to CO<sub>2</sub>e using recognized emission factors. For 2024, total Scope 3 emissions are approximately 11.7 million tons of CO<sub>2</sub>e, while historical consolidation for 2021–2023 is still being developed. Scope 3 data and methodologies are disclosed through the ESG Dashboard, the 2024 GHG Verification Certificate, and the ESG Strategy Book. Independent third party verification confirms the robustness of data collection, calculation methods, and reporting boundaries, providing a reliable basis for target setting and value chain decarbonization initiatives.

**GHG Verification Report**

# Climate Governance



Climate governance at PUSRI is overseen directly by the Board of Commissioners and the Board of Directors. Climate issues are discussed regularly through a board-level committee responsible for Climate/Sustainability/ESG matters. This committee provides strategic direction on low carbon transition objectives, policies, and initiatives, including setting emission reduction targets, energy efficiency goals, and climate adaptation measures. Climate topics are a standing item on the board agenda at least once a year and are integrated into discussions on business strategy, investment planning, and corporate risk management. Through this mechanism, the board ensures that the financial and operational implications of climate-related risks and opportunities are factored into key decision making.

At the management level, PUSRI has dedicated roles and teams responsible for climate issues, coordinated by the Chief Climate/Sustainability Officer through the PUSRI Sustainability Team. This team leads the development and implementation of sustainability policies, including GHG emissions calculation and verification, the development of energy efficiency and renewable energy programs, and the integration of climate considerations into the supply chain and plant operations. The team's work is reported regularly to senior management and the relevant board committee, creating a clear accountability link between operational climate management and board-level oversight. This layered governance structure ensures that the climate agenda is an integral part of PUSRI's long term strategy and ESG performance.

# Task Force on Climate-related Financial Disclosures

PUSRI has not yet published a standalone climate report structured explicitly around the TCFD recommendations. However, the company has integrated the TCFD framework into climate governance and risk management and has begun to embed the four pillars of governance, strategy, risk management, and metrics and targets into existing sustainability, investment, and risk processes. Key elements are disclosed in the 2024 Sustainability Report, the ESG Strategy Book, and internal sustainability documents.

From a governance perspective, climate related topics are overseen by the Board of Directors and the Board of Commissioners through committees that review environmental performance, capital projects, and the overall risk profile. Management, through the Chief Sustainability Officer and the sustainability team, assesses and manages climate risks in strategic decision making, implements decarbonization initiatives, and reports progress through the sustainability reporting cycle and corporate planning and budgeting.

On the strategy side, PUSRI has identified short, medium, and long term climate risks and opportunities that may affect its portfolio, expansion plans, and competitiveness, and has developed a quantified decarbonization roadmap that translates national and group expectations into a staged transition pathway to 2060. The roadmap consists of operational, technological, energy, and nature based initiatives as summarised in the accompanying table, and is supported by climate scenario analysis, including a 2°C or lower scenario that is being aligned with long term planning. By 2030 the roadmap portfolio is expected to deliver about 268 thousand tCO<sub>2</sub>e of annual avoided emissions and to reduce urea emission intensity from about 1.44 tCO<sub>2</sub>e per ton in 2023 to about 1.21 tCO<sub>2</sub>e per ton in 2030. PUSRI tracks monthly reductions from key programmes such as energy efficiency turnaround activities, rooftop solar PV, and community forests, with 2024 targets of 8,400 tCO<sub>2</sub>e, 114 tCO<sub>2</sub>e, and 100 tCO<sub>2</sub>e respectively and realised reductions of around 7,500 tCO<sub>2</sub>e as of August 2024.

Climate risks are identified, assessed, and managed within the enterprise risk management framework and mapped as part of environmental, regulatory, and operational risks. PUSRI evaluates dependency risks, such as reliance on energy and water, and impact related risks, such as disruption from extreme weather, and incorporates them into strategic and operational risk mapping while refining the classification and financial assessment of transition and physical climate risks. For metrics and targets, PUSRI monitors and discloses greenhouse gas emissions, energy use, and relevant intensity indicators, and uses Scope 1, Scope 3, and other operational indicators to track climate performance. The company has defined internal emission reduction ambitions aligned with its decarbonization programmes and is developing more detailed quantitative targets, which will be disclosed progressively as the TCFD framework is fully implemented. Over the next few years, PUSRI plans to consolidate these elements into a more formal TCFD aligned disclosure, drawing on practices from other entities in the Pupuk Indonesia Group that already report under TCFD.

Timeframe	Key Initiatives	Assets / Area	Category
2023–2030	Plant revitalisation and revamping of Pusri IIIB and Pusri IB	Pusri IIIB, Pusri IB	Energy efficiency / process optimisation
2023–2030	Biomass co firing in coal boilers	Boiler units	Fuel switch / lower carbon energy
2023–2030	Electrification via 10 MW PLN power for housing, offices and boiler operations	Housing, offices, boilers	Electrification / grid integration
2023–2030	Renewable Energy Certificates and installation of ±3,000 kWp solar PV	Various PUSRI facilities	Renewable energy
2023–2030	Gradual introduction of EVs with a target of 50 units	Fleet	Low carbon mobility
2023–2030	Community forest and waste management programmes, including waste plant and “Tabungan Nona”	Surrounding communities	Nature based solutions / circular economy
2030–2045	Blue ammonia development at Pusri IIIB and expansion of community forests	Pusri IIIB, surrounding areas	Low carbon product / nature based
2046–2060	Green ammonia projects and continued expansion of community forests	New projects, community areas	Net zero fuels / nature based



# Climate Risk Management

PUSRI incorporates climate related performance into its incentive system for management and employees through structured, recognition based programs aligned with the company's sustainability targets. The scheme is applied in tiers, from senior management and business unit managers down to employees, and is embedded in internal awards, annual performance appraisals, and nominations for recognition platforms such as the DRKPL PUSRI awards and the PROPER Gold achievement. Incentivized indicators focus on climate related issues, including the achievement of emission reduction targets by senior management, operational efficiency improvements by business unit managers, and employee engagement in sustainable practices across the value chain. These KPIs contribute to the strategic and reputational evaluation of each unit, while individual employees are recognized for efficiency initiatives and green innovations. Through this mechanism, PUSRI encourages all levels of the organization to actively contribute to decarbonization, improved operational efficiency, and the strengthening of overall sustainability performance.

In parallel, PUSRI operates an integrated climate risk management process embedded within the corporate risk governance framework of Pupuk Indonesia Holding (PIHC). Since 2013, the company has implemented a Risk Management System based on ISO 31000:2011 and in 2024 updated its Risk Management Implementation Guideline to align with the PIHC Risk Management Guidelines (Document PI-MRI-PD-001 Rev.2).



Climate risks are classified under the social and environmental risk taxonomy and assessed through scenario based risk mapping that incorporates environmental data, operating conditions, policy trends, and stakeholder input. The results are incorporated into the corporate risk register, which includes specific climate risk items and serves as the basis for mitigation and adaptation strategies, such as energy efficiency programs, emission reduction initiatives, supply chain resilience measures, and technology modernization.

Risk monitoring and evaluation are conducted regularly at all organizational levels, and mitigation plans are integrated into key corporate processes, including the annual budget and work plan (RKAP), investment decision making, and operational planning. Although full TCFD implementation at the subsidiary level has not yet been completed, PUSRI adheres to the climate governance, strategy, and risk assessment framework set by PIHC. Implementation is supported by the sustainability team led by the Chief Sustainability Officer, ensuring that climate related considerations are consistently embedded in strategic and operational decision making.



Net Zero Policy

# Financial Risks of Climate Change



PUSRI has identified a set of climate related risks with potential financial impacts on operations, revenues, and capital expenditures. On the transition side, regulatory changes such as the implementation of Carbon Economic Value, tighter pollution control requirements, and higher expectations for PROPER performance may increase compliance costs, require investment in low carbon technologies, and create exposure to fines or sanctions if emission standards are not met. Prior to mitigation, these factors are expected to add cost burdens and put pressure on profitability. To address this, PUSRI has prepared regulatory compliance programs, energy efficiency initiatives, energy mix optimization, and broader decarbonization measures that are integrated into the RKAP and multi year investment plans, supported by dedicated mitigation budgets to contain medium term financial exposure.

From a physical risk perspective, raw water scarcity and availability are considered key climate risks that could disrupt plant operations, raise the cost of securing alternative water sources, and necessitate additional investment in water supply and conservation infrastructure. In response, PUSRI implements water conservation and efficiency programs, optimizes water treatment systems, maintains water intake infrastructure, and collaborates with local stakeholders to safeguard water resource sustainability. The costs of these mitigation measures are budgeted separately and are considered lower than the potential financial losses that could arise from major water supply disruptions. Climate risk identification, financial impact estimates, and mitigation plans are disclosed through the Sustainability Report, ESG Strategy Book, and ESG Dashboard as part of PUSRI's transparent climate risk management.

In parallel, PUSRI has identified business opportunities arising from the energy transition and emission reduction agenda, particularly through the development of products that support pollution control and energy efficiency. In line with emission regulations in the transportation and industrial sectors, the company is developing urea derivative products such as Diesel Exhaust Fluid (DEF) and urea variants with enhanced environmental performance. These products target domestic and potential export customers that must comply with stricter emission standards, thereby opening new revenue streams and reinforcing PUSRI's position as a fertilizer and chemical producer that supports a low carbon economy.

From a financial standpoint, these opportunities are expected to generate additional revenue and operating margins over approximately the next five years, with annual benefits projected to exceed the costs of developing and marketing these environmentally friendly products. Current capital and operating expenditures focus on meeting quality standards, expanding production capacity, and conducting market education. Overall, these climate related opportunities are expected to enhance profitability while strengthening PUSRI's reputation as a company that actively supports emission reduction and compliance with increasingly stringent environmental regulations.

# Financial Opportunities Arising from Climate Change



PUSRI has identified several business opportunities arising from the strengthening of the energy transition and emission reduction agenda, particularly through the development of a product portfolio that supports pollution control and energy efficiency. In line with emission regulations in the transportation and industrial sectors, PUSRI is developing urea derivative products such as Diesel Exhaust Fluid (DEF) and urea variants with improved environmental performance. These products are designed to serve domestic and potential export markets that must comply with stricter emission standards, opening new revenue streams and reinforcing PUSRI's position as a fertilizer and chemical producer that supports a low carbon economy.

From a financial perspective, these opportunities are expected to generate additional revenue contributions and operating margins each year over the next five years, with annual benefits exceeding the costs of developing and marketing these environmentally friendly products. Current capital and operating expenditures are focused on meeting quality standards, expanding production capacity, and conducting market education. Overall, these climate related opportunities are viewed as enhancing profitability while strengthening PUSRI's reputation as a company that actively supports emission reduction and compliance with increasingly stringent environmental regulations.





# Climate-Related Scenario Analysis

PUSRI has implemented climate related scenario analysis as part of its risk management process and corporate decarbonization planning. The analysis is carried out qualitatively and covers both transition and physical climate risks to strengthen business resilience. The company uses several international reference scenarios, such as the IEA Net Zero Emissions by 2050 Scenario and the IEA 2°C Scenario, which are aligned with global climate goals. These scenarios are integrated into the Decarbonization Roadmap and the Business Continuity Management System (BCMS) to assess the impacts of climate change on operations, production costs, product demand, and energy transition investment needs.

In practice, PUSRI also considers physical risk scenarios such as RCP 1.9/SSP1-1.9 and RCP 2.6/SSP1-2.6 to evaluate potential changes in rainfall patterns, temperature, and extreme weather events that could affect raw water availability, energy supply reliability, and operational safety. The scenario analysis is used to assess climate risks and opportunities across the value chain and serves as a basis for formulating strategies on emission reduction, energy efficiency improvement, supply chain resilience, and lower carbon product innovation. Key findings from this work are integrated into short, medium, and long term climate risk assessments and inform investment planning, sustainability initiative prioritization, and the company's decarbonization roadmap.



# Physical Climate Risk Adaptation

PUSRI has developed both context-specific and company-wide plans to adapt to physical climate risks, based on the results of its climate risk assessment. For existing and new operations, the adaptation plans are designed to address key hazards such as changing rainfall patterns, increasing temperature, and extreme weather that could disrupt production, utilities, and logistics. The overall adaptation roadmap targets implementation of the main physical-risk measures within a period of less than five years. Actions include strengthening the reliability of critical infrastructure and utilities, improving water-management and drainage systems, enhancing emergency preparedness and business-continuity procedures, and integrating climate-resilience criteria into new project planning and asset design. PUSRI publicly reports the existence and progress of this adaptation plan, ensuring that climate-related physical risks are systematically managed across current operations and future developments.





# Emissions Reduction Targets



PUSRI has set a corporate greenhouse gas (GHG) emission reduction target based on emission intensity for the period 2024–2030. The base year is 2024, with initial emissions of 14,626,000 tons of CO<sub>2</sub>e, covering Scope 1, Scope 2, and Scope 3 emissions across the company’s entire value chain. PUSRI aims to reduce emission intensity by 10 by 2030 compared with the base year. This target is aligned with the company’s efforts to transition toward more sustainable operations and to support the national decarbonization agenda. Although it has not yet been submitted for formal validation by the Science Based Targets initiative (SBTi), PUSRI considers the target to be consistent with climate science principles and in line with the company’s sustainability commitments. These data serve as the basis for evaluating decarbonization performance, planning energy efficiency investments, and strengthening low carbon transition programs across all PUSRI facilities.





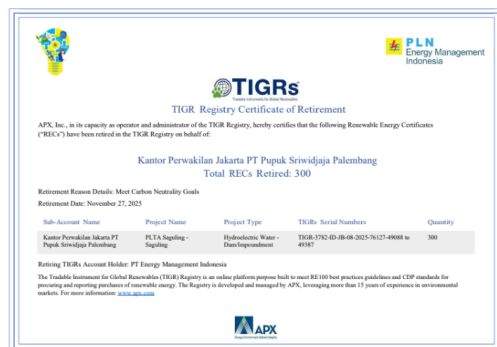
# Internal Carbon Pricing



PUSRI has implemented an internal carbon pricing mechanism as part of its climate risk management and greenhouse gas emission reduction efforts. This internal carbon price applies to all emission scopes, namely Scope 1, Scope 2, and Scope 3, thereby encouraging comprehensive emissions management across the value chain. Its objectives include supporting cost benefit analyses, driving energy efficiency, guiding low carbon investments, integrating climate considerations into decision making and risk assessments, and ensuring alignment with the company's climate policies and targets.

With reference to public information from IDX Carbon press releases, PUSRI applies a carbon shadow price of IDR 96,000 per ton of CO<sub>2</sub>e. This value is used as a basis for evaluating investment feasibility, planning energy efficiency initiatives, and assessing the financial implications of various climate risk scenarios. The internal carbon price is also used to prepare carbon offset budgets and serves as a reference point in the company's low carbon transition financial planning. This internal carbon pricing policy is disclosed publicly through PUSRI's ESG Handbook and ESG Dashboard, allowing stakeholders to see how carbon cost considerations are integrated into the company's business strategy and long term planning.

# Net Zero Commitment



PUSRI has made a public commitment to achieve net zero GHG emissions across its entire value chain by no later than 2060. The commitment uses 2024 as the base year and targets a 100% reduction in emissions from the base year level for Scope 1 and 2, as well as 100% for Scope 3. This net zero target has not yet been submitted for formal validation by the Science Based Targets initiative (SBTi), but is internally considered consistent with climate science principles and serves as the main reference for the company's long term decarbonization pathway. To realize this target, PUSRI has designed and begun to implement a decarbonization program that includes energy efficiency, process optimization, increased use of lower carbon energy, and emissions management across the value chain (Scope 1, 2, and 3). PUSRI also uses Renewable Energy Certificates (RECs) as part of its net zero strategy to neutralize residual emissions through credible market based renewable energy procurement. In 2025, PUSRI retired 300 RECs for its Jakarta Representative Office, registered in the TIGR Registry and sourced from the Saguling Hydropower Plant. Each REC represents 1 MWh of certified renewable electricity, ensuring no double counting and full ownership of environmental attributes by PUSRI. The use of RECs complements other decarbonization efforts such as energy

efficiency programs, biomass cofiring, and implementation of the long term Decarbonization Roadmap, while strengthening the credibility of PUSRI's ESG performance and contribution to the national renewable energy transition.

