



EXPANDING GROWTH IN SUSTAINABLE JOURNEY

SUSTAINABILITY REPORT 2023



THEME EXPLANATION



Expanding Growth in Sustainable Journey

BMJ is reinforcing its journey towards sustainability transformation by expanding its implementation of sustainability principles. The integration of Environmental, Social, and Governance (ESG) aspects into every business activity is being continuously strengthened and enhanced. Through various initiatives and innovations, BMJ consistently promotes synergy with all stakeholders to contribute to each of the Sustainable Development Goals (SDGs).

BMJ integrates sustainability values into its business by developing a sustainability roadmap as an integral part of the company's long-term strategy. This strategy adheres to the triple bottom line principles of 3P (Profit, People, Planet), serving as a guide to ensure the company's sustainable growth. Through this approach, BMJ is committed to delivering widespread positive impacts and upholding sustainable business principles that prioritize community welfare and ecosystem balance.

TABLE OF CONTENTS

THEME EXPLANATION

TABLE OF CONTENTS

SUSTAINABILITY PERFORMANCE OVERVIEW

AWARDS AND CERTIFICATIONS

MESSAGE FROM THE PRESIDENT DIRECTOR

OUR SUSTAINABILITY

BMJ'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

OUR SUSTAINABILITY REPORT

About This Report

Report Content Determination

Material Topics and Boundaries

Stakeholder Engagement

External Assurance

Accessibility and Feedback

OUR COMPANY

Company Profile

BMJ at a Glance

Vision, Mission, and Corporate Values

Company Scale

Activities, Brands, Products, and Services

Head Office and Operational Areas

2 Markets Served

3 Supply Chain

4 Economic Performance

8 Association Memberships

13

15 ENVIRONMENTAL PERFORMANCE

17 Energy

Greenhouse Gas Emissions

Water

19

Materials

20

Waste and Effluents

20

Biodiversity

22

24

SOCIAL PERFORMANCE

25

Employment Aspects

25

Human Resource Management

Occupational Health and Safety

27

Product Stewardship

28

Community Empowerment and Development

29

29

30

31

32

32 GOVERNANCE PERFORMANCE

33 Commitment to Sustainability Governance

33 Sustainability Policy

34 Good Corporate Governance Principles

Governance Structure

35 Highest Governance Body

36 Business Ethics and Corporate Culture

38 Risk Management

40 Anti-Corruption Practices

42

43

47 INDEPENDENT ASSURANCE REPORT

GRI STANDARDS CONTENT INDEX

49 FEEDBACK FORM

50

53

63

69

73

83

84

84

86

87

88

89

91

94

95

101

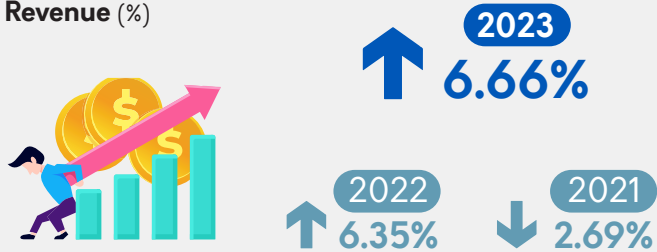
111



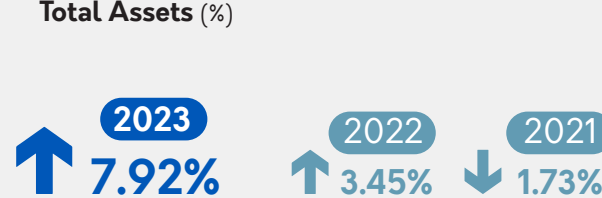
SUSTAINABILITY PERFORMANCE OVERVIEW

Economic Performance

Revenue (%)



Total Assets (%)



Net Profit (%)

2021 **16.19%** ↓

2022 **20.67%** ↓

2023 **146.81%** ↑

Entry-Level Employee Wage Ratio to Minimum Wage by Gender and Work Region in 2023

Karawang

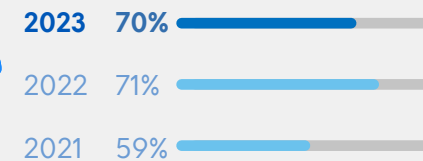
125%

Kudus

109%

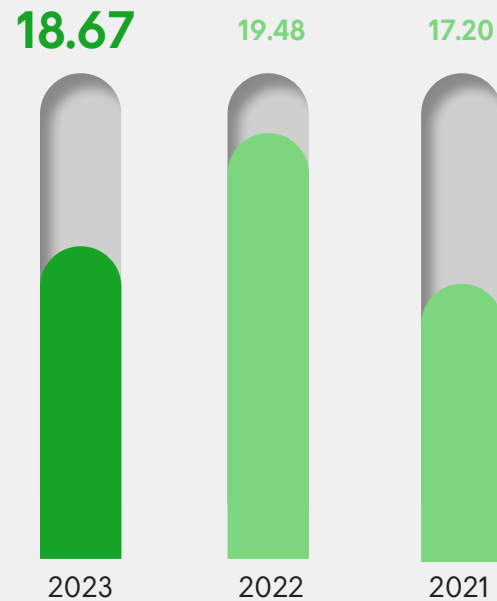


Percentage of Local Suppliers



Environmental Performance

Energy Intensity (GJ/Ton)



Decreased by **4.12%** from the previous year

GHG Emissions (Ton CO₂ Eq)

Scope 1

2023

36,123

From fuel and coal

Scope 2

2023

99,815

From electricity

Scope 3

2023

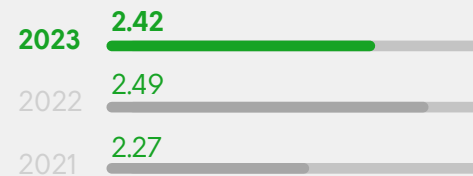
6,735

From Employees, Waste, Suppliers, and Distribution to Customers

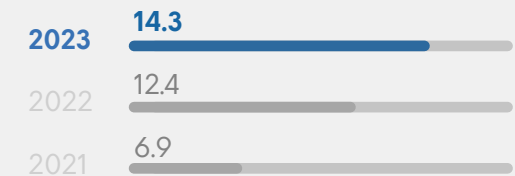
Decreased by **2.72%** from the previous year



Emissions Intensity (Ton CO₂ Eq/Ton)



Percentage of Recycled Water Usage (%)



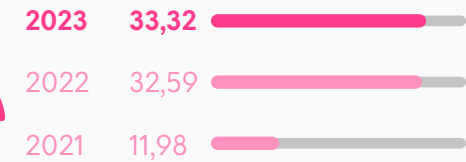
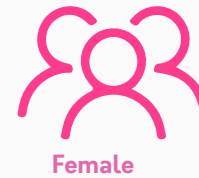
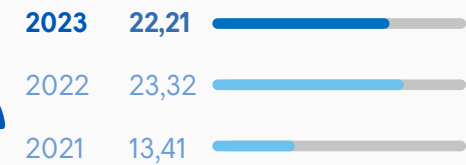
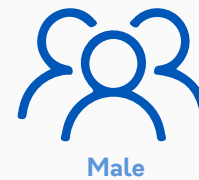


Social Performance

Number of Female Employees (People)



Average Employee Training Hours (Hours)



25%

of BMJ's senior management comes from the local community

0

Cases of work-related fatalities

0

Cases of occupational diseases



of Company Employees, Contractors, and Stakeholders in Operational Areas Covered by BMJ's Occupational Health and Safety Management System



Corporate Social Responsibility (CSR) 2023

16

Activities

5

Long-term
program

↑ 22.43%

Budget
Increased from the
previous year

3.72

Average Social Return on Investment (SROI) of 5 from 16 CSR Programs in 2023

- SROI value represents the return (in rupiah) for every 1 rupiah invested through CSR programs.
- The SROI calculation is an initiative conducted independently by BMJ's team, which has been trained by an independent consultant

Customer Satisfaction Level

2023

4.06/5

2022

3.93/5

2021

3.81/5

Governance Performance

Environmental, Social, and Governance (ESG) Committee



BMJ has established an ESG Committee as part of its commitment to implementing sustainability transformation in every business process and operational activity

0 Cases of
Corruption

No corruption cases occurred throughout 2023

0 Cases of Legal and Regulatory
Non-Compliance

No cases of non-compliance with laws and regulations that resulted in fines or non-monetary sanctions occurred throughout 2023