In addition, PUSRI's net zero pathway is reinforced through green building practices that reduce operational emissions and resource use at company facilities. The Annex Building has obtained EDGE certification, which is internationally recognized and validated by the Green Building Council Indonesia, achieving 36% energy savings, 36% water savings, and a 92% reduction in embodied carbon in materials compared with the local baseline. These performance gains are equivalent to a reduction of around 157.44 tCO<sub>2</sub> of operational emissions per year and 88.15 tCO<sub>2</sub> of avoided emissions per year. The improvements are supported by insulated walls, high performance glazing, energy efficient lighting, water saving fixtures, and reuse of existing building materials. Overall, the combination of decarbonization programs, REC utilization, and green building initiatives demonstrates PUSRI's serious commitment to reducing residual emissions within its operational boundaries and aligning facility development with global green building standards.

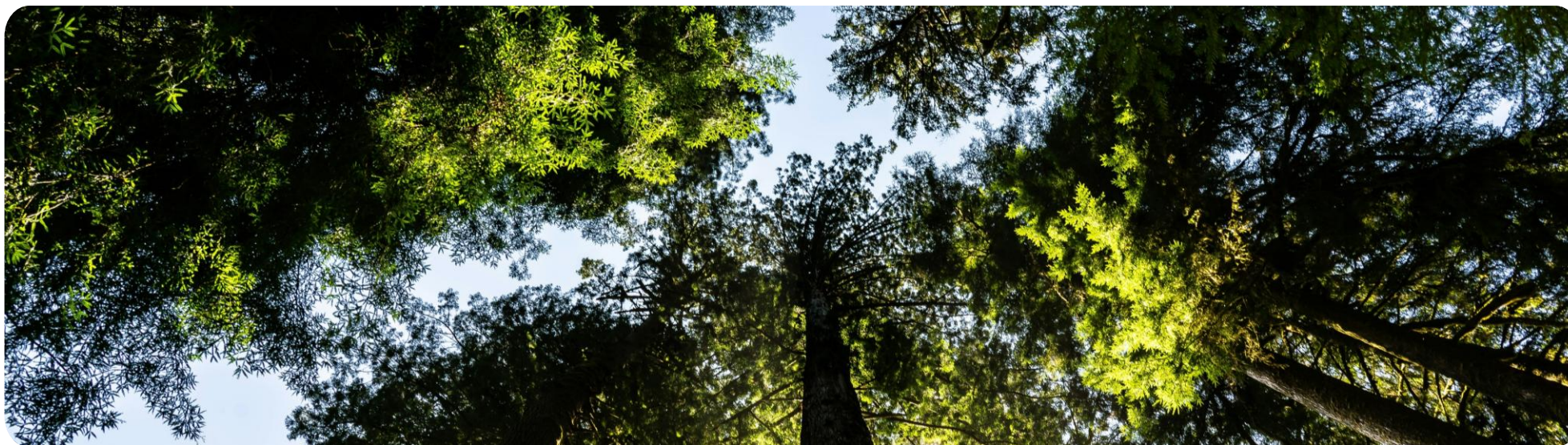
Target time frame	Base year	Target year	Scopes 1 & 2 reduction target (% of base year emissions)	Scope 3 reduction target (% of base year emissions)	Target time frame	Base year
Net-zero target	2024	2060	100	100	Net-zero target	2024



# Biodiversity Assessment & Commitment

PUSRI has completed a comprehensive biodiversity risk assessment that evaluates both dependency and impact related risks across its operational and surrounding ecological areas. The assessment is multidisciplinary, site specific, aligned with international frameworks such as the IUCN Red List, and integrated into the corporate risk management system. It covers protected areas and threatened species, including the Green Barrier, rare plant collections and the deer breeding area, and identifies risks such as reliance on ecosystem services, habitat disturbance and land use change. These risks are recorded in the corporate risk register and inform mitigation measures such as habitat restoration, biodiversity monitoring, land management and protection of priority species. PUSRI's Biodiversity Protection Policy, endorsed by the Board of Directors, aligns with the Post 2020 Global Biodiversity Framework and the CBD 2050 vision of "living in harmony with nature."

The company targets a net positive impact on biodiversity by 2030 through specific, measurable, location based targets, supported by a roadmap and annual reporting, and by applying the mitigation hierarchy (avoid, minimise, restore, offset) while avoiding activities in high biodiversity value areas. The policy applies to operations, suppliers and strategic partners and is implemented with active engagement of local communities, government and conservation institutions. Complementing this, PUSRI has adopted a no deforestation policy that commits to eliminating all deforestation within its operations and value chain by 2030, with no land clearing for business activities. Backed by a roadmap to prevent habitat damage, avoid further deforestation and promote reforestation, this policy is also endorsed by the Board and aligned with global goals such as the SDGs and Indonesia's NDC, reinforcing PUSRI's role as a responsible and climate aligned fertilizer company.



Biodiversity Assessment

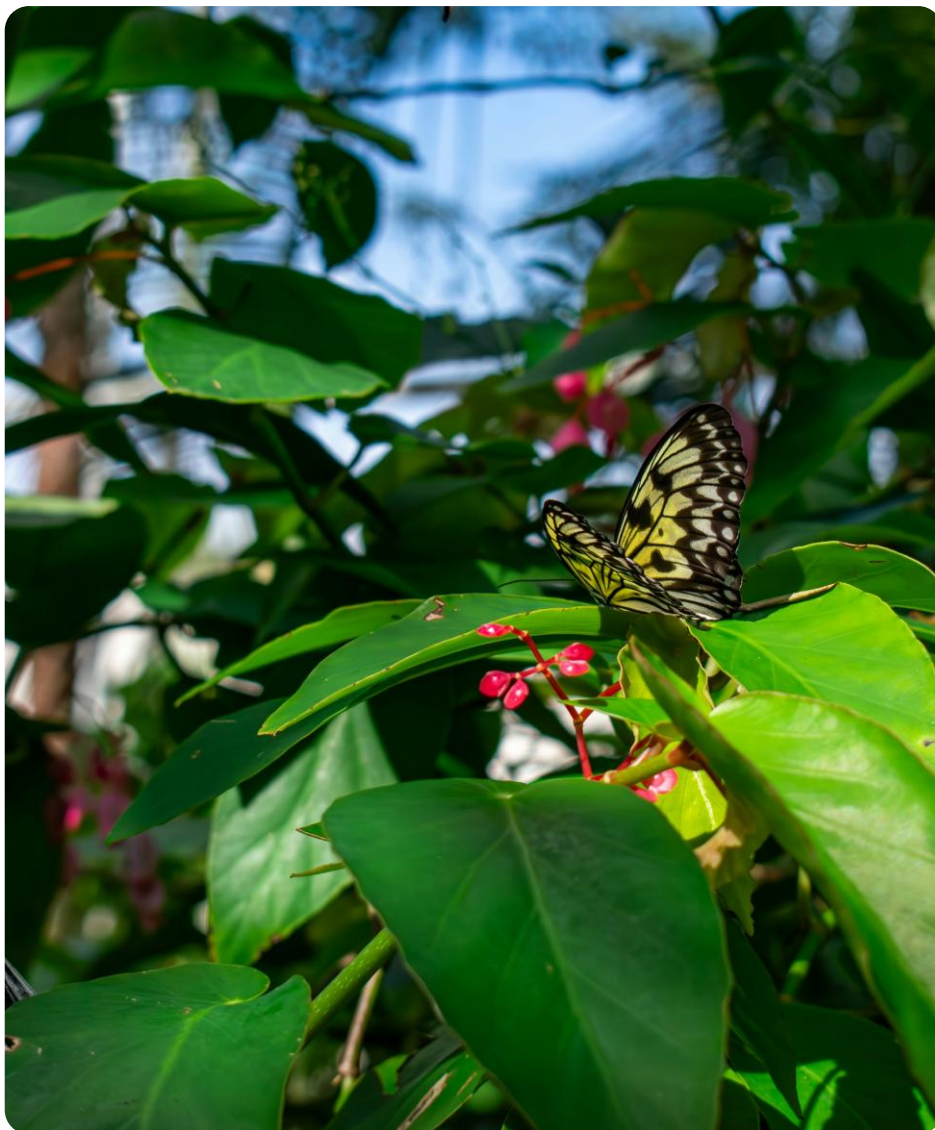
Biodiversity Impact Report

Biodiversity Protection Policy

No Deforestation Policy



# Biodiversity Assessment & Commitment



PUSRI is committed to preserving and conserving the biodiversity around its operational areas. As part of its sustainability efforts, PUSRI integrates sustainable environmental management principles into every aspect of its operations. Biodiversity plays a crucial role in maintaining ecosystem balance, supporting the survival of species, and ensuring the quality of life for both humans and other living organisms. Therefore, the company strives to minimize negative impacts on the environment and ensure that all activities support the preservation of species and habitats surrounding the operational areas.

PUSRI adheres to guidelines from the International Union for Conservation of Nature (IUCN) in managing biodiversity. By following IUCN standards, PUSRI ensures that its operations do not harm the ecosystem or threaten the sustainability of local species, particularly those classified as endangered. Through continuous monitoring and evaluation, the company ensures that each activity conducted does not negatively impact the flora, fauna, and natural habitats surrounding its operational areas.

However, PUSRI also acknowledges that industrial activities can affect biodiversity. These impacts may include pollution of air, soil quality, or habitat changes, which can affect local species. Therefore, PUSRI actively manages these impacts with environmentally friendly technologies and responsible operational practices. In addition, the company implements reforestation and land rehabilitation programs aimed at improving environmental quality and restoring habitats affected by operational activities.

As part of its commitment to biodiversity conservation, PUSRI also carries out various conservation programs involving local communities. The company collaborates with conservation organizations and relevant agencies to monitor protected species, including those that are endangered. Education programs and community engagement are also conducted to raise awareness of the importance of protecting the environment and supporting local conservation efforts.

Biodiversity is an integral part of PUSRI's Environmental, Social, and Governance (ESG) policy. The conservation efforts made are not only focused on protecting species and natural habitats but also aim to provide positive social and economic benefits for the communities surrounding the operational areas. This aligns with the Sustainable Development Goals (SDGs), specifically SDG 15 Life on Land, which emphasizes the protection, restoration, and sustainable use of terrestrial ecosystems.

# Biodiversity Assessment & Commitment

Dominant Plant Species						
No	Local Name	Latin Name	Σ	pi	D	Remarks
1	Ganda Grass	Kyllinga polyphylla Willd. ex Kunth	112	0.059	5.98	Dominant
2	Elephant Grass	Axonopus compressus (Sw.) P.Beauv.	210	0.11	11.22	Dominant
3	Ototchola	Ottochloa nodosa (Kunth) Dandy	209	0.11	11.17	Dominant
4	Pendul Grass	Kyllinga brevifolia Rottb.	42	0.05	5.18	Dominant
5	Asistasia	Asystasia gangetica (L.) T. Anderson subsp. micrantha (Nees) Ensermu	76	0.09	9.37	Dominant
6	Aur-aur	Commelina diffusa Burm.f.	42	0.05	5.18	Dominant
7	Setawar Grass	Spermacocce alata Aubl.	42	0.05	5.18	Dominant
8	Mule's Leaves	Desmodium triflorum (L.) DC.	56	0.07	6.01	Dominant
9	Mule's Leaves	Desmodium triflorum (L.) DC.	60	0.07	7.01	Dominant
10	Meniran	Phyllanthus urinaria L.	78	0.10	9.76	Dominant
11	Meniran	Phyllanthus reticulatus Poir.	54	0.07	6.76	Dominant
12	Angsana	Pterocarpus indicus Willd.	6	0.05	5.04	Dominant
13	Red-flame-ivy	Hemigraphis alternata (Burm.f.) T.Anderson	28	0.11	21.85	Dominant
14	Asistasia	Asystasia gangetica (L.) T. Anderson subsp. micrantha (Nees) Ensermu	76	0.09	21.85	Dominant
15	Emptrian	Cyrtococcum patens (L.) A.Camus	24	0.20	20.17	Dominant

# Biodiversity Assessment & Commitment

Mammal Dominance						
No	Local Name	Latin Name	Total	pi	D	Remarks
1	Civet	Paradoxurus hermaphroditus	11	0.08	8.27	Dominant
2	Coconut Bat	Callosciurus notatus	5	0.04	3.76	Subdominant
3	Krawar Bat	Cynopterus brachyotis	23	0.17	17.29	Dominant
4	Horsfield's Bat	Cynopterus horsfieldii	4	0.03	3.01	Subdominant
5	Java Pipistrelle	Pipistrellus javanicus	39	0.29	29.32	Dominant
6	Sambar Deer	Rusa unicolor	33	0.23	17.29	Dominant
7	Long-tailed Macaque	Macaca fascicularis	27	0.20	19.03	Dominant
8	Field Rat	Rattus exulans	1	0.01	3.27	Non-Dominant



# Product Stewardship

PUSRI integrates sustainability criteria across the entire lifecycle of its products, including Urea and DEF, from raw material selection to end of life. Raw materials are managed to reduce water, energy and material use, increase renewable inputs and limit hazardous substances in line with industry standards. In production and manufacturing, the company works to minimise emissions, energy consumption, water use and waste, while distribution, storage and transportation emphasise safety, eco friendly packaging and reduced environmental impact. Products are designed to deliver energy, water and material savings during use, with durability and recoverability that support reuse, biodegradability and a circular economy.

Life Cycle Assessment (LCA) is applied to products such as Urea and Ammonia to quantify environmental impacts from raw material extraction to disposal, including resource use, ecological impacts and human health aspects. Results are disclosed in the Sustainability Report 2024 and LCA Executive Summary and guide improvements in energy efficiency, waste management and emissions reduction across the value chain. A risk assessment process covering 100 percent of the product portfolio evaluates potential risks according to frameworks such as REACH and POPs criteria and confirms that products, including ammonia and urea, do not contain substances classified as hazardous. Continuous monitoring and public disclosure demonstrate compliance with environmental and health safety standards.

PUSRI's environmental strategy promotes renewable raw materials, particularly water and biomass (sawdust) used in boiler systems to reduce reliance on fossil fuels. In 2024 the company plans to use 1.55 percent renewable raw materials in production, including 14,616,240 m<sup>3</sup> of water and 50,000 tons of sawdust, alongside 927,871,669,120 m<sup>3</sup> of natural gas. Sustainable revenue is mainly generated from Urea, both subsidised and commercial. From 2020 to 2024, total urea sales grew from IDR 9,429 billion to IDR 9,804 billion, a CAGR of 4.84 percent, while commercial urea declined from IDR 3,708 billion to IDR 2,893 billion, with a negative CAGR of 6.02 percent, indicating a strong position in the subsidised urea market despite weaker commercial performance.





## Inclusive Workplace & Social Performance



# Labor Practices Management

PUSRI's commitment to responsible labor practices is anchored in the Collective Labor Agreement (PKB) between the company and the labor union, which is regularly reviewed and updated. The PKB provides a binding framework that regulates employees' rights, equal treatment, occupational health and safety, remuneration and benefits, working hours, grievance mechanisms, and dispute resolution. Through this agreement, PUSRI guarantees freedom of association and the right to collective bargaining, ensures compliance with national labor regulations, and promotes transparent, fair, and constructive industrial relations based on social dialogue and high standards of employee welfare. The company's labor practices policy covers key aspects such as payment of a living wage, prevention of excessive overtime through clear limits on working hours, equal remuneration for men and women, fulfillment of annual leave rights, and minimum consultation or notice periods before any mass termination. This commitment applies not only to PUSRI's own operations but also to contractors and partners along the supply chain, ensuring that responsible labor standards are applied consistently across the broader business ecosystem.

Implementation of these commitments is supported by structured labor management programs led by Human Capital Management. This function oversees human resource development using a suite of HR tools that include a competency dictionary, job competency requirements, competency assessments with qualified institutions, a Learning Experience Platform, a Knowledge Management system, and a Human Capital Management System (HCMS). These tools enable more objective competency assessments and targeted people development that is aligned with employees' career interests and capabilities. PUSRI also implements Holding policies under the Pupuk Indonesia Group Human Capital

Management Grand Strategy and Roadmap 2022–2027, including the use of a single HR platform, PI SMART, to harmonize HR processes across the Group. PI SMART is used for performance measurement, SOE standard CV data management, and tracking employee participation in corporate social activities, and it supports competency based career movement and Talent Mobility programs across the Group. For learning and development, PUSRI applies the 70–20–10 approach, consisting of 70% experiential learning, 20 percent social learning, and 10% formal learning. This approach is delivered through training and certification, mentoring and coaching, special assignments, project based work, and other on the job development mechanisms. These interventions are designed to ensure that employees continuously upgrade their skills and remain adaptive to industrial and climate related transitions.