AWARDS AND CERTIFICATIONS

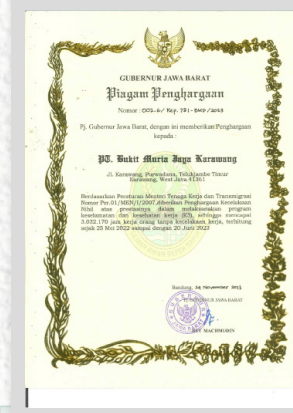
AWARDS



Jakarta, December 20, 2023

PROPER Blue Event: PROPER Award

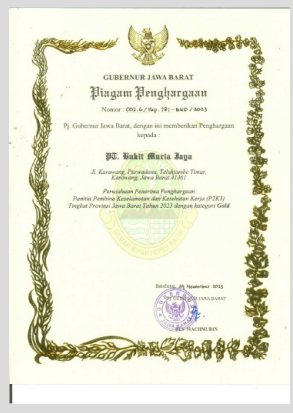
Organizer: Ministry of Environment and
Forestry of the Republic of Indonesia



Bandung, November 24, 2023

2023 Zero Accident Award Event: Occupational Health and Safety (OHS) Award

Organizer: West Java Provincial Government



Jakarta, November 24, 2023

Provincial P2K3 Award 2023 Event: Occupational Health and Safety (OHS) Award

Penyelenggara: Pemda Provinsi Jawa Barat



Bandung, November 24, 2023

HIV-AIDS Workplace Intervention Program Award Event: Occupational Health and Safety (OHS) Award

Organizer: West Java Provincial Government



Karawang, December 29, 2023

County-Level CSR Award Event: Karawang Regency CSR Award

Organizer: BAPEDA Karawang



Bandung, October 3, 2023

PROKLIM Purwadana Village Location Development Award Event: PROKLIM 2023 Karawang Environmental Agency

Organizer: Karawang Environmental Agency



Bandung, November 15, 2023

Support for PROKLIM Program in West Java Award 2023 Event: PROKLIM 2023 West Java Environmental Agency

Organizer: West Java Environmental Agency



Bandung, October 24, 2023

Climate Village Program Award with Madya Category Event: PROKLIM 2023 West Java Environmental Agency

Organizer: West Java Environmental Agency



Purwakarta, December 2023

Tree Planting and Maintenance Movement in Critical Areas Award Event: West Java Environmental Agency (CDK 2)

Organizer: West Java Forestry Service Branch
Office II



Karawang, September 11, 2023

Voluntary Blood Donation Certificate Event: PMI Karawang District

Organizer: PMI Karawang District

CERTIFICATIONS



ISO 9001: 2015

Quality Management System
January 3, 2021 – November 17, 2023
(Extended until November 17, 2026)

PT SGS Indonesia
KAN & UKAS Accreditation

ISO 14001: 2015

Environmental Management System
December 18, 2020 – December 5, 2023
(Extended until December 5, 2026)

PT SGS Indonesia
KAN & UKAS Accreditation

ISO 45001: 2018

Occupational Health and Safety
Management System
March 20, 2021 – March 20, 2024
(Extended until March 20, 2027)

PT SGS Indonesia
UKAS Accreditation



Timber Legality Verification System (SVLK)

Forestry
February 2, 2022 – February 1, 2028

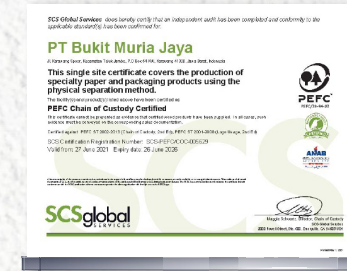
PT TUV Rheinland Indonesia
KAN Accreditation



Occupational Health and Safety Management System (OHSMS)

Occupational Health and Safety Management System
September 17, 2020 – September 16, 2023
(Extended until June 8, 2026)

PT Surveyor Indonesia
Ministry of Manpower of the Republic of
Indonesia Accreditation



Programme for the Endorsement of Forest Certification (PEFC)

Forestry
June 27, 2021 – June 26, 2026

PT SCS Global Services
ANSI Accreditation



Authorized Economic Operator (AEO)

Export-Import
December 18, 2019 – December 18, 2024

Ministry of Finance of the Republic of Indonesia
World Customs Organization (WCO)



SNI 3755: 2019

Cigarette Paper
December 13, 2021 – December 12, 2025

PaPICS Product, Pulp and Paper Research Center
KAN Accreditation



Sertifikasi Halal

Product Packaging
December 7, 2023 – December 6, 2027

LPPOM
Halal Product Guarantee Agency

MESSAGE FROM THE PRESIDENT DIRECTOR [GRI 2-22]

With profound gratitude, we present the 2023 Sustainability Report, the second edition. This report encapsulates our unwavering commitment to responsible and sustainable management. This year, we have also made significant progress in implementing sustainability programs and have developed the ESG Roadmap for 2024–2028.

In implementing our ESG initiatives, BMJ adopts the strategy of “Consistency and Reliability.” We believe that maintaining consistency in our sustainability efforts will greatly support the company’s growth. Our commitment to sustainability is also evident in our proactive engagement with stakeholders. We actively listen to and respond to feedback from customers, business partners, government bodies, and local communities to ensure our sustainability initiatives create a meaningful impact.

Carbon Reduction and Green Initiatives

Our environmental initiatives have produced impressive results this year. In our journey toward achieving Net Zero Emissions, we successfully reduced our carbon footprint through various energy efficiency initiatives. Our water recycling program has reduced clean water usage by 14.3%. Additionally, we are continuously developing a platform to systematically record and calculate Scope 3 carbon emissions, including those from suppliers, employees, and other sources. This initiative demonstrates BMJ’s commitment to reducing carbon emissions, allowing the company to identify and manage emission sources more effectively.





Positive Impact through CSR Programs and Employee Welfare

In the social realm, BMJ has strengthened its engagement with the community and stakeholders through the issuance of our Social Responsibility Statement. We measure the impact of our CSR programs using Social Return on Investment (SROI), with the Resilient Youth Program recording an SROI value of 8.3 and the Adiwiyata School Program achieving 4.0. These figures reflect our commitment to providing significant and sustainable social benefits. We also focus on employee welfare by creating a safe and healthy work environment, maximizing the implementation of the Occupational Health and Safety Management System (OHSMS), and fostering a strong OHS culture across all our operations. These efforts underscore our dedication to creating a positive social impact both within and outside our organization.

Commitment to Integrity and Good Corporate Governance

In governance, we are dedicated to upholding the highest standards of integrity and transparency, adhering to good corporate governance principles. This year, we have reinforced our commitment by initiating the adoption of the international standard ISO 37001 Anti-Bribery Management System. This standard is designed to manage and mitigate risks related to bribery and corruption, ensuring our company operates with high ethical standards and integrity.

Conclusion

Looking ahead, BMJ remains steadfast in its mission to drive sustainable growth while creating long-term value for our stakeholders. We are committed to exploring new solutions and technologies that support our sustainability goals and continuously enhancing the positive impact we have on society and the environment. Our achievements in 2023 are a testament to the collective efforts of our employees, partners, and communities. We hope these accomplishments will serve as a strong motivation to continue advancing, tackling new challenges, and achieving even greater success.

Karawang, August 2023

Augustinus Omar Rahmanadi
President Director

OUR SUSTAINABILITY [GRI 2-22]

By empowering employees and business partners to adopt sustainability-focused mindsets and practices, BMJ aims to create significant positive impacts that will benefit not only the Company but also our partners and the surrounding community.

One of our key sustainable business practices is the development of the Sustainability Blueprint. This blueprint outlines our approach, policies, and programs for managing ESG factors. The primary goal of the BMJ Sustainability Blueprint is to drive the company toward sustainable transformation through a strategy that leverages human resources. The implementation of the Sustainability Blueprint is executed thoroughly and collaboratively by all departments and divisions, under the collective leadership and oversight of the Company's Board of Directors.

To further our ESG commitment, BMJ is also developing and implementing the ESG Roadmap for 2024–2028.

ESG Commitment

BMJ views ESG as an integral foundation for conducting responsible business practices. This concept encompasses a deep focus on environmental, social, and governance impacts, with the primary goal of achieving long-term sustainability. For BMJ, the implementation of sustainability values is not just a responsibility but also a strategy that supports the overall performance of the company.

BMJ's ESG performance is reinforced by flagship ESG programs with the following targets:





Environmental

Addressing Climate Change Impacts

- Achieve net zero emissions.
- Operate activities (Scope 1 and 2) to reach carbon neutrality by 2030.
- Achieve net zero (Scope 1, 2, and 3) by 2050.
- Gradually transition to using renewable energy for feasible operations by 2030.

Waste Reduction

- Minimize the use of single-use plastics wherever possible.
- Use packaging materials made from reusable, recyclable, or compostable plastics.
- Avoid disposing of waste or operational byproducts into the ground.

Water Stewardship

- Reduce water usage for operational activities by 35%.
- Increase the use of recycled water by 30% in operational activities.

Biodiversity and Reforestation

- Ensuring 100% of pulp and other forestry products used in the supply chain come from sustainably managed forests and do not contribute to deforestation or forest degradation.



Social

Human Rights

- Ensuring no underage workers are employed in our operations.
- Ensuring that 100% of raw materials and services in our supply chain are sourced from suppliers who uphold human rights standards, as verified by audits conducted over specified periods.

Occupational Health and Safety

- Achieving zero workplace accidents.
- Providing employees with easy access to personal protective equipment as needed.

Human Resources and Company Culture

- Increasing the proportion of promising young employees considered for management roles through succession planning programs.



Governance

Business Ethics

- 100% Compliance with the Business Conduct Policy.
- Ethics Training Programs.

Compliance with Laws and Policies

- 100% Adherence to the Business Conduct Policy

BMJ'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

BMJ consistently considers every stage of its operations, particularly concerning their potential impact on social, economic, and environmental aspects. The Company is committed to adhering to sustainable business principles and contributing to the achievement of the Sustainable Development Goals (SDGs). As a tangible manifestation of this commitment, BMJ implements various initiatives that support the attainment of the SDGs, both through social responsibility programs and sustainable business practices. Below are the various initiatives undertaken by the company to support the achievement of the SDGs.



- Providing Halal certification assistance to MSMEs participating in the Bina Karya Program.
- Offering grants and funding for village development and community empowerment institutions in rural areas.
- Providing assistance to the poor and elderly in Purwadana Village.



- Offering health benefits to employees through BPJS Kesehatan, BPJS Ketenagakerjaan, and accident insurance.
- Operating a licensed clinic accessible to all employees and workers 24/7, staffed with certified hygiene, health, and safety officers.
- Collaborating with renowned hospitals and referral clinics accessible to employees and their families for both work-related and non-work-related health services.
- Organizing the Posyandu Mandiri Program to improve public health, especially for mothers and children, address stunting issues, and prevent the spread of dengue fever.



- Conducting annual training and education programs for all employees, with an average training duration in 2023 of 22.21 hours for male employees and 33.32 hours for female employees.
- Providing differentiated learning support to adapt to the independent curriculum for school principals, teachers, and students (elementary level).
- Offering scholarships for orphans and children in Purwadana Village.



- Supporting the elimination of child labor and forced labor in all operational locations, including among suppliers.
- Paying entry-level employees wages higher than the minimum wage, with a ratio of 125% for male employees and 137% for female employees.
- Implementing a retirement program for employees, including severance pay, pension funds, service awards, and two years of training before retirement.
- Establishing a Workers' Union and involving it in all company decision-making processes.



- Implementing water stewardship and water recycling activities, achieving 14.3% of total water consumption in 2023.
- Building a 5,000-liter water tank as part of the Purwadana Climate Village program to ensure a clean water supply during the dry season.



- Total energy consumption in 2023 was 1,047,212 GJ.
- Energy intensity in 2023 was 18.67 GJ/ton, a 4.12% decrease compared to the previous year.
- Inventorying Scope 1, 2, and 3 emissions in 2023.
- Emission intensity reached 2.42 tons CO₂eq/ton, a 2.72% decrease compared to the previous year.



- Ensuring 100% of raw material purchases come from suppliers certified in Sustainable Forest Management and Chain of Custody Systems.
- Forming waste bank groups as an educational platform for sustainable waste management, and providing supporting facilities such as Reduce, Reuse, Recycle (TPS3R) waste management sites, tents, and others.
- Developing and mentoring the PROKLIM Program for Purwadana Village in collaboration with KLHK and DLHK Karawang District.



- Conducting tree planting and maintenance activities in critical lands in Karawang District.
- Partnering through the Riparian Village Program to organize environmental education activities aimed at preserving and cleaning the Citarum River area.



- Committing to Good Corporate Governance (GCG) in Corporate Governance practices.
- Implementing anti-corruption policies within the company.
- Upholding Human Rights and anti-discrimination practices.

Our Sustainability Report

Sustainability Report **2023**

ABOUT THIS REPORT

PT Bukit Muria Jaya proudly presents the 2023 Sustainability Report as a demonstration of its commitment to sustainability. Through this report, the Company provides information about its initiatives and efforts in supporting sustainable development, and it also serves as a part of the internal evaluation mechanism. The scope of the Company's operational activities presented in this report covers environmental, social, economic, and governance aspects.

The Company is committed to issuing an annual sustainability report. In this second edition of the report, the Company presents its Corporate Social and Environmental Responsibility activities for the reporting period from January 1, 2023, to December 31, 2023. The terms "BMJ," "Company," and "We" in this report refer to PT Bukit Muria Jaya and do not include restatement. [\[GRI 2-2, 2-3, 2-4\]](#)

In preparing the sustainability report, the Company follows the Global Reporting Initiative (GRI) standards, which are globally recognized guidelines for sustainability reporting. The Company also ensures that its contributions to the Sustainable Development Goals (SDGs) are included in this report.

REPORT CONTENT DETERMINATION [\[GRI 3-1\]](#)

The sustainability report was prepared by conducting a materiality assessment using the double materiality method and involving stakeholders. This assessment followed the GRI Universal Standards 2021 and ensured that the report meets the eight principles recommended by GRI for producing a high-quality sustainability report. These principles are:

- 1 **Accuracy**
- 2 **Balance**
- 3 **Clarity**
- 4 **Comparability**
- 5 **Completeness**
- 6 **Sustainability Context**
- 7 **Timeliness**
- 8 **Verifiability**

Step 1

Identifying Sustainability Issues

The Company identifies sustainability issues based on GRI standards and rating agencies. The results of this identification are used to create a list of priority issues related to environmental, social, and governance (ESG) factors.

Step 2

Impact Significance Evaluation

The Company conducts a survey on 14 priority issues assessed to impact BMJ and stakeholder interests, involving both internal and external stakeholders through a materiality questionnaire distributed in March 2024.

Step 3

Materiality Assessment

After evaluating the impacts, the Company establishes thresholds to prioritize significant impacts and groups them into relevant topics, which are then used to focus the Company's attention and efforts on material issues.

Step 4

Prioritization and Validation

The results of the materiality assessment on 23 topics were then ranked and reviewed for approval by the Board of Directors and the Board of Commissioners to ensure alignment with the expectations and interests of stakeholders and the Company.

BMJ's Sustainability Report Materiality Matrix

Medium Priority Scale

Privacy and Data Security

- Customer Privacy

Corporate Governance

- Market Presence
- Procurement Practices

Business Ethics

- Child Labor
- Forced Labor
- Marketing and Labeling

Compliance with Laws and Policies

- Environmental Compliance

Human Rights

- Human Rights Assessment

Human Resources and Company Culture

- Employment
- Education and Training
- Diversity and Equal Opportunity
- Non-Discrimination



High Priority Scale

Mitigating the Impact of Climate Change

- Emissions
- Energy

Economic Performance

- Economic Performance

Waste Reduction

- Waste and Effluents

Water Stewardship

- Water

Anti-Corruption

- Anti-Corruption

Community Relations

- Local Communities
- Indirect Economic Impacts

Health and Safety

- Occupational Health and Safety
- Customer Health and Safety

Biodiversity and Reforestation

- Biodiversity



MATERIAL TOPICS AND BOUNDARIES [GRI 3-2]

Environmental Sustainability Aspects

Material Topics	GRI Standard Topics	Topic Boundaries	
		Within the Company	Outside the Company
Mitigating the impact of climate change	- Emissions - Energy	✓	✓
Waste Reduction	Waste and Effluents	✓	✓
Biodiversity and Reforestation	Biodiversity		✓
Resource Utilization	Materials	✓	✓

Social Sustainability Aspects

Material Topics	GRI Standard Topics	Topic Boundaries	
		Within the Company	Outside the Company
Occupational Health and Safety	- Occupational Health and Safety - Customer Health and Safety	✓	✓
Community Relations	- Local Communities - Indirect Economic Impacts	✓	✓
Privacy and Data Security	Customer Privacy	✓	✓
Human Resources and Company Culture	- Employment - Education and Training - Diversity and Equal Opportunity - Non-Discrimination	✓	
Human Rights	Human Rights Assessment	✓	
Business Ethics	- Child Labor - Forced Labor - Marketing and Labeling	✓	

Governance Sustainability Aspects

Material Topics	GRI Standard Topics	Topic Boundaries	
		Within the Company	Outside the Company
Anti-Corruption	Anti-Corruption	✓	✓
Corporate Governance	• Market Presence • Procurement Practices	✓	✓
Compliance with Laws and Policies	Environmental Compliance		✓

Economic Sustainability Aspects

Material Topics	GRI Standard Topics	Topic Boundaries	
		Within the Company	Outside the Company
Economic Performance	Economic Performance	✓	✓

STAKEHOLDER ENGAGEMENT [GRI 2-29]

BMJ understands the crucial role of stakeholders in the success of implementing sustainability strategies and achieving company goals. Therefore, the company consistently engages with relevant stakeholders to discuss important issues related to environmental, social, economic, and governance aspects of sustainability.