In terms of welfare and protection, PUSRI operates programs to ensure that wages meet or exceed cost of living estimates and relevant benchmarks. The company monitors working hours, including overtime, ensures that overtime pay complies with regulations, and encourages employees to use their paid annual leave. PUSRI regularly engages with workers' representatives on working conditions, monitors the gender pay gap to secure equal pay for men and women, and expands social protection coverage beyond public programs. Training and reskilling initiatives are provided to mitigate the negative impacts of industrial change and climate transition on workers. Through this integrated system of policies, tools, and programs, PUSRI promotes fair, safe, and sustainable labor practices while supporting business competitiveness and long term sustainability.



# Discriminations & Harassment

PUSRI has a written group-wide policy on non-discrimination and anti-harassment, published through the Company's Code of Conduct and Sustainability Report. This policy contains an explicit prohibition of all forms of harassment, both sexual and non-sexual, and establishes a zero-tolerance principle toward discriminatory practices in the workplace. To support implementation, PUSRI conducts regular training for all employees on the prevention of discrimination and harassment, provides clear and specific reporting and escalation mechanisms, and sets corrective and disciplinary sanctions for perpetrators of discriminatory behavior or harassment.

In human capital management, PUSRI places individual performance as the primary factor in employee assessment. The Company does not differentiate remuneration packages based on gender. Male and female employees receive equal remuneration (1:1 ratio) according to their job levels and responsibilities. Any differences in compensation may only arise from variations in performance evaluation results and competencies. This policy is aligned with Law No. 13 of 2003 on Manpower, Law No. 11 of 2020 on Job Creation, and Law No. 21 of 1999 on the Ratification of ILO Convention No. 111/1958 concerning Discrimination in Respect of Employment and Occupation. Its implementation is also consistent with ILO Convention No. 100/1951 on Equal Remuneration for Men and Women Workers for Work of Equal Value, as well as the Guidelines on Equality and Non-Discrimination in the Workplace in Indonesia issued by the Ministry of Manpower. PUSRI highly values ethnic, religious, racial, and social diversity within the organization. This commitment is reflected in the Company's openness in recruitment, promotion, and employee transfers, all of which are based on performance evaluation and individual talent. The main metric in assessing employees at PUSRI is individual performance. With this commitment, no incidents of discrimination were recorded during the reporting period and no remediation actions were required. These policies and practices form a solid foundation for creating a safe, inclusive, and equitable work environment for all PUSRI employees.



# Workforce Management



PUSRI systematically monitors workforce diversity with data coverage of more than 75% of FTEs and discloses the results in the Sustainability Report, ESG Strategy Book, and ESG Dashboard. Women represent around 9% of the total workforce, and the company has set a public target at the same level for 2024. At the managerial level, female representation is still limited and therefore becomes a key focus of talent development. Women hold about 12.16% of total management positions (junior, middle, and top), against a target of 12% in 2024. At the junior management level (Echelon V), women account for only 1.81% of positions, compared with a 1% target, which highlights the need to further strengthen the female talent pipeline in technical and operational roles. In contrast, women's representation in top management (a maximum of two levels below the President Director) has reached 22.43% versus a 22% target, indicating gradual progress in women's access to strategic decision making roles even though leadership remains male dominated, in line with broader patterns in the fertilizer and petrochemical industry.

PUSRI also tracks and sets targets for women's representation in critical business and technical functions. Women occupy about 5% of management positions in revenue generating functions such as sales, in line with the 5% target, and hold 40% of positions related to STEM, matching the 40% target for 2024. The establishment of clear indicators and public targets at these levels reflects the company's commitment to equal employment opportunities and

to strengthening the role of women in both commercial and technical functions. Through regular monitoring and transparent disclosure of gender indicators, PUSRI aims to drive continuous improvement in gender diversity across all organizational levels.

In addition to gender, PUSRI monitors and reports the breakdown of its workforce by race, ethnicity, and nationality as part of its broader diversity management. All employees fall within the "Asian" ethnic category with the category name "Indonesian," resulting in 100% of the workforce and 100% of managerial positions (junior, middle, and senior) coming from the same ethnic and national group. While this composition reflects the company's operating context in Indonesia, it also underscores the importance of ensuring that opportunities and treatment remain equitable for all employees within that single dominant category.

Despite the dominance of a single ethnic group and the remaining gender imbalance, PUSRI reaffirms its commitment to equal employment opportunity without discrimination based on race, ethnicity, nationality, or gender. Recruitment, promotion, and placement decisions are made on the basis of competence and performance, in line with the company's anti discrimination policy and applicable labor regulations in Indonesia. This integrated approach to monitoring, target setting, and fair employment practices positions diversity and inclusion as an integral part of PUSRI's sustainability strategy and corporate governance.

# Gender Pay

PUSRI actively monitors and discloses the results of its gender equal pay analysis, covering more than 75% of FTEs and using Indonesian Rupiah as the reporting currency. Monitoring is carried out across all employee levels, from executive and management to non-management, for both base salary only and base salary combined with other cash incentives. The analysis shows that the average salaries of female and male employees at each level are broadly comparable, confirming the application of the “equal pay for equal work” principle throughout the organization. The results are reported periodically in the Sustainability Report and other supporting documents as a form of transparency to stakeholders.

To support its vision, mission, and strategy, PUSRI has established a set of employee rights aimed at attracting, retaining, motivating, and strengthening employee engagement. The company periodically reviews its compensation practices to enhance employee welfare in line with demographic dynamics, the company’s capacity to bear labor costs, improved competitiveness, and the achievement of corporate objectives. The salary and benefit structure complies with the applicable Provincial/Regency/City Minimum Wage (UMP/K) regulations across all PUSRI work units and follows the provisions of the Ministry of Manpower and Transmigration, including all prevailing wage requirements.

All HR management policies, welfare programs, and employee facilities are governed by the 2023–2025 Collective Labor Agreement (PKB), which was enacted on 27 July 2023. Payroll policies and guidelines are further stipulated in Decree SK/DIR/353/2023 dated 27 September 2023 on Salary Regulations. The company’s compensation system takes into account several factors, including the inflation rate, the company’s financial condition, consistency of remuneration practices, and the ability to recognize employees who deliver significant contributions or outstanding performance. The ratio between the highest and lowest salaries is also monitored and reported, with employees at the Senior Vice President level (Echelon I) receiving the highest pay and employees at the Staff level (Echelon VII) receiving the lowest. This approach ensures that PUSRI’s remuneration structure remains competitive, fair, and aligned with principles of sustainable labor governance.

Currency: IDR – Rupiah

Employee Level	Average Women Salary	Average Men Salary
<b>Executive level (base salary only)</b>	16,369,220	16,916,590
<b>Executive level (base salary + other cash incentives)</b>	287,004,959	296,809,941
<b>Management level (base salary only)</b>	16,097,831	16,482,861
<b>Management level (base salary + other cash incentives)</b>	287,942,150	290,550,193
<b>Non-management level (base salary only)</b>	8,054,841	8,020,342



# Freedom of Association

PUSRI's commitment to respecting human rights is formally set out in its Human Rights Policy (HAM), which applies across all company entities and is disclosed through corporate documents. This policy is reinforced by Board of Directors Decrees, including SK/DIR/378/2022 on the Respectful Workplace Policy and SK/DIR/464/2023 on the Guidelines for Implementing the Respectful Workplace Policy. Through these instruments, PUSRI commits to creating a safe, inclusive, and respectful work environment that protects human dignity, promotes mutual respect, and is free from discrimination, exclusion, bullying, harassment, and all forms of physical and non-physical violence.

Substantively, PUSRI's Human Rights Policy contains a clear statement of commitment to respect human rights in line with internationally recognized standards and to prevent major human rights violations. PUSRI explicitly rejects and seeks to prevent human trafficking, forced labor, child labor, violations of freedom of association, restrictions on the right to

collective bargaining, and all forms of discrimination in the workplace. The policy also sets out the company's obligation to provide accessible and safe mechanisms for reporting and handling grievances. The scope of the human rights policy covers all of PUSRI's internal operations, including employees, direct operational activities, products, and services. In addition, the policy establishes expectations and requirements for suppliers and business partners to conduct practices that are aligned with PUSRI's human rights principles. As a result, respect for human rights is not only embedded in the company's internal governance, but is also integrated into its supply chain and strategic partnerships. Through public disclosure of this policy and its implementation, PUSRI demonstrates its commitment to making respect for human rights a core pillar of its sustainability and corporate social responsibility.

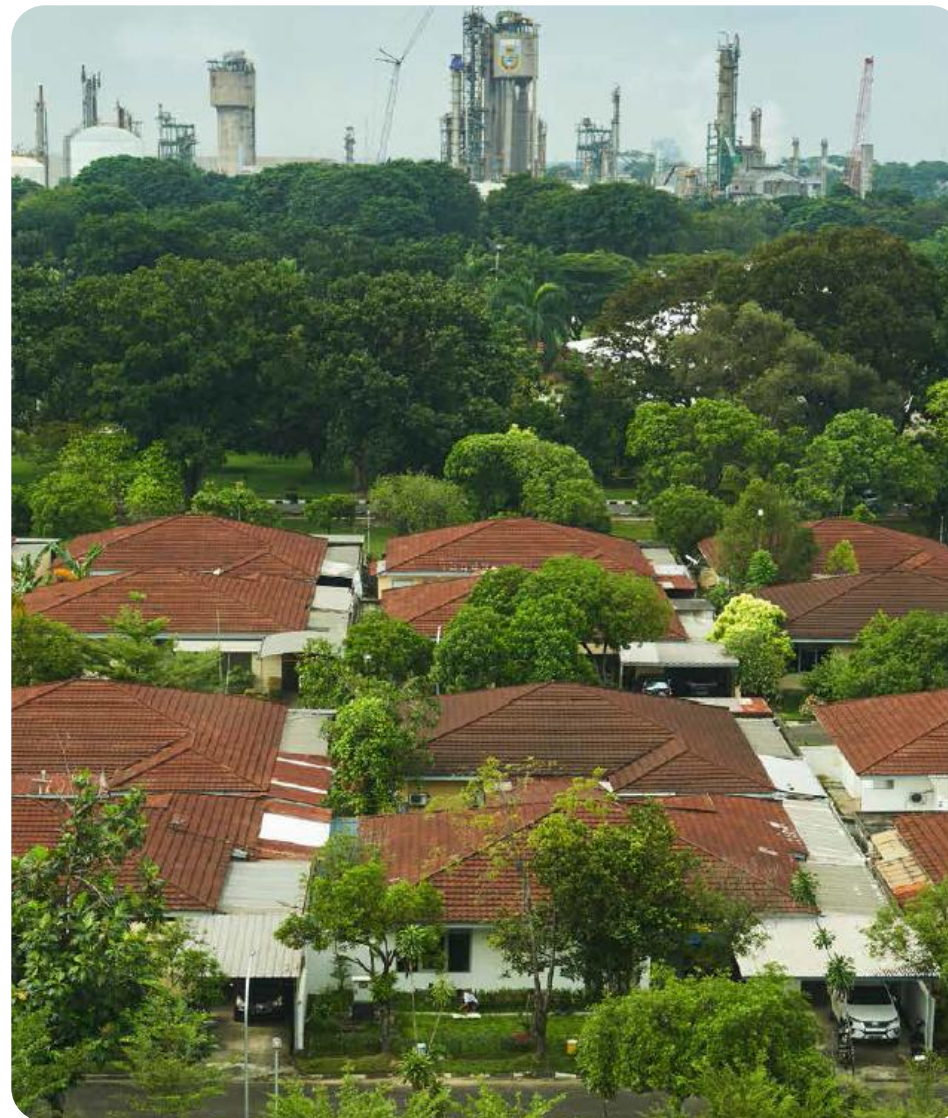


# Human Rights

PUSRI's commitment to human rights is set out in its Human Rights Policy, which applies to all entities and is reinforced by Board of Directors Decrees SKDIR/378/2022 on the Respectful Workplace Policy and SK/DIR/464/2023 on its implementation. Together they commit the company to a safe, inclusive and respectful work environment that is free from discrimination, bullying, harassment and all forms of violence. The policy aligns with international human rights standards, explicitly prohibits human trafficking, forced and child labour, violations of freedom of association and collective bargaining, and any workplace discrimination, and requires accessible and safe grievance mechanisms. It covers all internal operations, products and services and sets expectations for suppliers and business partners to apply consistent human rights practices.

To operationalise this commitment, PUSRI runs a structured Human Rights Due Diligence process, reported through the Code of Conduct and Sustainability Report and integrated into governance and compliance. The Pupuk Indonesia Whistleblowing System serves as the main mechanism for reporting alleged violations, providing a confidential, non-retaliatory channel for employees, partners and other stakeholders. HRDD covers identification and management of human rights risks in operations, the value chain and new business relationships, with periodic reviews of risk mapping. Priority issues include forced and child labour, human trafficking, freedom of association, collective bargaining, discrimination and related concerns, with particular attention to vulnerable groups such as employees, women, children, Indigenous peoples, migrant and third party workers and local communities. Over the past three years PUSRI has conducted Human Rights Assessments across 100 percent of operational activities, with all identified risks followed up through documented mitigation plans.

The main assessment tool is the annual Employee Experience Survey, which captures employee perceptions on fairness, non-discrimination, occupational health and safety, wellbeing, leadership and career opportunities in line with labour related human rights principles. In 2024 the survey was completed by 1,350 respondents (114 percent of target) and produced an overall score of 83.73 percent (Very Good). Results are reported to management and translated into action plans to improve labour policies, welfare programmes and leadership capability. Combined with the whistleblowing system and human rights risk mapping, this survey strengthens PUSRI's Human Rights Due Diligence framework and ensures that respect for human rights is embedded in governance and day to day business operations.





# Human Capital Management

PUSRI places employee capability development as a strategic priority to support business transformation and long term corporate sustainability. In 2024, training data covered more than 75% of total global FTEs, with an average of 61.3 training and development hours per FTE. The company invested an average of approximately IDR 415.98 thousand per FTE in learning activities, reflecting a strong commitment to continuously enhancing workforce competencies and maintaining competitiveness in the fertilizer and petrochemical industry.

Training in 2024 was structured to address competency needs across all organizational levels. The portfolio consisted of:

1. Managerial and Leadership Training for Echelon I–III officials, focusing on both soft and hard leadership and managerial competencies.
2. Core Competency (KI) Training and Certification for technical capabilities in core production processes.
3. Supporting Competency (KP) Training and Certification for non production functions such as HR, legal, procurement, finance, internal audit, engineering, corporate governance, and corporate planning.
4. Pre Retirement Training to equip employees with knowledge and mental readiness before retirement.
5. Talent Development Training to accelerate the development of talents identified by PT Pupuk Indonesia.

Total training implementation in 2024 reached 16,328 mandays (excluding Internship/Research Supervisors), with an average of about 73 learning hours per employee per year. Training data are analyzed and disclosed by age group, gender, management level (junior, middle, and senior or top), racial or ethnic or national background, and type of training. This enables PUSRI to monitor equal access to competency development, identify gaps, and design targeted interventions, ensuring that learning investments are aligned with the company's sustainability agenda and long term strategy.

Employee development policies and programs are governed by Director's Decree SK/DIR/156/2016 on Employee Rotation, Transfer, and Promotion, and SK/DIR/407/2022 on the Implementation of Human Capital Guidelines and Procedures of PT Pupuk Indonesia (Persero) at PT Pupuk Sriwidjaja Palembang. Implementation is overseen by the Position

Committee and the Human Capital Development Committee. New employees join a Management Trainee onboarding program that introduces PUSRI's entire business process and reinforces corporate values and culture. Their competencies are then assessed through a structured competency assessment to evaluate intellectual potential, leadership capability, and soft skills, which become the basis for career development and promotion decisions. To support continuous development, PUSRI provides internal and external learning methods such as coaching or mentoring and network based learning through teams and employee communities. The main development programs include leadership development, corporate culture education, transition programs for employees approaching retirement or separation, and digital transition programs that prepare employees for technological transformation. These programs are designed to link individual competency enhancement with business needs and corporate performance targets. Talent management is a key pillar of these efforts. Through the Talent Management program supported by the Human Capital Management System, PUSRI identifies and develops talents at Echelon I–IV. In 2024, 350 employees were categorized as talent, consisting of 254 on the talent longlist and 96 on the talent shortlist, equivalent to around 19.53% of total employees. In the same year, 479 employees were promoted, representing 26.72% of the 1,792 employees. These figures indicate that rotation, promotion, and career development mechanisms are active and well structured, while demonstrating PUSRI's commitment to fair development opportunities and a strong pipeline of future leaders.

PUSRI also monitors the effectiveness of its human capital investments through the Human Capital Return on Investment (HC ROI) indicator, which is publicly reported. For the 2021–2024 period, the company discloses total revenue, total operating expenses, and total employee related expenses as the basis for calculating HC ROI. The resulting HC ROI values were around 3.36 in 2021, rising to 5.17 in 2022, then reaching approximately 2.99 in 2023 and 2.81 in 2024. These results show that human capital programs continue to generate positive returns, although they fluctuate in line with changes in revenue and operating costs. Management uses HC ROI to monitor the efficiency of workforce programs such as training, career development, and remuneration, and to guide HR budget allocation so that investments remain aligned with business strategy and long term performance improvement.



Currency: IDR – Rupiah

Metric	2021	2022	2023	2024
Total Revenue (IDR)	12,481,000,000	15,787,490,000	13,371,676,000	13,532,865,000
Total Operating Expenses (IDR)	10,542,380,000	11,593,141,000	11,394,135,000	12,008,521,000
Total Employee-related Expenses (IDR)	821,964,000,000	1,005,337,000,000	994,375,000,000	841,766,000,000
Resulting HC ROI	3.35852	5.17208	2.98873	2.81089

PUSRI's recruitment policies and practices are designed to support medium-term workforce planning and organizational efficiency. The recruitment strategy is regulated through Decree SK/DIR/526/2021 on Recruitment Guidelines for Prospective Employees of PT Pusri Palembang, which sets out two main channels: external recruitment and internal recruitment through promotion, rotation, or transfer. The 2023–2027 Manpower Planning and Recruitment Strategy also stipulates that the number of employees recruited externally must not exceed 70% of the number of employees retiring in the same year. In principle, workforce needs can be met through: (1) general open recruitment via mass media and online platforms; (2) recruitment roadshows to universities and specialized vocational institutions; (3) joint recruitment with the PT Pupuk Indonesia (Persero) Group; and (4) the State-Owned Enterprises Joint Recruitment (RBB) program coordinated by the Ministry of SOEs.

In practice, from 2021 to 2024 PUSRI did not conduct any new employee recruitment, so all staffing needs were met through internal optimization. Vacant positions were filled primarily through promotion and internal mobility programs, which collectively reflect the company's strong commitment to employee career development. In 2022, 404 employees were promoted, representing around 22% of the total workforce of 1,818 employees. In 2023, the number of promoted employees increased to 486 people, or 26.7% of 1,823 employees. In 2024, promotions were granted to 479 employees, or 26.72% of the total 1,792 employees. These figures illustrate that most vacancies were filled by internal candidates, which at group level is reflected in the indicator "percentage of open positions filled by internal candidates." This approach is consistent with the company's efficiency strategy and organizational transformation agenda, where workforce needs are addressed through reskilling, upskilling, and internal mobility rather than expanding headcount. PUSRI also monitors workforce composition and movement by age group, gender, and management level to ensure that promotion and position-filling processes are fair and non-discriminatory. These data are disclosed regularly in the Sustainability Report and are used to evaluate the effectiveness of career development, succession, and workforce planning programs. Through a combination of prudent recruitment policies, strong internal promotion, and measurable workforce monitoring, PUSRI seeks to ensure adequate talent availability while safeguarding business continuity and employee welfare.

Indicator	2021	2022	2023	2024
Total number of new employee hires	0	0	0	0
Percentage of open positions filled by internal candidates <sup>1</sup>	561	404	479	374
Average hiring cost/FTE (IDR)	100	100	100	100

PUSRI monitors and discloses its employee turnover rate as part of responsible human capital management. Over the past four years, the company has reported both total turnover and voluntary turnover as a percentage of total employees, with data coverage reaching 100% of global FTEs. The total turnover rate was 3.75% in 2021, 1.65% in 2022, 0.89% in 2023, and increased to 1.62% in 2024. Meanwhile, the voluntary turnover rate was 3.80% in 2021, 2.70% in 2022, 0.78% in 2023, and 1.56% in 2024. These figures are disclosed through the Sustainability Report and ESG Dashboard, enabling stakeholders to monitor employee retention trends over time. In addition, PUSRI breaks down turnover data by age group, gender, and management level (junior, middle, and senior/top management) to identify patterns and specific risk areas that require managerial intervention.

In 2024, in addition to not recruiting new employees, PUSRI also terminated employment relationships with several employees for various reasons, including normal retirement, death, resignation, and other legitimate causes. In total, 29 employees out of a workforce of 1,790 left during the reporting year, resulting in a turnover rate of 1.62%, an increase from 0.89% in 2023. This information is used by management to evaluate the effectiveness of retention strategies, ensure the continuity of the company's core competencies, and balance efficiency needs with long term workforce stability.

Indicator	Unit	2021	2022	2023
Total employee turnover rate	% of FTEs	3.75	1.65	0.89
Voluntary employee turnover rate	% of FTEs	3.80	2.70	0.78
Data coverage (as % of all FTEs globally)	% of FTEs	100.00	100.00	100.00

PUSRI integrates long term incentive programs into its total remuneration system for employees below the senior management level. These programs take the form of performance based cash incentives linked to multi year achievement of individual, unit, and corporate targets. The scheme is regulated in the collective labor agreement and remuneration policies, which clearly stipulate eligibility criteria, assessment mechanisms, and payment timing. Long term incentives are generally paid after a two year performance cycle to encourage consistent performance and long term commitment to the company. The program covers almost all employees up to two levels below the President Director, reaching around 93.4 percent of employees at those levels. Assessment criteria combine financial and non financial indicators, including productivity, discipline, adherence to governance and procedures, as well as occupational health and safety. In line with PUSRI's sustainability agenda, the scorecard also begins to incorporate indicators such as compliance with HSE standards, resource efficiency, and contributions to ESG initiatives, so that long term incentives drive both business results and sustainability oriented behavior. To safeguard physical and mental health and support family wellbeing, PUSRI provides a comprehensive suite of employee support programs. The company creates a conducive work environment through sports, arts, and worship facilities, including a mosque that is open to all employees and functions as a hub for religious activities. Additional facilities include a gym, badminton court, sports hall, basketball court, and swimming pool. Regular health seminars and exercise sessions are held every Friday, complemented by annual medical check ups for employees and their spouses. Workplace stress management initiatives and sport and health campaigns further encourage a healthy lifestyle.

Work arrangements are designed to support work life balance through flexible working hours, work from home schemes, and part time options, adjusted to operational requirements. Family benefits include childcare facilities or support, breastfeeding and lactation rooms, and paid parental leave. Female employees receive three months of maternity leave, divided into one and a half months before and one and a half months after childbirth, while male employees are entitled to three days of paternity leave. Beyond parental leave, employees can take paid family or care leave to look after children, spouses, parents, or other family members with specific physical or mental health conditions. In 2024, eight female employees took maternity leave, seven of whom (87.50 percent) returned to work, and all 155 female employees who took any form of leave remained employed 12 months after returning. In the same year, 116 male employees took paternity leave and all returned to work, while all 1,629 male employees who took leave also remained employed 12 months after their leave. These outcomes indicate that PUSRI's support programs are effective in maintaining work life balance, strengthening loyalty, and sustaining long term employment relationships.

Performance is managed through a structured system that combines individual and team based appraisals. PUSRI applies a management by objectives approach in which employees' achievements are measured against work targets and KPIs agreed between supervisors and subordinates. This is complemented by multidimensional performance appraisal in the form of 360 degree feedback that covers behavioral and competency aspects assessed by supervisors, subordinates, peers, and customers. Team based appraisal and agile conversations encourage continuous dialogue on performance throughout the year. The appraisal process incorporates an annual competency profile evaluation that assesses integrity, resilience under pressure, motivation, technical mastery, and other work behaviors relevant to each role. Results are linked to decisions on career development, training, and incentive allocation. In 2024, PUSRI implemented an employee assessment program with a third party for 143 employees across Echelon I to V and staff as part of succession planning and talent pool strengthening. Performance appraisals are conducted at least twice a year, covering target setting at the beginning of the period, a mid year review to monitor progress and adjust targets where necessary, and a year end review to confirm final results. This cycle ensures alignment between individual performance and business strategy while providing room for constructive discussion about expectations, challenges, and development plans.

Employee satisfaction and wellbeing are monitored through an annual Employee Experience Survey. The main indicator is Employee Satisfaction, measured as the percentage of employees with the highest levels of engagement, work experience, and wellbeing. Scores show a positive trend, from 74 percent in 2021 and 73 percent in 2022 to 82.68 percent in 2023 and 83.73 percent in 2024, approaching the 2024 target of 90 percent. Participation rates have increased from around 23.19 percent in 2021 and 22 percent in 2022 to 71.38 percent in 2023 and 75 percent in 2024. The survey uses an Employee Experience framework that evaluates seven core elements: Meaningful Work, Strong Management, Positive Workplace, Health and Wellbeing, Growth Opportunity, Trust in the Organization, and Technology and Service. These dimensions provide a holistic picture of employees' perceptions of their work environment, managerial support, career development, health and safety, organizational trust, and access to enabling digital tools. The survey also tracks key wellbeing metrics such as job satisfaction, sense of purpose at work, happiness at work, and levels of stress. Results are analyzed annually to identify priority improvement areas, design targeted HR interventions, and reinforce PUSRI's commitment to a supportive, safe, and empowering workplace for all employees.

Core Focus		Unit	2021	2022	2023	2024
Employee satisfaction	% of employees with top level of engagement, satisfaction, wellbeing, or employee net promoter score (eNPS)		74.00	73.00	82.68	83.73
Data coverage	% of employees who responded to the survey		23.19	22.00	71.38	75.00



# Occupational Health & Safety



PUSRI's Occupational Health and Safety (OHS) Policy is formally established as part of the company's governance framework and is enforced across all business activities. The policy aims to achieve high productivity while prioritizing the prevention and mitigation of risks such as accidents, fires, explosions, and the release of hazardous toxic substances. It applies to all Pupuk Sriwidjaja Palembang employees as well as all parties involved in the company's operations, including raw material suppliers and distribution service providers within PUSRI's supply chain. The policy is designed and implemented with reference to national and international standards, including Government Regulation No. 50 of 2012, ISO 45001:2018, and other applicable OHS laws and regulations.

The OHS Policy covers the company's entire operations, employees, contractors, and individuals under PUSRI's supervision. The company is committed to complying with all relevant standards, regulations, voluntary programs, and collective agreements related to OHS. Policy formulation and implementation involve consultation and participation of workers and, where

present, workers' representatives to ensure that operational perspectives are reflected in risk management. PUSRI continually improves the performance of its OHS management system through prioritization, action planning, and regular evaluation, supported by quantitative targets such as reducing workplace accidents and increasing compliance with OHS procedures. The policy is formally endorsed by the Board of Directors and Executive Management, positioning OHS as a strategic agenda that must be implemented at all organizational levels and forming a foundation for operational sustainability and stakeholder trust. Operationally, PUSRI manages OHS through structured and documented programs. Comprehensive risk and hazard assessments are carried out in all work areas to identify potential sources of danger that could cause accidents or health problems. The assessment results are translated into action plans with clear quantitative targets, which guide risk-handling priorities and resource allocation. Emergency response procedures, including evacuation protocols, coordination with external parties, and the provision of appropriate equipment and facilities, are integrated into these programs to ensure readiness for crisis situations.

Implementation of the OHS program is monitored through regular evaluations of progress against established targets. PUSRI conducts routine internal inspections and allows external verification of its health, safety, and wellbeing performance by referring to standards such as ISO 45001. The company has formal procedures for investigating work accidents, occupational diseases, and other incidents, which are used to formulate systemic improvement recommendations. To strengthen its safety culture, PUSRI provides OHS training for employees and relevant external parties, increases risk awareness, and seeks to reduce operational incident rates. OHS criteria are also embedded in procurement processes and contractual requirements for suppliers and business partners.

Beyond the workplace, PUSRI manages impacts related to Public Health and Worker Health. The company collaborates with local hospitals and health centers (Puskesmas) to prevent and control the spread of diseases, provides regular health check-ups for employees and surrounding communities, and establishes clear regulations on the use and provision of Personal Protective Equipment (PPE). PUSRI also manages the surrounding environment to prevent pollution, provides health insurance for employees, and supports the availability of healthcare facilities that can be accessed by workers and nearby communities. Through these initiatives, health and safety considerations are integrated into daily operations and generate tangible benefits for both employees and society. As a result of this comprehensive approach, PUSRI has consistently maintained a zero fatality record for both employees and contractors. During the 2021–2024 period, the company did not record any work-related fatalities, either in internal operations or across contractor activities within the supply chain. This achievement, reported regularly in the Sustainability Report and ESG Strategy Book, is compiled and disclosed with reference to applicable national and international safety standards. PUSRI's OHS data for the most recent financial year have also been verified by an independent third party, reinforcing the credibility of the reported zero fatalities. Through transparent reporting and external verification, PUSRI demonstrates that the absence of fatalities is the outcome of effective OHS management systems, a strong safety culture, and rigorous oversight of all operational and contractual activities.

Category	Unit	2021	2022	2023	2024
Employees	Number of cases	0.00	0.00	0.00	0.00
Contractors	Number of cases	0.00	0.00	0.00	0.00

PUSRI positions Occupational Health and Safety (OHS) as one of the main focuses in its operational management. The company regularly reports the Lost Time Injury Frequency Rate (LTIFR) for employees, expressed as lost time incidents per 1 million hours worked, with data coverage reaching 100 percent of company operations for the 2021–2024 period. Over these four years, the recorded LTIFR value was 0, which means there were no work accidents resulting in lost workdays across all PUSRI operational activities.

This commitment is supported by the consistent implementation of the Occupational Health and Safety Management System (SMK3) and OHS policies that are integrated into business processes. In 2024, PUSRI recorded a total of 105,838,233.6 safe work hours, an increase compared with 97,396,433.5 safe work hours in 2023. This incident-free performance demonstrates that PUSRI's OHS programs are effective in preventing accidents, maintaining productivity, and protecting the safety of all employees in the workplace.

PUSRI is committed to making Occupational Health and Safety (OHS) a top priority not only for employees but also for all contractors involved in its operational activities. All work activities are designed to be carried out safely, effectively, and efficiently, and to be free from work-related accidents so that the productivity of both internal and external workers can be maintained at a high level. This commitment is realized through the consistent implementation of the Occupational Health and Safety Management System (SMK3) across all PUSRI work areas. As part of contractor OHS performance management, PUSRI regularly monitors and reports the Lost Time Injury Frequency Rate (LTIFR) for contractors, with data coverage of 100% of total contractor work hours. Measurements are conducted using LTIFR indicators (lost time injuries per 1,000,000 work hours) and LTIR (lost time injuries per 200,000 work hours), providing a comprehensive view of accident risks that result in lost work time. For the 2021 to 2024 period, the LTIFR for contractors was recorded at zero incidents, indicating the absence of work accidents that caused loss of workdays among service providers working for PUSRI. This performance is aligned with the company's achievement of continuously improving safe work hours. In 2024, PUSRI recorded a total of 105,838,233.6 safe work hours, an increase compared to 97,396,433.5 safe work hours in 2023. These results demonstrate that PUSRI's OHS policies, including strengthened safety standards for contractors, are effective in preventing accidents and in supporting the creation of a safe working environment for all parties across the company's value chain.

LTIFR	Unit	2021	2022	2023	2024
Employees	LTIFR (lost time injuries / 1 million hours worked); LTIR (lost time injuries / 200,000 hours worked)	0.00	0.00	0.00	0.00
Contractors	LTIFR (lost time injuries / 1 million hours worked)LTIR (lost time injuries / 200,000 hours worked)	0.00	0.00	0.00	0.00

# Customer Relations

PUSRI consistently monitors and manages customer satisfaction as one of the company's key sustainability performance indicators. Measurement is carried out through a Customer Satisfaction and Loyalty Survey coordinated with its parent company, PT Pupuk Indonesia, and covers users of both subsidized and non-subsidized fertilizers. The methodology used is the percentage of customers who state that they are satisfied with PUSRI's products and services, so the survey results directly reflect customer acceptance of and trust in the company. The measurement results show a very high and relatively stable level of satisfaction. In 2021, the customer satisfaction level was recorded at 87.89%, increasing to 97.95% in 2022. In 2023, the figure stood at 94.63% and then increased again to 97.25% in 2024. All of these data points cover 100% of respondents within the survey scope, so they can be considered representative of PUSRI's customer base. The survey findings are used as the basis for continuous improvement in product quality, distribution reliability, after-sales service, and the quality of communication with customers and distribution partners. Survey results and follow-up actions are reported regularly through the Sustainability Report, customer satisfaction survey report, and the ESG Strategy Book. This approach ensures that the voice of the customer is integrated into business decision-making and becomes one of the main foundations for strengthening PUSRI's competitiveness in the national fertilizer market.