In carrying out this engagement, the company identifies key stakeholder groups using a stakeholder mapping method. This method aims to classify stakeholders based on their level of importance, the nature of relationships built, relevant communication topics, and appropriate steps to optimize communication effectiveness. The established classification results are used to achieve the company's projected targets for sustainable business practices. A complete list of stakeholders is presented in the table below:

						
Shareholders	Employees	Supplier	Customers	Government	Community	Media
Focus Areas Financial performance	Focus Areas Employment practices	Focus Areas Material procurement	Focus Areas - Product quality - Customer service	Focus Areas Compliance with regulations	Focus Areas Contribution to socio-economic growth	Focus Areas - Product communication - CSR activity publications - Sustainability progress updates
Frequency At least once a year	Frequency At least once a year	Frequency As needed	Frequency Continuously	Frequency Continuously	Frequency As needed	Frequency As needed
Engagement Methods - General Meeting of Shareholders (GMS) - Publication of annual & sustainability reports	Engagement Methods Meetings between worker representatives and company management	Engagement Methods Routine coordination with suppliers	Engagement Methods - Complaint handling - Product communication - Customer satisfaction surveys	Engagement Methods - Adhering to applicable regulations and conducting communication - Reporting on employment and environmental matters	Engagement Methods - CSR activities - Discussions with community representatives	Engagement Methods - Media briefings - Press releases - Factory visits

EXTERNAL ASSURANCE [GRI 2-5]

GRI recommends the use of external assurance by an independent third party to ensure the quality and reliability of the information presented in this report. For this report, the Company has undergone an assurance process conducted by CBC Global Indonesia, an independent party with Certified Sustainability Reporting Assurer (CSRA) credentials from the Institute of Certified Sustainability Practitioners (ICSP). This process serves as evidence that the data and information presented in this report are accurate, thereby enhancing the level of trust among stakeholders.

ACCESSIBILITY AND FEEDBACK

As a form of appreciation for any suggestions, ideas, criticisms, and comments that can improve the quality of future reports, we invite readers and stakeholders to complete the feedback form available in this report. We also provide extensive access to information regarding sustainability by contacting us at: [GRI 2-3]

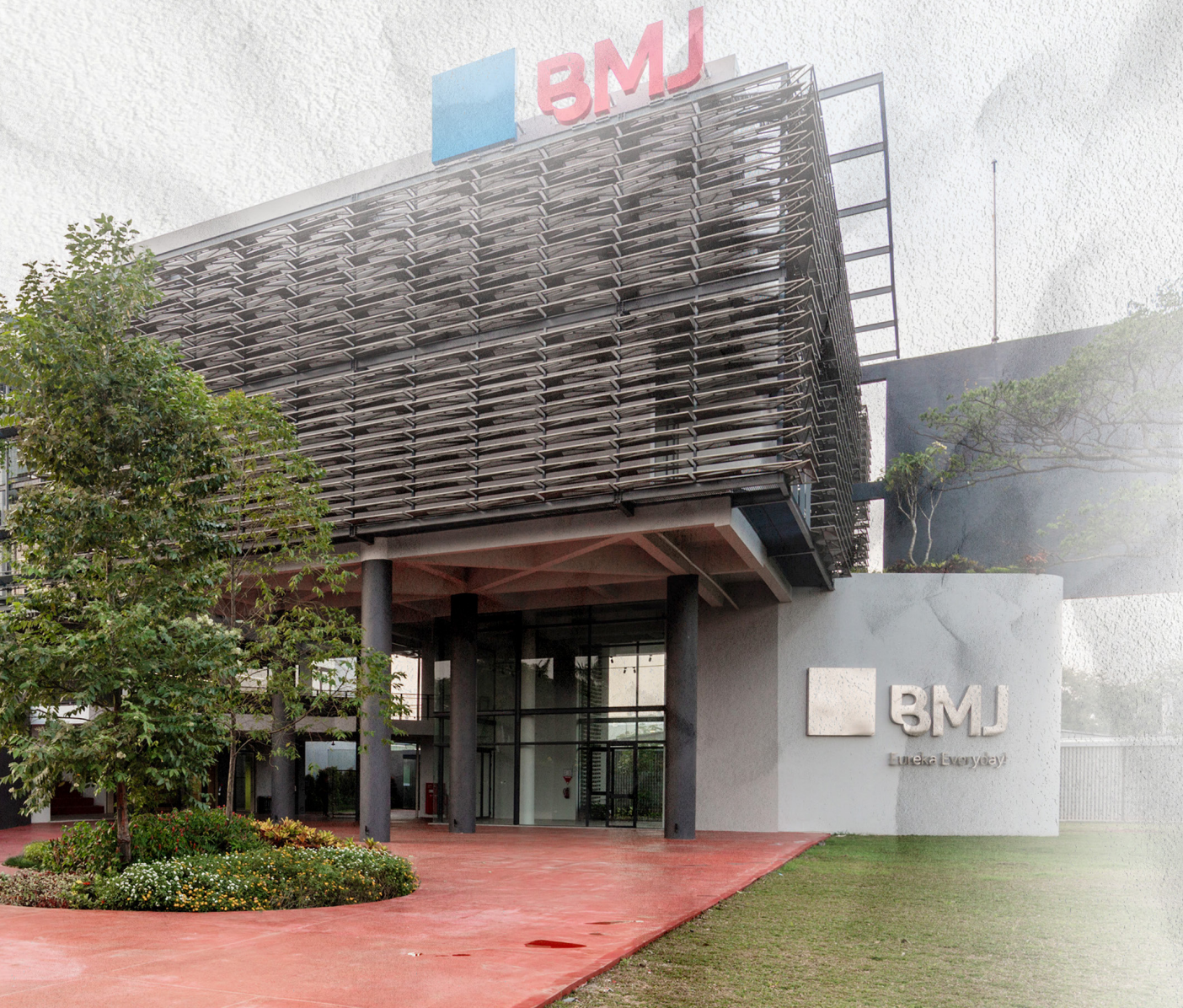
Fanny Wibowo Head of Purchasing Department



Jl. Karawang Spoor, Desa Purwadana, Kec. Teluk Jambe Timur,
P.O. BOX 54 KW Karawang 41300
Phone: +62 (267) 601030
Facsimile: +62 (267) 600700
Email: info@bmjpapack.com
Website: www.bmjpapack.com







Our Company

Sustainability Report **2023**



COMPANY PROFILE



Company Name [GRI 2-1]

PT Bukit Muria Jaya



Legal Entity and Company Status [GRI 2-1]

Limited Liability Company
(PT)



Business Sector [GRI 2-6]

Packaging and Cigarette
Paper Production



Number and Name of Operating Countries [GRI 2-1]

1 (one),

Indonesia



Head Office Location [GRI 2-1]

Jl. Karawang Spoor, Desa Purwadana,
Kec. Telukjambe Timur, P.O. BOX 54
KW Karawang 41300



Phone and Facsimile

Tel. +62 (267) 601030
Faks. +62 (267) 600700



Email

info@bmjpaperpack.com



Website

www.bmjpaperpack.com



Share Ownership [GRI 2-1]



PT Eragraha Pirantimegah Michael Bambang Hartono Robert Budi Hartono

BMJ AT A GLANCE

BMJ is a paper manufacturing company founded in 1989. In 1997, BMJ established a Packaging Division as a step to expand its business and began producing product packaging boxes, food packaging, foil laminated paper, airline tickets, and more.

We have the slogan “Eureka Everyday” to reflect the company’s spirit in providing the best solutions to meet customer needs, both domestically and internationally. Delivering high-quality products and services is our primary focus to meet industry standards. Accordingly, we continuously enhance productivity and quality to add value for our customers.

VISION, MISSION, AND CORPORATE VALUES

Vision and Mission

BMJ is your world’s number one partner in the cigarette industry by providing a total solution for non-tobacco material through intimate customer experience as well as operation and service excellence.

Corporate Values

BMJ has four corporate values that align with the company’s brand identity and are consistently applied as a foundation for advancing the company.



WE ARE ONE

The key attitude that places corporate interest over personal interest. Departments and divisions that aim to create synergy among them and are able to communicate openly and straightforwardly.



LEAD BY INTEGRITY

A role model for taking actions, based on ethics, integration, and respect for others.



LEARNING AND SHARING

The commitment to continuous learning, knowledge sharing, and self-development.



WOW THE CUSTOMER

The provision of best service that exceeds customer’s expectation, either internal or external, while showing effort to stay excellent in all aspects.



COMPANY SCALE [GRI 2-6, 2-7]



Number of
Operational Areas
(Factory Unit)

2023	2
2022	2
2021	2



Revenue
(%)

2023	6.66% ↑
2022	6.35% ↑
2021	2.69% ↓



Total Assets
(%)

2023	7.92% ↑
2022	3.45% ↑
2021	1.73% ↑



Total Employees
(People)

2023	1,205
2022	1,222
2021	1,208



Total Liabilities
(%)

2023	2.03% ↓
2022	0.49% ↓
2021	12.01% ↓



Equity
(%)

2023	10.27% ↑
2022	4.43% ↑
2021	5.83% ↑



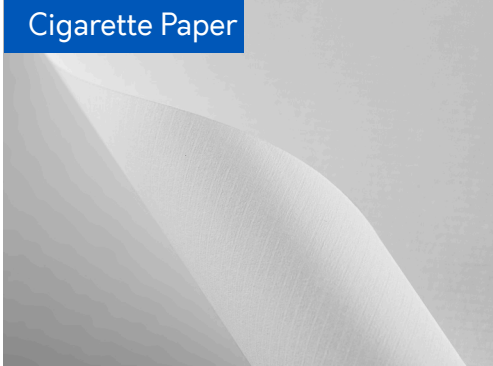
Total Net Profit
and Loss
(%)

2023	146.81% ↑
2022	20.67% ↓
2021	16.19% ↓

ACTIVITIES, BRANDS, PRODUCTS, AND SERVICES [GRI 2-6]

BMJ manufactures raw materials for cigarette production (excluding tobacco) for the industry, including cigarette paper, tipping paper, aluminum foil laminate paper, plug wrap paper, inner frame paper, and printed packaging base paper. Additionally, we offer custom features to meet customer needs. To meet international quality standards, BMJ ensures that only high-quality, specially designed products are provided.

Cigarette Paper



Tipping Base Paper



Printed Tipping Paper



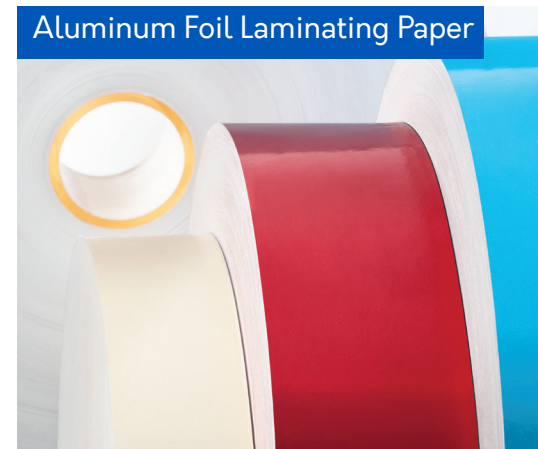
Plug Wrap Paper



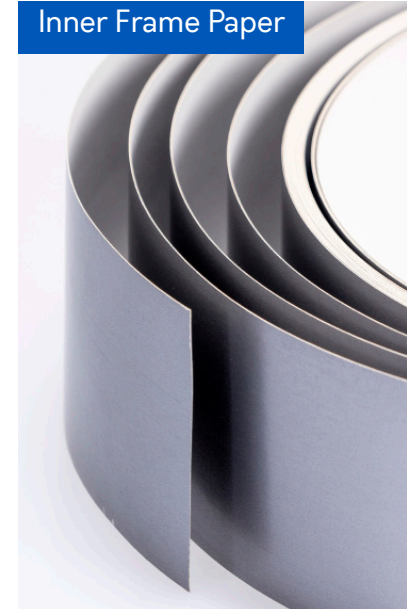
Printed Packaging Base Paper



Aluminum Foil Laminating Paper



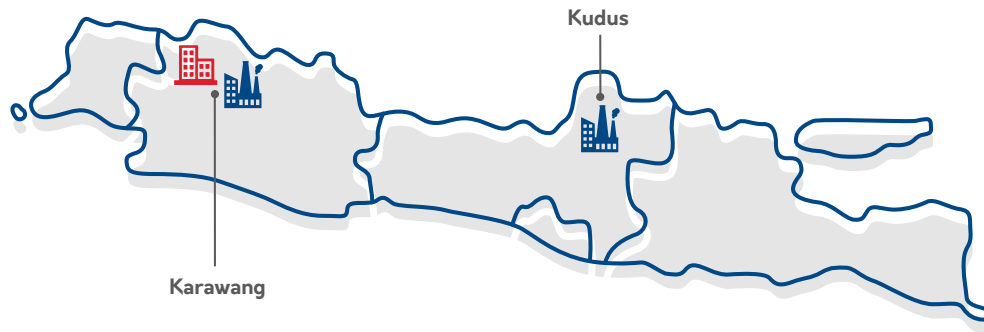
Inner Frame Paper





HEAD OFFICE AND OPERATIONAL AREAS [GRI 2-1]

In the reporting year, BMJ operated solely in Indonesia with its Head Office located in Karawang, and two factories in Karawang and Kudus. There were no changes to our operational locations throughout 2023.



Head Office

Jl. Karawang Spoor, Desa Purwadana, Kec. Teluk Jambe Timur,
P.O. BOX 54 KW Karawang 41300



Operational Area (Factory) Karawang

Jl. Karawang Spoor, Desa Purwadana, Kec. Teluk Jambe Timur,
P.O. BOX 54 KW Karawang 41300

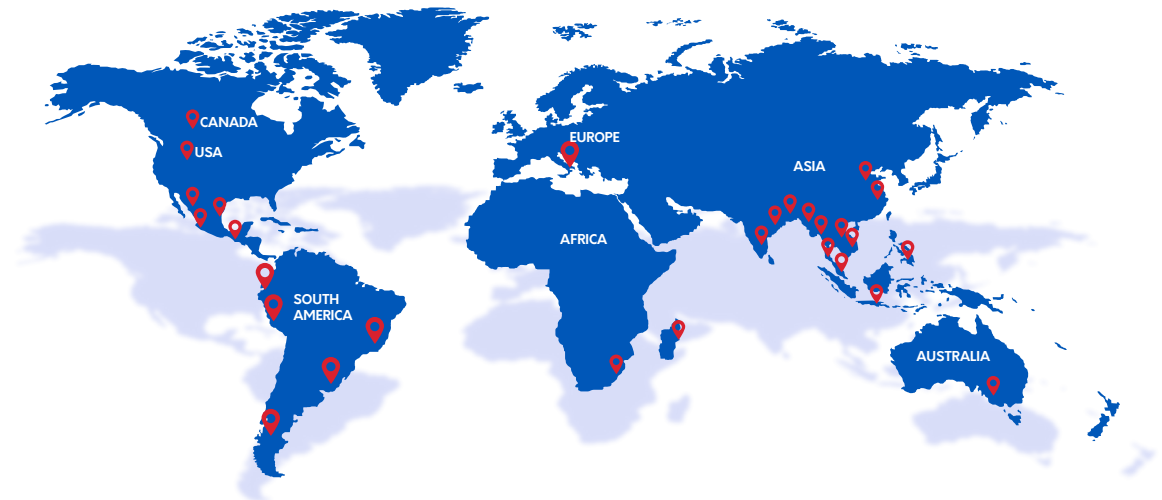


Operational Area (Factory) Kudus

Jl. Raya Kudus Jepara, Km. 14, Papringan, Kec. Kaliwungu, Kab.
Kudus 59332, Jawa Tengah, Indonesia

MARKETS SERVED [GRI 2-6]

Consistently, BMJ strives to produce high-quality products that meet international standards, establishing BMJ as a trusted company for clients. By aligning top-quality products with excellent service, BMJ's products are competitive in both domestic and global markets.

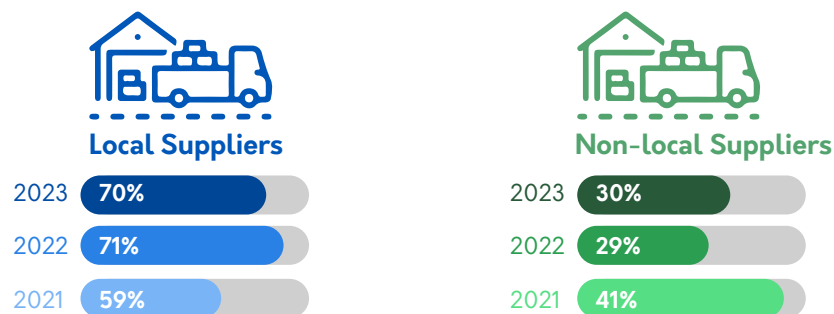


SUPPLY CHAIN [GRI 2-6]

BMJ collaborates with various partners or suppliers to establish an effective and efficient supply chain that supports business continuity. Our supply chain includes cooperation in the procurement process to meet the needs for goods and services necessary for the company's operations, particularly the provision of raw materials.