Satisfaction measurement	Unit	2021	2022	2023	2024
Satisfaction measurement	Satisfaction measurement methodology: Percentage of satisfied customers	87.89	97.95	94.63	97.25



Customer Satisfaction and Loyalty Survey



# Stakeholder Engagement

PUSRI has developed a structured stakeholder engagement program supported by a dedicated Stakeholder Engagement Report that is attached as evidence. The study systematically maps all relevant stakeholders along the value chain, from upstream, operations, to downstream, and analyzes the type of relationship, influence, expectations, and potential collaboration with PT Pupuk Sriwidjaja. The report describes the company's business processes and associated stakeholder groups, assesses stakeholder needs, impacts, and concerns as the basis for local impact assessments and grievance handling, and identifies communication and partnership mechanisms while providing recommendations aligned with the sustainable development goals. The results of this mapping form the overarching framework that addresses the elements requested in this question and guide the planning of more meaningful and long term community and stakeholder programs across all PUSRI operations.

In designing and implementing sustainability programs, PUSRI first identifies its stakeholders, analyzes their expectations, determines priority sustainability topics, selects aligned programs, and maps the form of involvement of each party according to available resources. This process uses a research methodology that refers to the AA1000 Stakeholder Engagement Standard (AA1000SES) and ISO 26000. Based on this identification, seven main stakeholder groups are recognized that influence or are influenced by PUSRI's sustainability initiatives, namely shareholders, employees, customers, ministries and government institutions, business partners, local communities, and the media. With each group, PUSRI conducts formal and informal meetings, including regular performance meetings and general meetings of shareholders with shareholders, monthly monitoring meetings with employees, and annual or thematic forums with other stakeholders. Feedback from these forums becomes an important input for setting strategies and work programs in the economic, environmental, and social dimensions.

To support inclusive engagement, PUSRI provides clear communication channels for local stakeholders, including face to face forums and electronic channels for employees through the company intranet portal so they can convey input directly to Management. The company also strengthens the capacity of local stakeholders through socialization and assistance

activities so that they can communicate and participate effectively. All complaints are managed and monitored through a formal grievance mechanism, including the whistleblowing system (WBS) for ethics and business conduct issues. During the reporting period, there were five complaints related to ethical violations and abuse of authority submitted through the WBS, all of which (100%) were communicated to the Board of Directors and followed up to resolution.

As part of the PT Pupuk Indonesia (Persero) group, a state owned enterprise, PUSRI implements social and community development programs through the Corporate Social Responsibility (CSR) Program and various social assistance initiatives. Program implementation refers to the Regulation of the Minister of SOEs Number PER-01/MBU/03/2023 on Special Assignments and Social and Environmental Responsibility Programs of SOEs. This commitment is reinforced by the establishment of a Community Development Policy and a Stakeholder Engagement Policy signed by the President Director, ensuring that all social and community partnership programs are aligned with stakeholder mapping results and local needs.

As a formal feedback mechanism, PUSRI also conducts an annual Community Satisfaction Index (IKM) survey to measure the level of satisfaction, expectations, and concerns of external stakeholders who directly interact with the company's services and operations, including communities, partners, and service users. The IKM report functions as a structured feedback tool that complements PUSRI's broader stakeholder engagement framework and provides measurable indicators of service quality, transparency, responsiveness, and community perceptions. Survey results are reviewed by management and integrated into continuous improvement plans, particularly for social programs, public service touchpoints, and community facing initiatives. This demonstrates that PUSRI not only maps stakeholders but also systematically measures their satisfaction, strengthens engagement strategies, enhances accountability, and ensures that company programs and decisions genuinely reflect stakeholder voices



Community Development Policy



Public Satisfaction Index



Stakeholder Engagement Policy



Stakeholder Engagement Report



## Governance, Transparency, and Responsible Business Conduct

# Transparency & Reporting

PUSRI openly discloses the reporting boundaries applied in its sustainability reporting. All activities that are fully consolidated for financial reporting purposes are included within the scope of ESG reporting, so the economic, environmental, and social performance presented reflects all business activities under PUSRI's control. The 2024 edition is the 14th publication of the Sustainability Report and covers the period from 1 January to 31 December 2024. In defining the scope and content of the report, PUSRI applies the principle of materiality to identify and discuss sustainability issues that are considered important for stakeholders and relevant to the company's operations. The report covers performance at the Head Office in Palembang, the Representative Office, and the company's single subsidiary, PT Pusri Agro Lestari, which operates in West Java. To uphold the principle of comparability, quantitative data are presented, where possible, for the last three years. The Sustainability Report is published annually in both Indonesian and English and is freely accessible and downloadable from the company's official website at <https://www.pusri.co.id>.

To ensure the credibility and transparency of its sustainability disclosures, PUSRI appoints an independent external assurance provider. Assurance of the 2024 Sustainability Report is carried out by PT Kharisma Integrasi Manajemen (KIM Consult), a licensed AA1000 assurance provider, as stated in Independent Assurance Statement No. 085/EXT/PUSRI-ASR/KIM/VII/2025. The engagement covers sustainability data up to 31 December 2024 and is conducted in accordance with the AA1000AS v3 standard, Type 2, with a moderate level of assurance. The assurance statement also includes a formal declaration of independence confirming that the assurance provider has no conflict of interest in delivering assurance services for PUSRI.

The scope of assurance covers two main areas: (1) an assessment of PUSRI's compliance with the AA1000 Accountability Principles (2018), which include stakeholder inclusivity, materiality, responsiveness, and completeness; and (2) verification of selected performance indicators aligned with the GRI Standards. These indicators include economic topics (defined benefit and post-employment benefit plans), environmental topics (energy consumption, energy intensity, and waste diverted from disposal), and social topics (average employee training hours). The assurance statement clearly specifies which environmental and social indicators and KPIs have been assured and provides an assurance conclusion in the form of a "moderate assurance" opinion. Through this practice, PUSRI demonstrates a strong commitment to accountable reporting, continuous improvement of ESG performance, and the provision of reliable information for all stakeholders.

At present, PUSRI has not yet reported its revenues, capital expenditure, and operating expenditure based on a specific sustainable activity reporting framework or sustainability taxonomy. This is because there is currently no regulatory requirement that explicitly mandates the application of a sustainability taxonomy for the fertilizer sector, nor any internal standard that requires the classification of revenues and investments into "green," "transition," or "non-eligible" categories. Nevertheless, PUSRI continues to monitor the development of sustainability taxonomy policies and initiatives at both national and international levels as input for future enhancements of its reporting system.



# Board Independence

PUSRI has a written and publicly available independence statement for the Board, which is presented through the Sustainability Report and other governance documents. This statement affirms that the Board of Commissioners carries out its supervisory and advisory functions independently, in line with the Articles of Association and applicable regulations. The board structure also includes Independent Commissioners who are appointed to ensure objective oversight and prevent conflicts of interest. The company emphasizes that each corporate organ, including the Board of Commissioners, the Board of Directors, and supporting committees, must perform its duties and responsibilities independently in accordance with the principles of Good Corporate Governance (GCG).

The commitment to independence and leadership integrity is reinforced through an Integrity Pact signed by all members of the Board of Directors. This document contains a formal declaration to support the implementation of GCG and the whistleblowing system, comply with the Code of Corporate Governance and the Code of Conduct, apply a proportional reward and punishment system, and adhere to all applicable laws and regulations. The Directors also commit to encouraging the signing of Integrity Pacts by business partners, upholding integrity principles with zero tolerance for fraud, implementing an Anti Bribery Management System based on SNI ISO 37001, protecting Company Confidential Information, and acknowledging that any breach of the Integrity Pact will result in sanctions in accordance with prevailing rules and regulations.

The independence and governance framework of the board is further strengthened through the Working Guidelines of the Board of Commissioners and Board of Directors (Board Manual/BM). This document defines “Pusri” as PT Pupuk Sriwidjaja Palembang, a subsidiary of PT Pupuk Indonesia (Persero) that upholds GCG principles as the primary basis for conducting its business processes. The Board Manual, which refers to the Articles of Association and applicable legal provisions, is a joint agreement between the Board of Commissioners and the Board of Directors in performing their fiduciary roles in accordance with prevailing laws and regulations. It is prepared with the following objectives:

1. To serve as a reference or guideline on the main duties and functions of the Board of Commissioners and the Board of Directors
2. To improve the quality and effectiveness of the working relationship between the Board of Commissioners and the Board of Directors
3. To implement the GCG principles of transparency, accountability, responsibility, independence, and fairness consistently in all Pusri activities
4. To facilitate the Board of Commissioners and the Board of Directors in understanding the provisions and laws and regulations related to their working procedures

To enhance the effectiveness of the implementation of the duties and authorities of the Board of Commissioners and the Board of Directors in fulfilling their obligations so that each Corporate Organ is protected from actions that may be categorized as piercing the corporate veil

Through this combination of independence statement, Integrity Pact, and Board Manual, PUSRI demonstrates a strong commitment to maintaining an impartial and transparent governance framework supported by independent board leadership.



Board Manual PUSRI



BOD Integrity Pact

# Board Type

PUSRI publicly discloses the board type and structure adopted by the company. PUSRI applies a two tier board system consisting of a Supervisory Board (Board of Commissioners) as the oversight body and a Management Board or Executive Management (Board of Directors) as the executive body. In one disclosure, the structure of the Board of Commissioners consists of 2 independent commissioners and 4 other non executive commissioners (with no employee representatives), while the Board of Directors consists of 3 senior executive directors, resulting in a total of 9 board members across both bodies. In another disclosure, PUSRI explains that the Board of Commissioners consists of 1 independent commissioner and 6 other non executive commissioners (with no employee representatives), while the Board of Directors comprises 4 senior executive directors with a total of 11 board members. All of these structures are communicated through the Annual Report, governance documents, and the company's official website as a form of transparency to stakeholders.

The distribution of roles and working relationships between the Board of Commissioners and the Board of Directors is regulated in detail in the Working Guidelines of the Board of Commissioners and the Board of Directors ("Board Manual" or "BM"). This document uses the term "Pusri," which is defined as PT Pupuk Sriwidjaja Palembang, one of the subsidiaries of PT Pupuk Indonesia (Persero) that upholds the implementation of Good Corporate Governance (GCG) principles. The Board Manual is one of the main GCG instruments that refers to the Articles of Association and applicable legal provisions and constitutes a joint agreement between the Board of Commissioners and the Board of Directors in carrying out their functions and roles as fiduciaries of the company. The Board Manual is prepared with the following objectives: (1) to serve as a reference and guideline on the main duties and functions of the Board of Commissioners and the Board of Directors; (2) to improve the quality and effectiveness of the working relationship between the two boards; (3) to implement the GCG principles of transparency, accountability, responsibility, independence, and fairness consistently in every activity within Pusri; (4) to facilitate the Boards in understanding the provisions of laws and regulations related to their working procedures; and (5) to enhance the effectiveness of the implementation of the duties and authorities of the Boards in fulfilling their obligations so that each corporate organ is protected from violations that may be categorized as piercing the corporate veil. Through the application of the two tier board system and the Board Manual, PUSRI reinforces its commitment to transparent, accountable, and independent corporate governance.

Category	Number of Members
<b>SUPERVISORY BOARD</b>	
Independent Directors	2
Other Non-Executive Directors	4
<b>Total Supervisory Board Size</b>	<b>6</b>
<b>MANAGEMENT BOARD / EXECUTIVE MANAGEMENT</b>	
Senior Executives	3
<b>Total Size of Both Boards</b>	<b>3</b>

# Non-Executive Chairperson/ Lead Director

PUSRI applies a two tier governance structure in which the Board of Commissioners as the Supervisory Board is clearly separated from the Board of Directors as the Management Board. Based on the 2024 Annual Report, the Board of Commissioners is chaired by Ms. Siti Nurizka Puteri Jaya, who serves as President Commissioner as well as Independent Commissioner. The President Commissioner is only a member of the Board of Commissioners, holds no executive function on the Board of Directors, and has no day to day management responsibility. The Chief Executive Officer position is carried out separately by the President Director. Accordingly, the company's board is led by a non executive and independent chairperson, so the appointment of a separate independent lead director is not required.

The allocation of roles and working relationship between the Board of Commissioners and the Board of Directors is set out in detail in the Working Guidelines of the Board of Commissioners and Board of Directors (Board Manual), which uses the term "Pusri" to refer to PT Pupuk Sriwidjaja Palembang. As a subsidiary of PT Pupuk Indonesia (Persero) that upholds the principles of Good Corporate Governance, Pusri affirms that the Board Manual is a GCG instrument that refers to the Articles of Association and applicable legal provisions and constitutes a joint agreement between the Board of Commissioners and the Board of Directors in carrying out their fiduciary functions. The document is prepared to serve as a reference for the main duties and functions of both boards, to enhance the quality and effectiveness of their working relationship, to implement the principles of transparency, accountability, responsibility, independence, and fairness throughout the company's activities, to help the boards understand laws and regulations related to their working procedures, and to ensure the effective exercise of their authorities and responsibilities so that each corporate organ is protected from potential violations that could be categorized as piercing the corporate veil.





# Board Diversity Policy



PUSRI has a formal board diversity policy that applies across all entities and is disclosed through the Annual Report, Sustainability Report, Board of Directors Guidelines, and the Company's Code of Corporate Governance. This policy explicitly requires that the nomination process for members of the Board of Commissioners and Board of Directors consider diversity factors, including gender, race or ethnicity, nationality, country of origin, and cultural background. In addition, the Company emphasizes diversity of expertise, experience, and educational background as key factors to ensure the effectiveness of both the supervisory and management functions of the Company. All members of the Board of Commissioners are required to have adequate and relevant competencies for their respective roles, enabling them to perform their oversight duties independently while bringing diverse perspectives and skills. Provisions on the composition and diversity of the Board of Directors are further regulated in the Board of Directors Guidelines and the Code of Conduct, which state that the board should reflect a mix of capabilities, experience, age, cultural background, and gender that is proportional to the Company's business needs. Through this board diversity policy, PUSRI seeks to strengthen the quality of strategic decision making, enhance stakeholder representation, and support the consistent implementation of Good Corporate Governance principles.

# Board Gender Diversity

PUSRI openly discloses information on gender diversity at Board level as part of its commitment to inclusive corporate governance. The company applies a two tier board structure that separates the Supervisory Board (Board of Commissioners) as the oversight body from the Management Board (Board of Directors) as the executive body. As of 31 December 2024, there are two women serving on the Supervisory Board as non executive and/or independent commissioners, namely Ms. Siti Nurizka Puteri Jaya as President Commissioner who also serves as Independent Commissioner, and Ms. Sally Salamah as Commissioner. At present there are no female members on the Management Board, so in line with the CSA definition for a two tier system, the number of women on the company's board is two. Disclosure of this composition underlines PUSRI's commitment to continuously promote diversity and equal opportunity within the company's leadership structure.



# Board Accountability

PUSRI ensures the accountability of the Board of Commissioners and the Board of Directors through intensive meetings and a high level of attendance as one of the main mechanisms for overseeing performance. During 2024, the Board of Commissioners held 12 internal meetings and 15 joint meetings with the Board of Directors and committees, while the Board of Directors held 64 meetings throughout the year. These meetings are used to discuss the implementation of the duties, authorities, and responsibilities of each corporate organ, including the fulfillment of social and environmental responsibilities. The average attendance of board members at these meetings was recorded at above 75%, reflecting a strong level of commitment and engagement in strategic decision making, monitoring of management performance, and protection of the long term interests of stakeholders. Through these practices, PUSRI strengthens transparent and accountable governance principles across the company's governing bodies.





# Board Average Tenure

PUSRI applies a two-tier governance structure consisting of a Supervisory Board (Board of Commissioners) and a Management Board (Board of Directors). In line with the CSA methodology, the calculation of average tenure is carried out specifically for the Supervisory Board, without including members of the Board of Directors or employee representatives. As of December 31, 2024, PUSRI's Supervisory Board consisted of six commissioners, including the independent President Commissioner. Using the first year of appointment of each commissioner and the 2024 calendar year as the base year, the average tenure of the Supervisory Board members is recorded at 2.3 years. The composition of the Supervisory Board and the appointment dates of each member are disclosed transparently in the 2024 Annual Report in the section "Composition of the Board of Commissioners as of December 31, 2024," which affirms PUSRI's commitment to information transparency and sound corporate governance practices.