BMJ has established several policies regarding the supply chain, emphasizing aspects of quality-cost-service, and implementing procurement risk management that aligns with the company's strategy and objectives. These policies also reflect BMJ's commitment to continually considering the potential social impacts arising from the company's operations and striving to promote sustainability through various roles/functions, including in the supply chain. We regularly conduct Service Assessment Surveys (SSA) and Quality Index Surveys (SQI) to ensure and evaluate the implementation of company policies within the supply chain. [GRI 3-3]

One of BMJ's efforts to promote sustainability in the supply chain is by prioritizing local suppliers to meet the company's operational needs. This also demonstrates our support for strengthening the local and national economy. Considering lower production and distribution costs and shorter lead times, our local suppliers for raw materials are generally located on the island of Java. We consistently maintain a higher percentage of expenditure with local suppliers compared to non-local suppliers, as presented below. [GRI 204-1]



KINERJA EKONOMI

As part of its efforts to strengthen the economic aspect through the application of sustainability principles, BMJ is committed to running its business sustainably, prioritizing alignment between economic growth and support for the welfare of all involved entities, both directly and indirectly. BMJ's focus on production development and expansion drives us to manage capital and resources effectively, making this a crucial factor in achieving economic goals. Monitoring and evaluating economic performance is conducted consistently to ensure all aspects are proceeding as planned, including through the collection of information, data, and internal meetings. [GRI 3-3]

In 2023, BMJ continued to steadfastly optimize business sustainability by increasing production and developing innovations. To achieve long-term business sustainability, BMJ adheres to the ESG concept, using environmental, social, and governance factors as indicators in identifying opportunities and managing business challenges. As part of these efforts, BMJ maps its economic performance by breaking down economic value into three categories: economic value generated, economic value distributed, and economic value retained. [GRI 3-3, 201-1]

In this mapping, we categorize revenue earned from business activities as economic value generated. Economic value distributed represents expenditures allocated as our contribution to enhancing economic growth and stakeholder welfare. For example, this includes payments for wages, taxes, dividends, supplier payments, and funds allocated for community initiatives as part of our Corporate Social Responsibility (CSR). Economic value retained is the portion of economic value that remains after subtracting economic value distributed from economic value generated and is used for business development. The economic value generated and distributed are mapped based on the financial statements for the same reporting period, which is 2023.

Generated and Distributed Economic Growth

Description	2023	2022	2021
Revenue	6.66%	6.35%	(2.69%)
Generated Economic Growth	6.66%	6.35%	(2.69%)
Operational expenses	(1.30%)	8.98%	(1.98)
Employee salary and remuneration	10.31%	2.66%	1.46%
Payment to the government	332.08%	(55.12%)	(32.53%)
Investment to the community	22.22%	78.09%	(30.32%)
Distributed Economic Growth	1.55%	7.54%	(2.02%)

As part of its effort to identify climate change risks to economic performance, BMJ implemented several initiatives during the reporting year. These included increasing awareness of sustainability principles among all entities related to the company's operations, implementing risk and opportunity management programs related to climate change, and participating in climate impact management disclosures on platforms like CDP and Ecovadis. However, there was no revenue generated by the company from climate change-related opportunities and/or financial implications during the reporting year. Additionally, the company did not receive financial assistance from the government. [GRI 201-1, 201-2, 201-4]

In contributing to stakeholder welfare, BMJ also allocates compensation financing to employees from the distributed economic value. BMJ provides three pension programs for its employees: the Old Age Security Program, the Pension Security Program, and the Post-Employment Compensation Pension Program (PPUKP), with salary contributions ranging from 1% to 2%. In managing these pension programs, BMJ collaborates with the Social Security Agency (BPJS) for Employment and AXA Mandiri. [GRI 201-3]

ASSOCIATION MEMBERSHIPS [GRI 2-28]



Indonesian Chamber of
Commerce and Industry
Pengurus Daerah



Indonesian Employers
Association
Anggota



Indonesian Pulp and Paper
Association
Pengurus



Environmental Performance

Sustainability Report **2023**

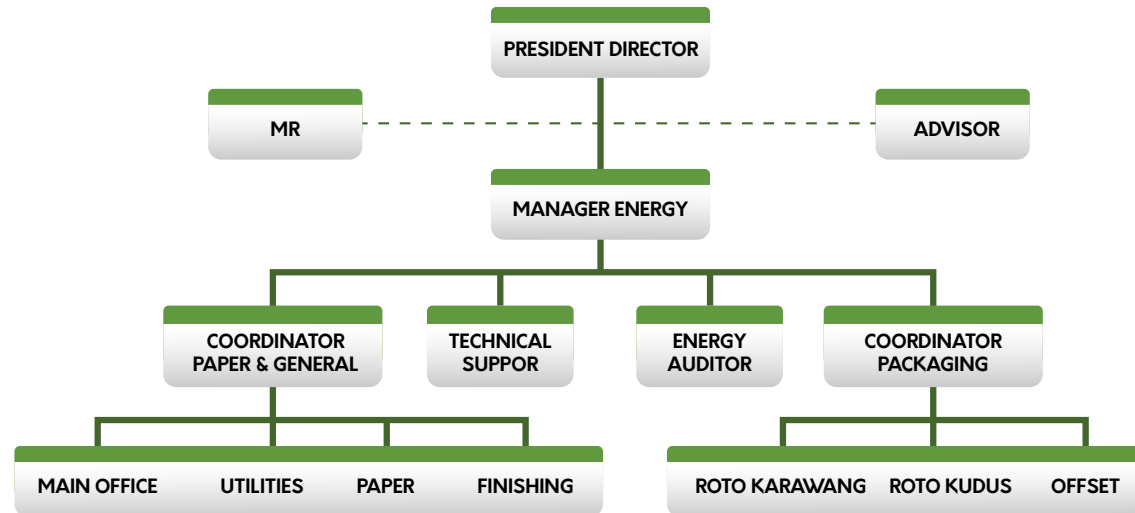
ENERGY [GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5]

Energy conservation is a key focus and priority for the company through programs aimed at reducing energy consumption in its operations. Energy management at BMJ is led by the Paper Electrical Maintenance & Energy Plant Department and involves all stakeholders to support the implementation of the company's energy management policies.

BMJ utilizes energy from various sources to operate its facilities and manufacturing equipment, such as diesel fuel for operational vehicles and generators. Additionally, BMJ uses coal to operate steam boilers and generators and relies on electricity supplied by PLN for office needs and lighting in operational areas. By utilizing these energy sources efficiently, BMJ ensures smooth operations while considering the environmental impact.

Since 2022, BMJ has been conducting an Energy Management program in line with Government Regulation No. 70 of 2009 on Energy Conservation. This program is a strategic step taken by the company to optimize energy use and reduce inefficient energy consumption. BMJ is also in the process of implementing the ISO 50001 Energy Management System, an international standard for efficient and sustainable energy management.

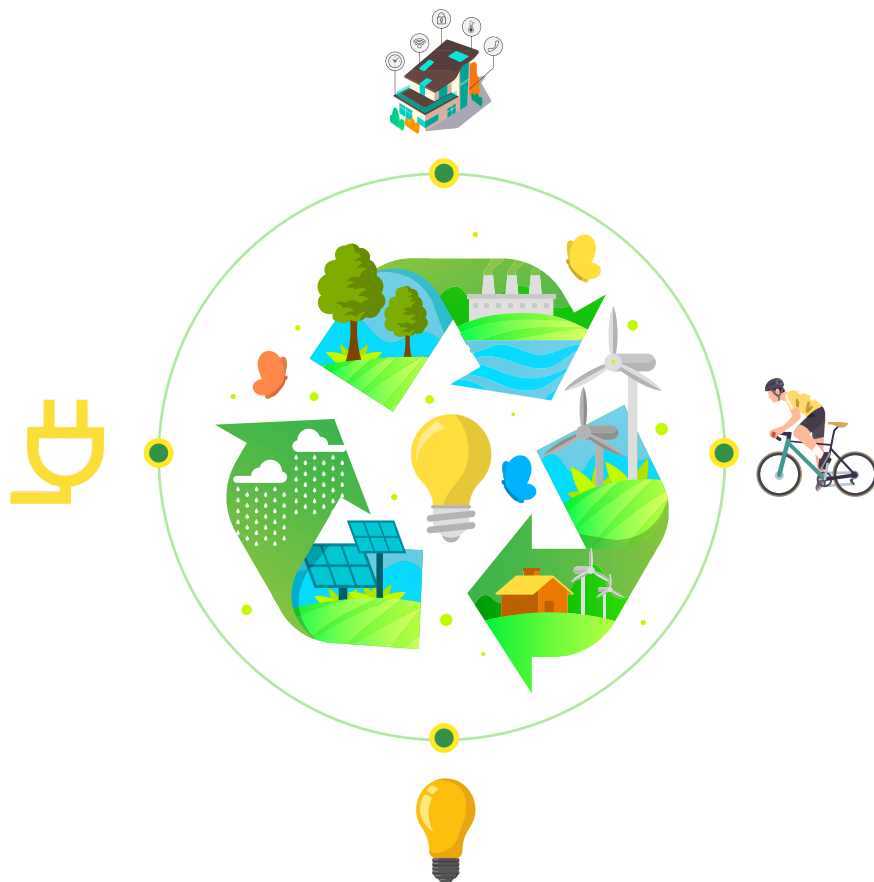
Energy Management Team Structure



Energy Conservation Initiatives

The company has also initiated various activities to reduce its carbon footprint, as outlined in BMJ's Sustainability Blueprint, including:

1. The use of energy-efficient lighting, such as LED lights.
2. Electricity-saving campaigns.
3. Smart Building features with automatic lighting and doors.
4. Promoting and encouraging the use of bicycles for employees living in Karawang City.