Roles	Term of Office
Siti Nurizka Puteri Jaya (President Commissioner Concurrently Serving as Independent Commissioner)	June 10, 2024 - present
Ali Jamil (Commissioner)	December 27, 2021-present
Prahoru Yulijanto Nurtjahyo (Commissioner)	April 14, 2020-April 13, 2025
Bambang Supriyambodo (Independent Commissioner)	August 25, 2020-present
Sally Salamah (Commissioner)	June 12, 2021-present
Fadjar Judisiawan (Commissioner)	March 4, 2024-present
Filius Yuliandi (Operation and Production Director)	January 13, 2021-present
Saifullah Lasindrang (Finance & General Director concurrently serving as Risk Management Director)	August 25, 2020 – present (as Director of Finance & General Affairs)
	June 10, 2024 – present (as Interim Director of Risk Management)

## Board Industry Experience



PUSRI operates in the Materials sector, specifically Fertilizers and Agricultural Chemicals, so industry competence at board level is a critical factor for effective oversight. As of 31 December 2024, PUSRI's Supervisory Board (Board of Commissioners) consists of six non-executive members, three of whom have relevant professional experience in the fertilizer, agricultural, energy, and materials industries. These three commissioners are: Mr. Ali Jamil, Secretary General of the Ministry of Agriculture and former Director General of Food Crops, who has extensive experience in agricultural value chains and fertilizer policy coordination within the Pupuk Indonesia Group; Mr. Prahoru Yulijanto Nurtjahyo, Head of the Human Resources Development Agency at the Ministry of Energy and Mineral Resources, with prior experience in the oil, gas, and energy sectors (SBM Offshore, ConocoPhillips); and Mr. Fadjar Judisiawan, Assistant Deputy for Health Industry at the Ministry of State-Owned Enterprises and former Director of PT Semen Indonesia (Persero) Tbk, who brings expertise in manufacturing, industrial materials, and corporate governance in the materials sector. With this composition, three out of six members of the Supervisory Board have industry experience that is aligned with PUSRI's core business according to the GICS Materials classification. The presence of commissioners with backgrounds in the fertilizer, agriculture, energy, and materials sectors strengthens the quality of strategic decision making, deepens oversight of business risks and opportunities, and ensures that the company's policy direction is consistent with the dynamics and leading practices of PUSRI's core industry.

# CEO Compensation

The determination of remuneration for the Board of Directors, including the President Director, at PUSRI is based on a set of formally established corporate performance indicators and refers to regulations issued by the Ministry of SOEs. Factors considered include revenue, asset value, inflation rate, the company's financial condition and capacity, prevailing income levels in comparable industries, as well as compliance with applicable laws and regulations. The structure and components of remuneration for the Board of Commissioners and the Board of Directors refer to PER-13/MBU/09/2021 as the sixth amendment to PER-04/MBU/2014 on Guidelines for Determining the Remuneration of Directors, Boards of Commissioners, and Supervisory Boards of State-Owned Enterprises. Within this framework, the President Director and the Directors are entitled to variable compensation in the form of *tantiem* and performance incentives based on a merit system, calculated according to the level of achievement of key performance indicators (KPIs), the company's financial health and capacity, and other relevant factors. *Tantiem* is granted only when the company records a profit and has no accumulated losses and can also function as a Long-Term Reward. The amount of *tantiem* is determined by the Annual General Meeting of Shareholders (AGM) once the annual report has been approved and KPIs have reached 100%. Internally, the *tantiem* of the President Director is determined based on guidelines within the Pupuk Indonesia Group, while the *tantiem* for the other directors is set at 90% of the President Director's *tantiem*.

In addition to variable compensation, members of the Board of Directors receive fixed compensation in the form of salaries as well as allowances and facilities determined by the AGM, taking into account the provisions of prevailing laws and regulations. These components include: (a) base salary; (b) allowances consisting of holiday allowance, housing allowance, and post-employment insurance; (c) facilities such as vehicle allowance, health care facilities, and legal assistance; and (d) bonus or performance incentives that may be supplemented with a Long-Term Incentive (LTI). With this combination of fixed and variable compensation that is linked to financial performance, the company's financial health, and KPI achievement, the remuneration structure of the President Director and the Board of Directors of PUSRI is designed to align management's interests with the company's long-term performance sustainability and value creation for shareholders.





# Management Ownership

PUSRI is a non listed subsidiary of PT Pupuk Indonesia (Persero) with a shareholding structure that is entirely owned by institutional and state shareholders. The company's share capital may not be held in a personal capacity by members of the Board of Directors or other executive officers, so there is no management share ownership program or Employee Stock Ownership Plan (ESOP) in place. This provision is stated explicitly in the 2024 Annual Report, where the profiles of the Board of Commissioners and Board of Directors include the statement "PUSRI Share Ownership: None" for each member. Accordingly, the President Director and other executive committee members are considered not to own shares in the company and it is therefore not relevant to calculate management share ownership as a multiple of base salary.

Until the end of the 2024 financial year, PUSRI has never conducted a public offering of shares and remains a subsidiary of the state owned enterprise PT Pupuk Indonesia (Persero). Based on the resolution of the General Meeting of Shareholders (GMS) dated 4 December 2024, as set out in Deed Number 05 on the Minutes of the Extraordinary General Meeting of Shareholders of PT Pupuk Sriwidjaja Palembang, a reclassification of shares and the transfer of one (1) PUSRI share owned by PT Pupuk Indonesia (Persero) to the Republic of Indonesia through a grant were approved. Following this change, the shareholding composition of PUSRI is as follows: the Republic of Indonesia holds one (1) Series A Dwiwarna share with a value of IDR 1,000,000 representing 0.0000172%; PT Pupuk Indonesia (Persero) holds 5,799,985 Series B shares with a value of IDR 5,799,985,000,000 representing 99.9997414%; and the PT PUSRI Employee Welfare Foundation holds 14 Series B shares with a value of IDR 14,000,000 representing 0.0002414%. This composition confirms that no shares are registered in the names of individual members of the Board of Directors, the President Director, or other executive committee members, so all ownership and control rights over the company are held by institutional and state shareholders.



# CEO-to-Employee Pay Ratio

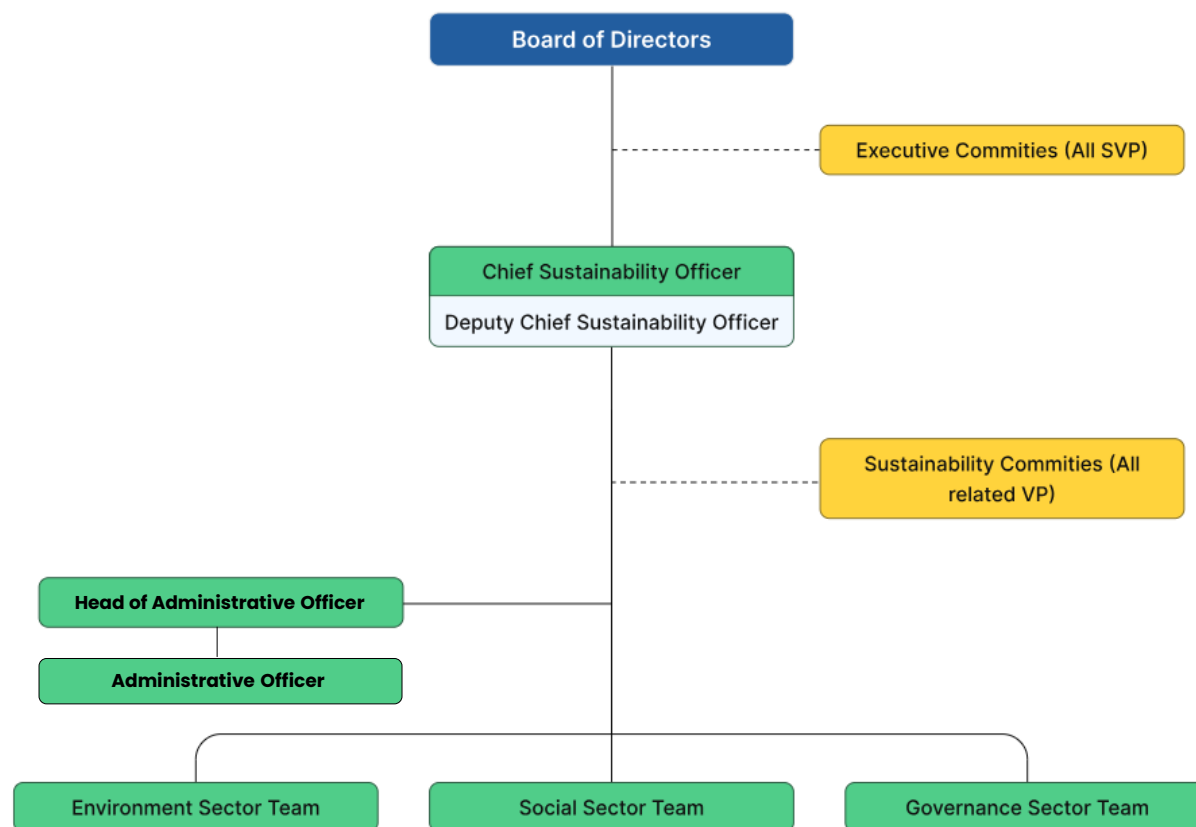
PUSRI routinely monitors and discloses the compensation ratio between the President Director and employees as part of its transparent remuneration governance practices. In 2024, the total annual compensation of the President Director of PT Pupuk Sriwidjaja Palembang was reported at IDR 3,158,000,000. This figure includes all components of remuneration that must be reported in accordance with national accounting standards, covering fixed compensation, variable components, and other benefits that form part of total annual remuneration. In the same period, PUSRI's total employee compensation amounted to IDR 724,404,864,952 for 1,818 employees. Based on this data, the average employee compensation in 2024 is calculated by dividing total compensation by the number of employees, resulting in an average of IDR 398,902,988 per employee per year. With the assumption of a relatively even distribution of compensation, the median employee compensation in this calculation is treated as equivalent to the average, so the median is also IDR 398,902,988.

The ratio between the President Director's total annual compensation and the average as well as the median employee compensation is approximately 7.92 times. This ratio is obtained by dividing the President Director's total annual compensation of IDR 3,158,000,000 by the average or median employee compensation of IDR 398,902,988. All figures in the table are presented in Indonesian Rupiah (IDR). The presentation of this indicator provides a more comprehensive picture of PUSRI's compensation structure and supports the principles of transparency, fairness, and accountability in the management of remuneration for both management and employees.

Currency: IDR - Rupiah

CEO Compensation		Total CEO Compensation	
Please indicate the total annual compensation of the CEO (or any equivalent position). Total compensation includes fixed and variable compensation as well as all other parts of compensation which are required to be included in total remuneration reporting according to national accounting standards		3,158,000,000	
Employee Compensation	Median Employee Compensation	Mean Employee Compensation	
Please indicate either median or mean annual compensation of all employees, except the Chief Executive Officer (or any equivalent position).	398,902,988	398,902,988	
The ratio between the total annual compensation of the CEO and the mean or median employee compensation: CEO compensation divided by the mean or median employee compensation	Median-based ratio	Mean-based ratio	
	7.91671	7.91671	

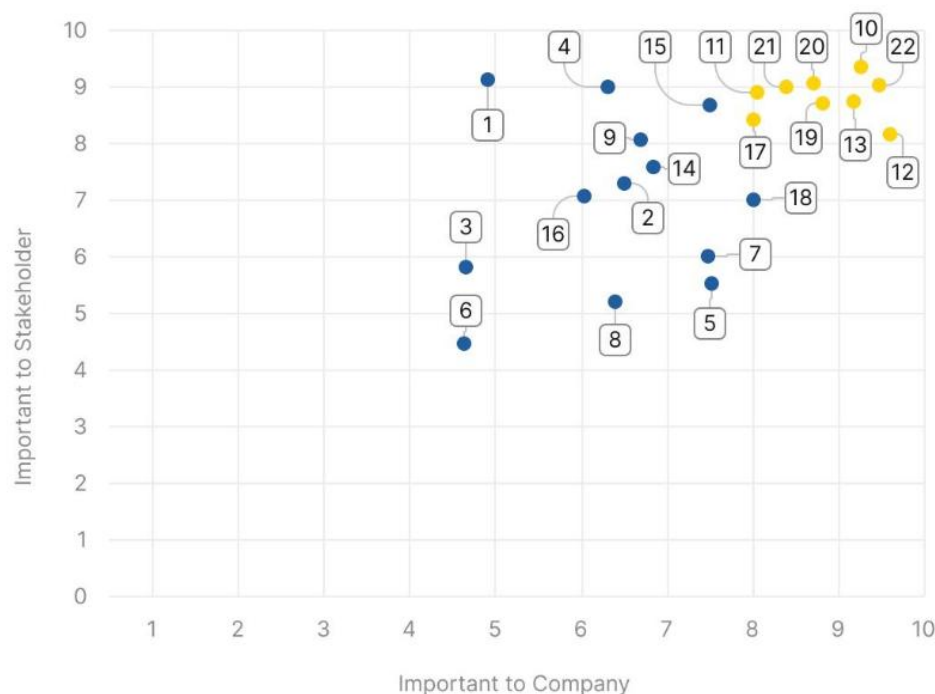
# ESG Governance Oversight



PUSRI has a formal governance structure in place to oversee ESG and sustainability issues. Oversight responsibility is held at board level through the Board of Directors, which has the highest mandate to set the company's strategic direction on sustainability. This role is strengthened through Directors' Decree No. SK/DIR/290/2025 on the "Sustainability Team Organizational Structure of PT Pupuk Sriwidjaja Palembang," which serves as the main reference for managing and coordinating ESG programs across all company entities. Based on this decree, PUSRI has established a Sustainability Team chaired by an Executive Committee consisting of all Senior Vice Presidents, supported by a Chief Sustainability Officer (CSO), Deputy CSO, and Head of Administrative Officer. The decree also establishes a Sustainability Committee and three sector teams focusing on Environment, Social, and Governance aspects, with members drawn from the relevant SVP and VP functions. Each of these bodies has clearly defined mandates, including providing strategic direction for ESG programs, monitoring and evaluating ESG performance, preparing sustainability roadmaps and work plans, coordinating ESG risk and rating assessments, and consolidating ESG data and reporting. Through this structure, PUSRI has a dedicated executive level ESG and sustainability committee and a formally designated sustainability officer role below the C suite to ensure that all ESG and sustainability issues are managed in a focused, measurable, and integrated manner with the company's business strategy.



# Materiality



PUSRI openly discloses the materiality determination process that underpins the preparation of its Sustainability Report. The materiality analysis is conducted and reviewed at least once a year as an integral part of the Company's Enterprise Risk Management (ERM). In the reporting year, PUSRI again carried out a dedicated Focus Group Discussion (FGD) to determine the material topics and aspects to be disclosed. The FGD, which served as a key reference, was attended by the report preparation team as well as representatives of stakeholders from each key stakeholder group. Through this process, PUSRI initially identified 22 topics and all participants were involved in selecting which topics were most material for the business and stakeholders. The results of the FGD were documented in a concise report titled "PUSRI ESG Material Processed" and visualized in a materiality graph.

PUSRI's materiality analysis is based on the principle of double materiality, considering both the internal impact on business performance and the external impact of the Company on society and the environment. Material issues are prioritized in a materiality matrix and serve as the main reference for explaining PUSRI's performance in achieving its sustainability objectives. Through the FGD, nine material aspects were established for more in-depth disclosure in the Sustainability Report, namely: Environmental Policy and Management; Energy, Waste, and Emissions; Water; Employment Practices; Human Capital Management; Occupational Health and Safety; Customer Relations; and Community Relations. To ensure the robustness of the process, PUSRI involves external stakeholders in identifying material issues and has the materiality assessment verified by an independent third-party assurance provider. The final materiality assessment results are reviewed and approved by the Board of Directors and Senior Management, ensuring that all defined ESG priorities have the highest level of governance legitimacy and serve as the primary reference for determining PUSRI's strategies, programs, and sustainability disclosures.

# Materiality Issue and Metrics for Enterprise Value Creation

Based on the materiality analysis, PUSRI has identified three key issues that have the greatest impact on business performance and long-term value creation. These issues form the core focus of the company's sustainability strategy and are fully integrated into business planning, budgeting, risk management, and executive performance evaluation.

## Energy Efficiency and Low-Carbon Transition

This issue, categorized under Energy, is directly linked to PUSRI's production cost structure, regulatory compliance, and competitiveness in the gas-based fertilizer industry. High energy consumption increases operating costs and exposes the company to energy price volatility and potential carbon-pricing policies. PUSRI therefore regards energy efficiency and emissions-intensity reduction as strategic imperatives. The company is implementing plant-performance optimization, energy-efficiency and heat-recovery programs, higher utilization of efficient technologies, and the exploration of renewable energy and other low-carbon solutions. These initiatives are expected to reduce energy costs per ton of product, lower the company's carbon footprint, and strengthen resilience to future climate-policy developments. To support long-term value creation, PUSRI sets quantitative targets to reduce energy-consumption intensity and greenhouse gas emissions per ton of product, improve plant operational efficiency, and optimize a cleaner energy mix. Performance is measured through indicators such as energy consumption per unit of production, emissions intensity, and the volume of energy saved. Progress is monitored annually and disclosed through the Sustainability Report, energy-management reports, and the ESG dashboard. Energy-efficiency and emissions indicators are embedded in executive Key Performance Indicators (KPIs), so that a portion of management's variable incentives depends on the achievement of these targets.

## Responsible Waste and Resource Management

The second material issue, categorized under Waste & Pollutants, is closely related to compliance risk, environmental-management costs, and corporate reputation. Fertilizer production generates solid, liquid, and gaseous waste that must be managed in accordance with regulatory limits and environmental permits. PUSRI treats sound waste management not only as a compliance obligation, but also as an opportunity to improve efficiency and stimulate innovation in resource use. The company's strategy includes reducing waste at source, increasing recovery and recycling rates, reusing by-products as feedstock or derivative products, and strengthening environmental-performance monitoring and reporting systems. This approach helps minimize potential fines and remediation costs, maintain operational reliability, and support the achievement of PROPER and other environmental performance standards. Targets for this issue focus on increasing the ratio of waste that is reused or recycled, ensuring hazardous waste is

managed in line with regulations, reducing the volume of waste disposed to the environment, and lowering freshwater-use intensity. Metrics include the percentage of waste diverted from disposal, the volume of waste treated safely, and water-intake intensity per ton of product. Performance against these targets is evaluated regularly and integrated into operational KPIs, including for managers responsible for production, HSSE, and utilities, ensuring that environmental compliance and operating-cost management progress in tandem.

## Community Empowerment and Local Economic Development

The third material issue, categorized under Society & Community Relations, represents a strategic opportunity for PUSRI. The company's presence in Palembang and other operational areas directly influences local economic activity, job creation, and community quality of life. Through investments in community-empowerment programs, MSME development, improvements in education and health, and support for agriculture and food security, PUSRI strengthens its social license to operate and mitigates social risks that could disrupt business continuity. These programs are designed in line with the SOE Social and Environmental Responsibility (TJSL) policy and regional development priorities, so that they generate shared value: enhancing community welfare while reinforcing PUSRI's business ecosystem, particularly with respect to local workforce availability, social stability, and corporate image. For this issue, PUSRI sets impact-oriented targets covering the number of beneficiaries of priority programs, the strengthening of local enterprises, the value of spending on local suppliers, and the achievement of Social Return on Investment (SROI) ratios for flagship programs. These indicators enable the company to confirm that social investments provide tangible contributions to local economic resilience, community wellbeing, and a stronger social license to operate. Outcomes and lessons learned from community-development programs are reported annually and used as input when defining management's social-performance targets.

Across all three material issues, PUSRI establishes quantitative targets and performance metrics with a primary time horizon to 2030. Progress is monitored through the annual performance-management cycle and reviewed by the Board of Directors. Results are communicated to stakeholders via the Sustainability Report and related publications. A portion of executive variable remuneration is linked to the achievement of indicators related to energy and emissions, environmental compliance and waste management, and the performance of priority social programs. This alignment between incentives and sustainability objectives reinforces accountability and supports the achievement of PUSRI's ESG targets and long-term value-creation agenda.

# Materiality Issue and Metrics for External Stakeholders

PUSRI periodically conducts a materiality analysis of impacts on external stakeholders to identify and assess key risks and opportunities arising from its operations, products, and supply chain. Based on the Environmental Impact Assessment (AMDAL), other environmental studies, and dialogue with stakeholders, the company has defined two main material issues for external parties, namely ambient air quality and surface water quality. Both issues are considered materially significant for the environment, surrounding communities, consumers, and external workers such as contractors and service providers operating in the area. The assessment covers more than 50% of PUSRI's business activities, so it reflects the contribution of the majority of operations to environmental risks and impacts around the plant area.

The first material issue is ambient air quality, categorized as a waste and pollutants issue. The main sources of impact are production processes, utility systems, and logistics movements within the operational area. PUSRI views ambient air quality as having both risk and opportunity dimensions: poorly managed emissions may affect the health of communities and workers, while improved emission performance creates added value for the company's reputation and regulatory compliance. Management efforts therefore include the application of emission control technologies, continuous air emission monitoring, strict adherence to applicable emission standards, and energy efficiency programs that reduce emission intensity. Monitoring results and emission performance are reported transparently in the Sustainability Report and in environmental documents that are publicly accessible.

The second material issue is surface water quality, categorized as a water issue. The main impacts arise from process water management and the potential discharge of wastewater into nearby water bodies if not properly controlled. PUSRI regards surface water quality as material because it is closely related to ecosystem health, water availability for local communities, and the long term viability of plant operations. To address this, the company operates an integrated wastewater treatment system, conducts regular water quality monitoring at designated control points, and implements water conservation programs to reduce raw water intake intensity. Performance related to surface water quality, including compliance with water quality standards, is disclosed transparently to regulators and communities through environmental reports and the Sustainability Report.

For both material issues, PUSRI assesses the materiality of impacts as a combination of positive and negative effects. Risks are identified and managed through the environmental management system, while opportunities are captured through resource efficiency innovations, strengthened relationships with local communities, and enhanced operational standards. Information on the management approach, monitoring results, and performance achievements related to air and

water is published regularly as part of PUSRI's commitment to accountability, transparency, and environmental protection for its external stakeholders. To complement this qualitative management approach, PUSRI uses a set of quantitative metrics to assess the external impacts of its operational activities on the environment and society. This ensures that material issues are measured not only from internal performance, but also from the magnitude of real impacts experienced by stakeholders around the operating areas. All metrics and evaluation results are disclosed through AMDAL and RKL/RPL documents, DRKPL PUSRI, the Sustainability Report, and the ESG Strategy Book so they can be transparently reviewed by external parties.

For ambient air quality, PUSRI establishes output metrics in the form of quantitative indicators that capture the direct results of emission management. Examples include the proportion of coal combustion residue (FABA) managed through compliant landfill facilities and air pollution control systems in line with AMDAL and RKL/RPL requirements. These management results are then converted into impact metrics through environmental impact valuation, such as the potential reduction of particulate and pollutant gas emissions that contributes to lower dust exposure and improved ambient air quality for surrounding communities. The impact metrics used include quantitative indicators related to "ambient air non compliance," which show the number of monitoring days during which air quality is within or exceeds the standards set by environmental authorities.

For surface water quality, PUSRI applies output metrics derived from surface water monitoring, including the proportion of samples that meet quality standards and the effectiveness of wastewater treatment plants in reducing pollutant loads before discharge to receiving water bodies. These results are evaluated through environmental impact valuation by translating changes in water quality into impact metrics, such as reduced potential for flooding, erosion, or degradation of aquatic ecosystems around the plant. Impact metrics include quantitative indicators of "surface water non compliance," which reflect the number of days or events where water quality parameters remain within the required limits. Through the systematic use of measurable output and impact metrics for these two material issues, PUSRI can monitor the effectiveness of environmental investments, evaluate the performance of emission and wastewater management, and transparently report the scale of impacts that have been mitigated for the environment and local communities. This quantitative approach also provides a solid basis for continuous improvement in environmental management programs and further strengthens the company's accountability to external stakeholders.



# Risk & Crisis Management

PUSRI has a formal and structured risk governance framework with oversight at the Board of Directors level. This framework is set out in the Articles of Association, the PUSRI Code of Corporate Governance, and the Risk Management Policy, which together serve as references for all work units. At board level there is a specific role and/or committee responsible for overseeing the company's risk profile, reviewing the effectiveness of policies and internal control systems, and providing recommendations to the Board of Directors regarding the determination of risk appetite, mitigation of key risks, and monitoring of compliance with laws, regulations, and internal policies. All of these governance structures and processes are reported regularly and described in more detail in the Corporate Governance & Risk Management section of the 2024 Sustainability Report.

In implementation, PUSRI applies the three lines of defence model. The first line is Operational Risk Ownership, which lies with front line employees and business unit leaders who are directly responsible for identifying, assessing, and managing risks in day to day operations. The second line is the Risk Management and Compliance Oversight function, carried out by dedicated units and/or committees at senior management level that develop policies, set control standards, monitor the implementation of risk management, and coordinate the use of the SIMANIS risk management information system and various Good Corporate Governance (GCG) mechanisms. The third line is an independent Internal Audit Unit that provides assurance on the effectiveness of risk management processes, internal control systems, and compliance through risk based audit assignments. Through this model, PUSRI ensures that risk management is conducted consistently, in a measured and accountable manner, while supporting strategic decision making that is aligned with sustainability objectives and the protection of stakeholder interests.

PUSRI implements risk management through a structured and documented framework designed to build an effective risk culture. The process includes regular risk assessments, the development of a corporate Risk Map that considers likelihood and impact, and the determination of risk appetite for each relevant risk category. Based on the mapping results, the company prepares mitigation actions for all identified Risk Treatment Measures (RTMs), so that major risk exposures can be managed systematically. Reviews of risk exposure are carried out at least annually, or more frequently when needed, and are reported in risk management documentation and corporate governance disclosures. To ensure the effectiveness of this framework, PUSRI conducts regular audits of the risk management process, both through the internal audit function and independent external parties. Audits conducted in the last two years have tested the adequacy of policies, procedures, control implementation, and the integration of risk management with the SIMANIS system and GCG policies, with findings and recommendations used as a basis for continuous improvement.

Strengthening risk culture is also a key priority. PUSRI provides regular risk management education programs for all members of the Board of Commissioners (non executive directors) and targeted training for employees at various organizational levels on risk management principles and practices. Risk criteria are integrated into the development process for products and services so that new business decisions always take the company's risk profile into account. In addition, the company applies financial incentive schemes that incorporate risk management indicators as part of managerial Key Performance Indicators (KPIs), encouraging behaviour that is aligned with the company's risk management objectives and long term sustainability.

# UN Global Compact Membership



PUSRI has been a participant of the United Nations Global Compact (UNGC) since 13 June 2025. This participation confirms PUSRI's commitment as a state owned enterprise in the chemical sector to align its operations and strategy with the Ten Principles of the UNGC, which cover human rights, labor, environment, and anti corruption. PUSRI's membership status is currently active, with the next Communication on Progress (COP) due by 31 July 2026. Information regarding this participation is publicly available through the UNGC membership documents, the Letter of Commitment, and PUSRI's ESG Strategy Book.

As a UNGC participant, PUSRI strives to integrate sustainability principles into its governance, risk management, and business processes. The company strengthens its compliance with decent labor standards, protection of human rights within the supply chain, responsible environmental management, and the implementation of systems to prevent corruption and fraud. These commitments are translated into measurable ESG targets and initiatives that are periodically reported through the Sustainability Report and the COP in line with UNGC guidance. Through its membership in the UN Global Compact, PUSRI positions itself as part of a global network of companies that promote sustainable and ethical business practices. This aligns with the company's aspiration to enhance its environmental, social, and governance performance, support the achievement of the Sustainable Development Goals, and reinforce stakeholder trust in PUSRI's long term contribution to national development.

# Codes of Conduct

PUSRI has a group-wide Code of Conduct that applies to all corporate entities, including its subsidiary. This document is publicly available through the PUSRI Code of Conduct, the Annual Report, and the Code of Corporate Governance, and serves as a behavioral guideline for the Board of Commissioners, Board of Directors, employees, and business partners. The Code of Conduct clearly prohibits corruption and bribery, any form of discrimination, breaches of information confidentiality, and conflicts of interest that may affect the independence of decision-making. It also embeds PUSRI's commitment to fair business competition, the prevention of money-laundering and/or insider trading, and the assurance that environmental, health, and safety aspects are an integral part of responsible business conduct. To support the implementation of the Code of Conduct, PUSRI provides a whistleblowing system that enables PUSRI personnel and external parties to report alleged violations in a safe and confidential manner. Every report is followed up through an independent review and investigation process, with sanctions imposed proportionally to the severity of the violation. The Code of Conduct is disseminated regularly through training, induction, and integration into the performance management system, ensuring that integrity, professionalism, and compliance with laws and regulations are internalized within the corporate culture. Through the strengthening of this Code of Conduct, PUSRI strives to maintain stakeholder trust and ensure that all business activities are conducted with integrity, transparency, and a strong commitment to sustainability.





# Anti-Bribery & Anti-Corruption Policy



PUSRI has a group-wide Anti-Bribery and Anti-Corruption Policy that applies to all corporate entities and is communicated publicly through policy documents and the Annual Report. This policy serves as a guideline for the Board of Commissioners, Board of Directors, employees, and business partners in preventing all forms of bribery and corrupt practices that may harm the company and its stakeholders. It sets out clear provisions on the prohibition of bribery and corruption, procedures for receiving and giving gifts, guidelines for political contributions, as well as rules related to social, religious, and sponsorship donations so that they do not create conflicts of interest. PUSRI's Anti-Bribery and Anti-Corruption Policy also regulates in detail the procedures for handling breaches, starting from reporting mechanisms and review processes through to corrective actions and disciplinary sanctions for those proven to have violated the policy. To strengthen implementation, PUSRI conducts regular training programs on anti-bribery and anti-corruption for employees and relevant parties, ensuring that understanding of and compliance with integrity principles continue to improve. The policy is endorsed by the Board of Directors as the highest decision-making body at the management level, underscoring PUSRI's commitment to conducting business in a clean, transparent manner that is free from corrupt practices across all operational activities and business relationships.

Anti-Bribery Policy

Anti-Gratification Policy

# Whistleblowing Mechanism

PUSRI has a formal Whistleblowing System (WBS) governed by internal regulations and described in the Corporate Governance section of the 2024 Sustainability Report. The Governance Department, through the SVP Governance & Risk Management, acts as the WBS administrator and leads the Complaint Handling Team. This team receives and verifies reports submitted through dedicated channels, including email, the WBS website, and postal mail, which are accessible to employees as well as external stakeholders. PUSRI also cooperates with an independent third party for certain channels to strengthen objectivity and whistleblower confidence. The WBS procedure is set out in a process flowchart and written guidelines that describe the stages of receiving, verifying, and classifying reports, followed by investigation by the Internal Audit Unit and escalation of results to the President Director and Board of Commissioners. The company explicitly guarantees the confidentiality of whistleblower identities, allows anonymous reporting, and applies a zero tolerance policy for any form of retaliation, intimidation, or administrative sanction arising from the use of the reporting mechanism. Where necessary, PUSRI provides support and legal assistance to whistleblowers. To ensure the effectiveness of this mechanism, PUSRI conducts regular socialization and training on the use of WBS channels, the types of violations that can be reported, and the rights and protections available to whistleblowers. The company also publicly discloses the process for investigating and handling reported breaches, including follow up actions and disciplinary sanctions imposed when reports are proven. Through this structured, independent, and transparent WBS, PUSRI strengthens its culture of integrity, enhances accountability, and ensures that any alleged violations of the Code of Conduct and company policies are handled fairly and professionally.



# Reporting on Breaches



PUSRI openly reports breaches of its Code of Ethics and Code of Conduct as part of its commitment to building a culture of integrity and accountability. Information on the number of complaints and the follow up actions is disclosed in the 2024 Sustainability Report and Whistleblowing System (WBS) documentation. Throughout 2024, a total of 5 (five) violation complaints were submitted through the WBS mechanism. This number includes all types of violations regulated in the Code of Ethics, including alleged corruption or bribery, discrimination or harassment, breaches of customer data confidentiality, conflicts of interest, as well as money laundering and insider trading, which are reported on an aggregate basis without being broken down by category.

Each report received is verified, classified, and investigated in accordance with established procedures, while maintaining the confidentiality of the whistleblower and upholding the principle of non retaliation. The results of case handling and sanction recommendations are submitted to the Board of Directors and, where relevant, to the Board of Commissioners to ensure oversight at the highest governance level. Through this transparent reporting practice, PUSRI demonstrates that complaints of violations are not only received but also followed up systematically, thereby strengthening stakeholder trust in the effectiveness of the Code of Ethics and WBS mechanisms across the organization.



# Contributions & Other Spending

PUSRI transparently discloses its practices related to contributions and other spending associated with political activities and professional associations. The company affirms that it does not make any political contributions in any form, including donations to political campaigns or candidates, lobbying expenditures, or spending related to ballot measures or referendums. All types of contributions that could potentially be categorized as political financing are explicitly prohibited under the company's internal policies and are monitored through established governance mechanisms. However, PUSRI does pay annual membership fees to professional and industry associations relevant to the fertilizer sector, such as Responsible Care Indonesia (RCI), the International Fertilizer Association (IFA), and the Indonesian Fertilizer Producers Association (APPI). These fees are recorded as operating expenses to support capacity building, knowledge sharing, and the enhancement of industry standards, without any political intent or purpose. Through these practices, PUSRI demonstrates its commitment to accountability, regulatory compliance, and the implementation of responsible corporate governance.