Utilization of Environmentally Friendly Technology

BMJ is taking proactive steps to support renewable energy by initiating the installation of 10 solar-powered street lighting units as a pilot project. This initiative is part of the company's plan to install 100 solar-powered PJU units by 2024. This initiative demonstrates the company's commitment to reducing its carbon footprint and introducing environmentally friendly solutions within its operations.

Additionally, BMJ has implemented electric forklifts. Electric forklifts are an environmentally friendly alternative to fossil fuel-powered forklifts. The use of electric forklifts offers several benefits, including reducing greenhouse gas emissions and air pollution in the workplace, as well as lowering noise levels.

Energy Use and Energy Intensity

As part of its sustainability and energy efficiency efforts, BMJ has detailed its energy usage data. Coal consumption data is sourced from the company's SAP application, while electricity usage is calculated from monthly electricity bills. The company has not yet transitioned to renewable energy sources and has not calculated energy reductions resulting from its products. Additionally, BMJ does not sell energy to third parties.

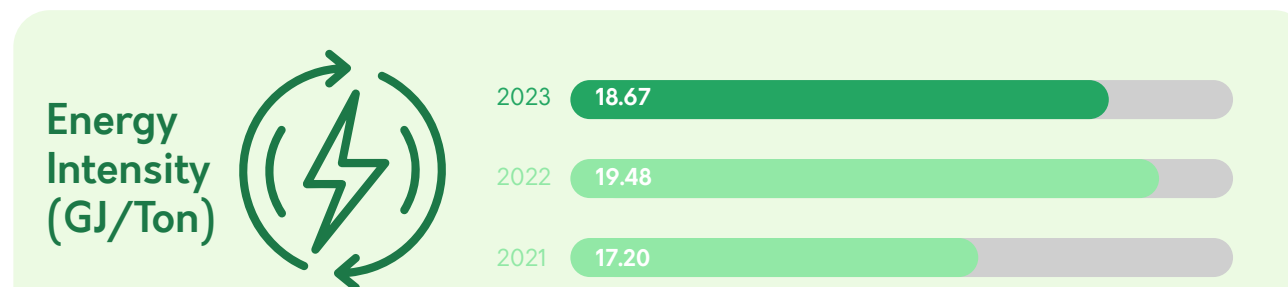
Below are the details of the company's energy usage:



****Note:** Energy conversion to GJ uses the conversion factor from the International Energy Agency (<https://www.iea.org/statistics/resources/unitconverter/>)

Energy intensity is used as a parameter indicating how effectively energy is utilized in operations. In this context, BMJ has calculated energy intensity by dividing the total energy in gigajoules (GJ) by the total production in tons.

The following is the details of the company's energy intensity:



GREENHOUSE GAS EMISSION

[GRI 3-3, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7]

Emissions management encompasses a series of actions aimed at controlling and reducing emissions from company operations, in line with applicable regulations and the company's environmental commitments. A primary focus of this management is Greenhouse Gas (GHG) effects, which have become an increasingly pressing global concern.

GHG issues are integral to the Sustainable Development Goals (SDGs), specifically Goal 13, which emphasizes the importance of concrete actions to address climate change. In this context, implementing sustainable environmental policies reflects BMJ's commitment to preserving and protecting the environment.

Emission Reduction Initiatives

In its efforts to reduce GHG emissions from its operations, BMJ has identified GHG emission control as a crucial aspect of sustainability. Several initiatives related to GHG emission reduction include:

1. Fostering awareness and commitment among all employees to support efforts to reduce energy consumption and GHG emissions through various programs aimed at achieving carbon neutrality.
2. Identifying risks and opportunities to reduce carbon emissions.
3. Encouraging all partners to support the achievement of GHG emission targets for Scope 1, 2, and 3.
4. Increasing the use of renewable energy in operating the company.

“

Development of Scope 3 Emission Platform

BMJ is developing a platform to systematically record Scope 3 carbon footprint calculations, including emissions from suppliers, employees, and others. This initiative demonstrates BMJ's commitment to carbon reduction, enabling the Company to identify and manage emission sources more effectively.

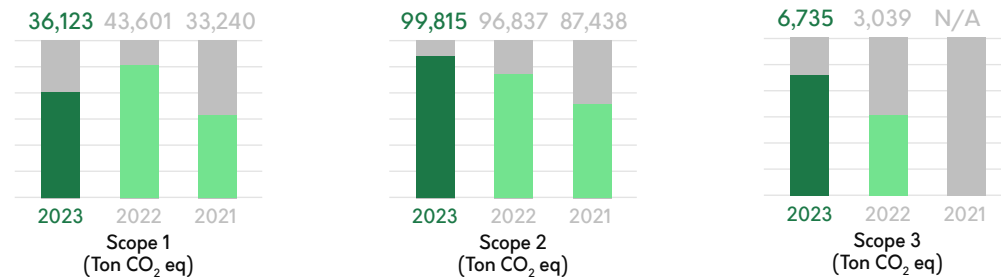
Emissions Generated and Emission Intensity

The company has calculated Scope 1, 2, and 3 emissions. These calculations are based on the operational control approach outlined by the Intergovernmental Panel on Climate Change (IPCC) and published in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Scope 1 emissions arise from the use of fuel oil (BBM) and coal, while Scope 2 emissions are related to the use of electricity supplied by Perusahaan Listrik Negara (PLN). In 2022, the company also calculated Scope 3 emissions, which include transportation and distribution activities. The scope of this calculation encompasses employee transportation, waste, suppliers, and distribution to customers.

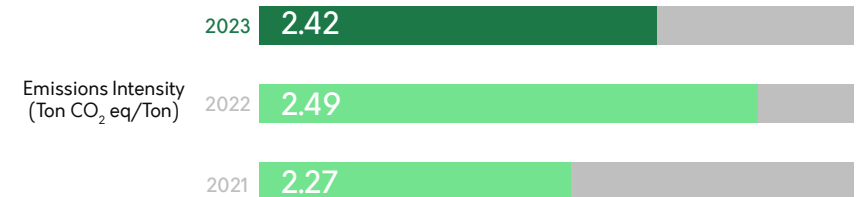
Scope 1 and 3 emissions calculations use emission factors set by the Research Center for Oil and Gas (Lemigas) of the Ministry of Energy and Mineral Resources, while Scope 2 uses emission factors published by the Directorate General of Electricity of the Ministry of Energy and Mineral Resources.

The following is the company's emissions calculation:



*N/A: Emisi Cakupan 3 dihitung mulai tahun 2022

BMJ has calculated emission intensity by dividing the total Scope 1 and 2 emissions in Ton CO₂ eq by the total production in tons. The following is the company's emission intensity calculation:



During the reporting period, BMJ has not yet established a baseline year for emissions and has not calculated the required emission reductions for its products. BMJ uses non-CFC (Chlorofluorocarbon) refrigerants, which do not produce ozone-depleting substances (ODS). Additionally, the company has not yet calculated other significant air emissions.

WATER [GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5]

Water and effluent management is a crucial aspect of BMJ's environmental responsibility. The company implements various strategies to reduce water consumption and manage liquid waste effectively to prevent environmental pollution. These actions include recycling systems to minimize environmental impact.

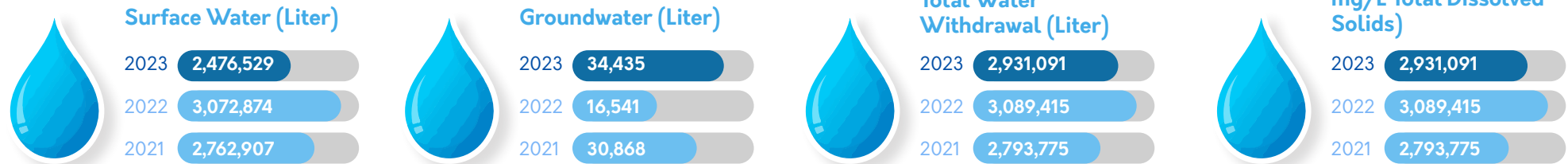
Efforts to reduce water consumption are carried out through water stewardship practices, which are a primary focus of the Paper Process Engineering Department. BMJ sources its water from surface water and groundwater. When extracting groundwater, BMJ ensures compliance with applicable permits, including regulations on freshwater extraction and avoidance of water-stressed areas. To monitor water use, the company uses flow meters that are integrated into the Distributed Control System (DCS).