	Currency	2021	2022	2023	2024
Total contributions and other spending	IDR – Rupiah	688,354,813	688,354,813	688,354,813	688,354,813

# Largest Contributions & Expenditures

PUSRI records that its largest contributions and expenditures are not in the form of political donations, lobbying activities, or support for specific campaigns or candidates, but instead consist of annual membership fees to professional and industry associations relevant to the fertilizer business and sustainability commitments. Throughout 2024, PUSRI paid membership fees to several key associations, including Responsible Care Indonesia (RCI), the International Fertilizer Association (IFA), and the Indonesian Fertilizer Producers Association (APPI). These memberships represent the company's corporate position in supporting responsible business practices, occupational health and safety, environmental protection, and the enhancement of standards in the fertilizer and chemical industry at both national and global levels. In addition, PUSRI records significant expenditures in the form of membership fees to the United Nations Global Compact (UNGC) as part of the company's commitment to the principles of human rights, labor, environment, and anti-corruption. All such contributions are booked as non-political operating expenses and cover 100% of PUSRI's organizational scope. Information on the amount of fees, the types of organizations supported, as well as the company's position and objectives for participation is disclosed transparently in the 2024 Sustainability Report and other supporting documents, so that it can be accessed and reviewed by stakeholders.

Currency: IDR - Rupiah

Issue or Topic	Corporate Position	Description of Position / Engagement	Total spend in 2024
Company pays annual membership fees to professional and industry trade associations (RCI, IFA, APPI)	Support	Associations that promote responsible business conduct, safety, environmental protection, and higher standards in the fertilizer and chemical industry	688,354,813

## Other Large Expenditures

Name Of Organization, Candidate or Topic	Type Of Organization	Total Amount Paid In 2024
United Nations Global Compact (UNGC)	Sustainability commitment / UNGC	8,100,000

# Lobbying and Trade Associations – Climate Alignment



PUSRI has a structured program to ensure that all policy advocacy activities and trade association memberships are aligned with the Paris Agreement. This program is governed through a management system for lobbying activities and trade association memberships, supported by a governance framework for public policy engagement with clear lines of accountability up to the Board of Directors. The company establishes and discloses its official position on climate policies that support global emission reduction targets and are consistent with the Paris Agreement. To maintain this alignment, PUSRI implements a regular review and monitoring process for all policy engagement and lobbying activities, both those carried out directly and through associations. The company has a clear framework to identify and address any misalignment between PUSRI's climate position and the climate policy positions of the associations in which it participates. The results of these evaluations are reported publicly, including disclosure of climate-related lobbying activities

and the climate policy positions of trade associations that are relevant to the fertilizer sector. PUSRI's climate commitments are further reinforced through its participation in the United Nations Global Compact (UNGC) since 13 June 2025. As a UNGC participant, PUSRI is committed to integrating the Ten Principles of the UNGC, particularly those related to the environment and anti-corruption, into its strategy and operations, while supporting climate action agendas that are in line with the Paris Agreement. At the association level, PUSRI's memberships in Responsible Care Indonesia (RCI), the Indonesian Fertilizer Producers Association (APPI), and the International Fertilizer Association (IFA) require compliance with sustainability standards and responsible industry practices. All of these commitments, governance mechanisms, and climate-alignment efforts are disclosed in PUSRI's 2024 Sustainability Report and in the company's profile on the official UN Global Compact website.



# Supply Chain Management

PUSRI implements a comprehensive supplier sustainability framework that combines a Supplier Code of Conduct, ESG-based procurement, systematic screening and assessment, as well as structured supplier development and monitoring. PUSRI's Supplier Code of Conduct (SCoC) applies to all suppliers and is publicly disclosed through the annual report, the sustainability report, and the company's official website. The SCoC refers to the Supplier Code of Conduct established by PT Pupuk Indonesia (Persero) as the holding company, so that all relationships and procurement processes are conducted with integrity, transparency, and in line with the highest ethical standards. Through this framework, PUSRI reinforces its commitment to sustainable business practices, sound corporate governance, and mutually beneficial relationships with business partners. In the area of Human Rights and Labor, the SCoC covers the prohibition of forced and child labor, requirements for decent working conditions (including working hours, physical and mental demands, wages, and benefits), compliance with occupational health and safety standards, prevention of discrimination and harassment, and respect for freedom of association and collective bargaining. On environmental aspects, suppliers are required to manage greenhouse gas emissions and energy consumption efficiently, prevent pollution and manage waste responsibly, improve resource efficiency, and protect biodiversity, including the prohibition of deforestation and obligations for land conservation. In the field of business ethics, suppliers must implement anti-corruption practices, avoid conflicts of interest, and refrain from anti-competitive behavior. This code serves as a reference for supplier selection, evaluation, and development so that the supply chain supports PUSRI's sustainability objectives and strengthens stakeholder trust in the company's integrity and social responsibility.

Supplier ESG management is aligned with the ESG Procurement System established by PT Pupuk Indonesia (Persero). This system integrates environmental, social, and governance (ESG) criteria throughout the procurement cycle so that every supplier is required to meet predefined sustainable practice standards. Oversight of the implementation of supplier ESG programs lies with the Board of Directors as the highest accountable body. PUSRI periodically reviews purchasing practices and commercial relationships with suppliers to ensure alignment with the Supplier Code of Conduct and to avoid potential conflicts with internal ESG requirements. Suppliers that do not meet minimum ESG requirements within a specified time frame can be excluded from the contracting process, while suppliers with stronger ESG performance are prioritized in supplier selection and contract awarding. To

support effective implementation, PUSRI provides training for buyers and internal stakeholders on their roles in supplier ESG programs, including standards, evaluation mechanisms, and follow up actions for supplier performance improvement. This approach ensures that ESG aspects are embedded in procurement decision making and strengthens the company's contribution to a competitive and sustainable supply chain. Further information on this framework is available in Pupuk Indonesia's ESG Procurement System at <https://procurement.pupuk-indonesia.com/esg>.

Within this system, PUSRI conducts a comprehensive supplier screening process to identify significant suppliers and ensure alignment with the company's sustainability goals. Screening uses environmental, social, governance, and business relevance criteria to assess whether suppliers meet the standards of responsible business conduct. The assessment covers compliance with environmental performance requirements, fair and safe labor practices, respect for human rights, implementation of anti-bribery and anti-corruption practices, and consistency with PUSRI's operational needs and business strategy. Methodologically, PUSRI evaluates country-specific, sector-specific, and commodity-specific risks associated with prospective suppliers so that partners operate in line with the company's values, policies, and governance standards. Information on this process is documented in internal reports and referenced in procurement and ESG policies issued by Pupuk Indonesia. In addition, all suppliers are required to comply with the Supplier Integrity Pact and ESG Supplier guidelines, which regulate commitments on anti-bribery and anti-corruption, environmental protection, decent labor practices, and mechanisms for monitoring and evaluating compliance. Through this framework, PUSRI builds a robust and ethical supply chain while strengthening sustainability and compliance across its supplier ecosystem.

PUSRI also has a documented supplier assessment and development process that is publicly available as part of the implementation of the ESG Procurement System. Supplier assessments are carried out through a combination of desk assessments with systematic verification of evidence, on-site assessments by the procurement team or contracted consultants, and third-party assessments by accredited audit institutions that apply recognized industry and multi-stakeholder standards and methodologies.

The results of these assessments form the basis for corrective action plans and continuous improvement measures so that suppliers remain compliant, ethical, and aligned with company values and policies. By following Pupuk Indonesia's ESG Procurement guidelines, PUSRI confirms its commitment to responsible sourcing, environmental stewardship, and social responsibility, and seeks to create value not only for the company but also for surrounding communities and environments. Further information on this system is presented in Pupuk Indonesia's ESG Procurement System at <https://eprocurement.pupuk-indonesia.com/beranda>.

Beyond assessment, PUSRI and Pupuk Indonesia implement a strong Supplier Development process. One of the key initiatives is the Vendor Gathering program, which brings together more than 200 suppliers to receive education on the company's vision, mission, values, and priority programs such as Sustainable Procurement and the Domestic Component Level (TKDN). This activity encourages collaboration and two-way communication, and serves as a forum for sharing ESG practices, best practices, and strengthening transparency. In addition to face-to-face meetings, PUSRI regularly undertakes socialization through e-procurement platforms and email to ensure that suppliers understand and comply with ESG requirements. This approach improves supplier competency and supports greater efficiency and reliability in procurement processes across the supply chain.

Monitoring and reporting of supplier screening coverage form part of PUSRI's sustainable supply chain management. In 2024, the company had 410 Tier-1 suppliers, of which 210 were classified as significant suppliers. All significant suppliers were in the Tier-1 category, so the total number of significant suppliers (Tier-1 and non-Tier-1) was also 210. The significant Tier-1 supplier base consists primarily of service providers, including maintenance, logistics, and technical support providers that play a direct role in the smooth running of PUSRI's core operations. Given this strategic role, a comprehensive ESG-based screening process is applied to assess the compliance and sustainability practices of these key partners. The Scope of Supply for significant suppliers focuses on service providers that have a direct impact on production processes, operational efficiency, and business continuity, such as facility maintenance, logistics, engineering, and information technology support services. Tier-1 suppliers are selected based on their ability to meet stringent ESG criteria and their commitment to providing high quality services that align with PUSRI's strategic objectives. This approach enables the company to maintain operational excellence, achieve sustainability targets, and build partnerships that drive mutual growth and innovation across the supply chain.

Supplier Screening	2024
Total number of Tier-1 suppliers	410
Total number of significant suppliers in Tier-1	210
% of total spend on significant suppliers in Tier-1	0
Total number of significant suppliers in non Tier-1	0
Total number of significant suppliers (Tier-1 and non Tier-1)	210

PUSRI's Supplier Assessment program is designed as an integral part of sustainable procurement practices to ensure that all significant suppliers are aligned with the company's Environmental, Social, and Governance (ESG) standards. In fiscal year 2024, PUSRI assessed 210 significant tier-1 and non-tier-1 suppliers through a combination of desk assessments and on-site assessments. The assessments covered compliance with environmental requirements, labor and human rights practices, occupational health and safety, and business integrity and governance. Program coverage is monitored through indicators such as the percentage of significant suppliers that have been assessed, with a target of 100% of significant suppliers included in the annual assessment cycle. As follow up, every actual or potential impact that is considered substantial becomes the basis for preparing a corrective action plan together with the supplier. PUSRI ensures that 100% of suppliers with significant impacts receive support in the preparation and implementation of these plans, including the setting of timelines, performance indicators, and regular monitoring mechanisms. In addition, PUSRI implements capacity-building programs for suppliers, including training and socialization on PUSRI's ESG policies and standards, so that improvements are sustainable and reflected in better supplier performance over time. The results of the assessments, progress in implementing corrective action plans, and supplier capacity-building activities are reported openly through the Sustainability Report and related publications as a form of PUSRI's transparency and accountability in building a responsible supply chain.

Supplier Assessment	2024	Target for 2024
Total number of significant tier-1 and non tier-1 suppliers assessed via desk or on-site assessments	210	–
% of unique significant suppliers assessed	100	100
Number of suppliers assessed with substantial actual/potential negative impacts	210	–
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	100	–
Number of suppliers with substantial actual/potential negative impacts that were terminated	0	–

Corrective Action Plan Support	2024	Target for 2024
Total number of suppliers supported in corrective action plan implementation	210	100 (% of significant suppliers)
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	100	–

Capacity Building Programs	2024	Target For 2024
Total number of suppliers in capacity building programs	210	100 (% of significant suppliers)
% of unique significant suppliers in capacity building programs	100	–



# Tax Strategy

PUSRI has a group-wide Tax Strategy and Governance Policy that applies to all entities and is disclosed through the Tax Guidelines, the Annual Report, and the company's official website. The policy sets out the company's commitment to comply with both the spirit and the letter of Indonesian tax laws, to refrain from transferring value to low-tax jurisdictions, and not to use tax structures that lack commercial substance. In determining transfer pricing, PUSRI adheres to the arm's length principle and is committed not to use secrecy jurisdictions or tax havens for tax avoidance purposes. Implementation is supported by strong governance mechanisms, including formal approval of the policy by the Board of Directors and the application of the Tax Management Guidelines. PUSRI engages proactively with tax authorities and other stakeholders, particularly the Directorate General of Taxes (DJP), through participation in state-owned enterprise tax forums, regulatory socialization, and various discussions and information exchanges. The company routinely undergoes tax audits to ensure compliance and addresses any findings through structured corrective actions. Its status as a Compliant Taxpayer reflects a high level of adherence to tax regulations and reinforces accountability in managing tax risks in a transparent and responsible manner.

PUSRI applies transparent and accountable tax reporting practices for every tax jurisdiction in which it operates. Key business, financial, and tax information is routinely disclosed in the Annual Report, Sustainability Report, ESG Strategy Book, and on the corporate website, including the names of all resident entities, main business activities, number of employees, revenue, profit (loss) before tax, current-year income tax expense, and income tax paid. These disclosures form part of the company's broader compliance with applicable laws and regulations, particularly in the field of taxation. In 2024, PUSRI contributed to the state budget through tax payments and dividends totaling IDR 2.49 trillion, underscoring its role as a compliant taxpayer and responsible partner in national economic development.

To enhance transparency, PUSRI also monitors and discloses its effective tax rate (ETR) and

cash tax rate based on the last two years of financial statements and cash flow statements. In fiscal years 2023 and 2024, the company recorded profit before tax with reported income tax expenses and no material additional cumulative adjustments, resulting in ETRs of approximately 21.7% and 23.7% respectively, with a two-year average of around 22.6%. Over the same period, cash taxes paid produced cash tax rates of about 15.8% in 2023 and 60.0% in 2024, with a two-year average of roughly 36.9%. The gap between the ETR and the cash tax rate primarily reflects timing differences between the recognition of tax expense in the income statement and the realization of tax payments in the cash flow statement, in line with applicable accounting standards. Presenting these indicators provides a more comprehensive view of PUSRI's fiscal contribution and further strengthens the transparency and accountability of its tax practices.

Financial Reporting	2023	2024	Calculated average rate
Earnings before tax	1,532,675,000,000	1,399,669,000,000	
Reported taxes	332,815,000,000	331,134,000,000	
Cumulative acceptable adjustments	0	0	
Effective tax rate (in %)	21.71465	23.65802	22.64226
Cash taxes paid	242,828,000,000	839,579,000,000	
Cash tax rate (in %)	15.84341	59.98411	36.91269

# Information Security



PUSRI has established clear governance mechanisms for information security, disclosed through its Annual Report, Sustainability Report, and corporate website. Oversight is provided at board level by a dedicated information security committee that monitors policies, risks, and compliance, with at least one board member possessing information security competence to ensure IT governance and data protection are considered in strategic decisions. At the executive level, the Chief Information Security Officer (CISO) leads policy development, risk management, and implementation of controls across all work units, in close coordination with the IT function and business units, covering data protection, access management, service continuity, and cyber incident response. Reliable IT management is further supported by a defined organizational structure and functions, as set out in the Decree of the Board of Directors of PT Pupuk Indonesia (Persero) No. 083/A/HK/P30/SK/2023 and PUSRI Decree SK/DIR/474/2023, which establish the PSP Information Technology Department and its coordination line with the Business Transformation Compartment, thereby strengthening governance and effectiveness of information security management.

PUSRI applies a group wide Information Security Policy across all entities, communicated through key corporate disclosures. The policy is the main reference for managing information security and reflects the company's commitment to continual improvement of technology, processes, and human resources. It safeguards the integrity and protection of data belonging to the company and its stakeholders, prevents loss, leakage, and misuse of information, and regulates incident monitoring, reporting, and handling in line with ISO 27001. Roles and responsibilities are clearly defined for all personnel and the policy also sets security requirements for third parties to ensure consistent standards along the value chain. To operationalise the policy, PUSRI implements a structured information security management program that includes business continuity plans, periodic vulnerability analyses, internal audits of IT infrastructure and information security systems, and independent external audits. The company has obtained ISO 27001 certification and conducts an IT Maturity Assessment based on COBIT 2019 covering 21 processes in the APO, BAI, DSS, and MEA domains, which has shown maturity at the Quantitative stage for existing processes and the Managed stage for new processes. The program is supported by escalation mechanisms for incident and vulnerability reporting and regular information security awareness training. PUSRI reports no information security breaches in the latest reporting year, underscoring the effectiveness of its controls and its commitment to secure, reliable, and continuously improving IT performance.

PUSRI

2025

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