Regular evaluations of water utilization performance are an essential part of reporting to government authorities by the relevant permits. Additionally, these evaluations are key performance indicators (KPIs) for the relevant departments in maintaining sustainability and environmental responsibility.

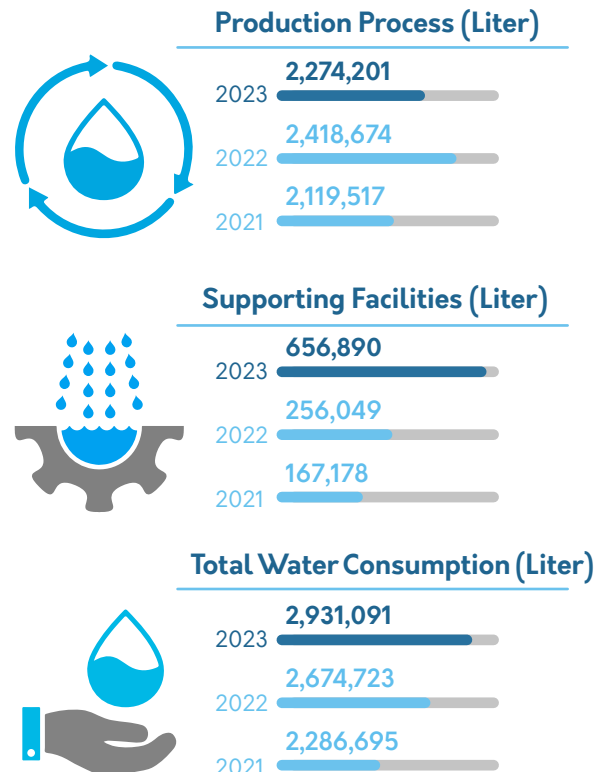


Water Withdrawal and Consumption

The following is water withdrawal based on water source:

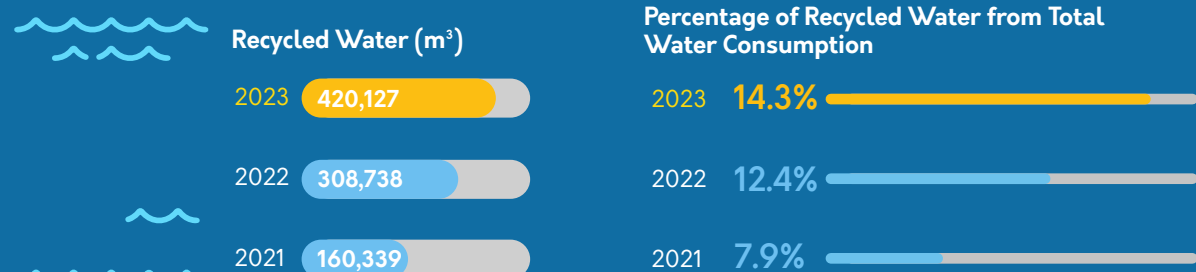


The following is water consumption based on supporting facilities:



Water Recycle Efforts

BMJ has implemented a water recycling program, reusing water within the production process. In 2023, recycled water accounted for 14.3% of the total water consumption. This initiative not only reduces the use of fresh water but also helps to lessen the environmental impact of the company's operations. Through this program, BMJ demonstrates its commitment to minimizing its ecological footprint and managing water resources more sustainably.



Additionally, BMJ is in the development phase of a pilot project for rainwater harvesting, which involves several storage tanks. If this project proves successful and has no negative impacts, it will be implemented or replicated. The primary goal of this project is to utilize rainwater as a reusable resource, reduce dependence on fresh water, and support environmental sustainability and more efficient water management.

MATERIALS [GRI 3-3, 301-1, 301-2, 301-3]

BMJ is dedicated to responsible material use, focusing on efficiency and waste reduction as part of its commitment to environmental sustainability. Efficient use means maximizing material utility and minimizing waste, supported by a shift towards sustainable cycles.

In the production of cigarette paper, BMJ uses various materials such as pulp, chemicals, cardboard, other papers, and aluminum foil. The use of these materials, in terms of both quantity and quality, is routinely monitored and evaluated on a daily, monthly, and annual basis. Additionally, material usage is one of the key performance indicators (KPIs) for the relevant departments.

The company also recycles a maximum of 40% of the material, referred to as “broke.” However, BMJ does not use waste paper or reclaimed materials in its production processes.

Raw Material Conservation Commitment



Promoting material conservation programs



Increasing the use of environmentally friendly materials



Materials Usage

The following is the Company’s materials usage:

Input Materials	Unit	2023	2022	2021
Paper Division				
Pulp	%	(0.75%)	16.49%	(3.46%)
Chemical	%	(26.87%)	12.08%	(8.57%)
Roto Packaging Division				
Cardboard	%	(19.87%)	(6.46%)	(12.55%)
MG Paper	%	(13.24%)	(6.83%)	(6.64%)
Foil	%	(21.76%)	(9.43%)	(4.99%)
Ink and Solvent	%	(76.17%)	(0.32%)	(1.25%)
Offset Packaging Division				
Cardboard	%	0.55%	19.26%	23.12%

“

Life Cycle Assessment

BMJ will conducted environmental impact assessments through life cycle assessments (LCA) of each product produced, involving comprehensive studies and evaluations. Currently, the life cycle assessments are limited to a gate-to-gate approach.



WASTE AND EFFLUENTS

[GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5]

The Company's operations generate solid waste, including hazardous and toxic waste and non-hazardous waste. Recognizing that improperly managed waste can pollute the environment, the Company is committed to managing waste effectively to enhance efficiency and minimize negative impacts. These efforts are carried out in compliance with applicable regulations and with consideration for the well-being of communities around the operational areas.

Waste Management Commitment



Reduce the amount of hazardous and non-hazardous waste.



Raise employee awareness to implement the Reduce, Reuse, Recycle (3R) program within the company and the surrounding environment.



Monitor the process from raw materials to final products, achieving 100% of targeted plans.

Innovative Waste Management Steps by BMJ

BMJ has taken concrete steps to reduce waste, particularly plastic, through two main strategies. First, in the production area, the company has cut back on the use of plastic wrapping and plastic bottles by providing glasses and dispensers and encouraging employees to use personal tumblers. This initiative not only significantly reduces plastic waste but also fosters environmental awareness among the staff.



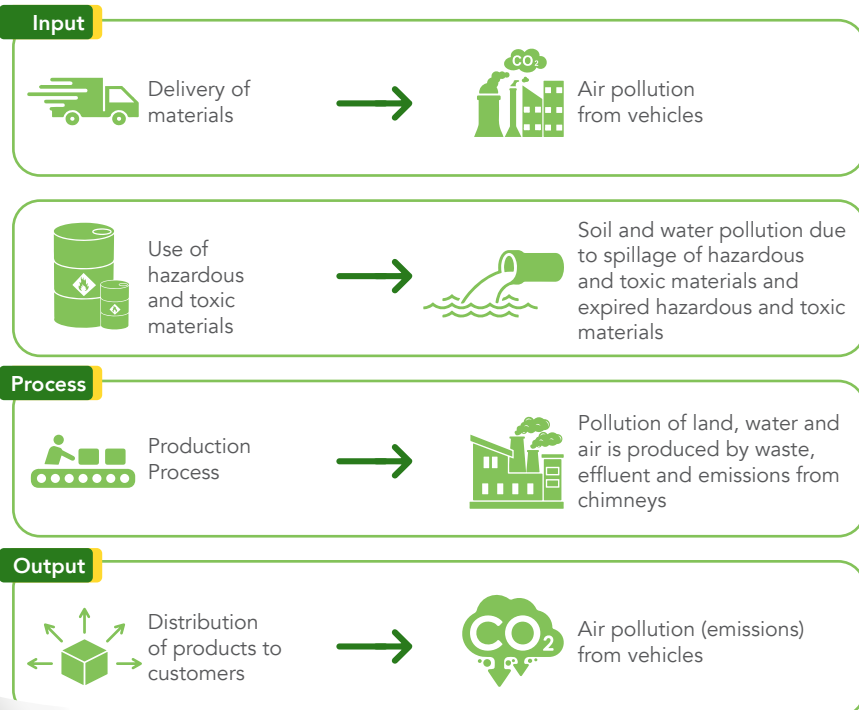
Additionally, BMJ has implemented an organic recycling program through composting. The company collects organic waste such as leaves, grass, and other organic materials from trees on their property. As a result, BMJ has successfully produced about 2 tons of compost each period. This compost is used not only for the company's internal needs but is also made available to external parties, including the Government of Karawang Regency.



Waste Management

Hazardous waste generated is transported to a licensed Temporary Storage Facility (TPS). Each type of hazardous waste is meticulously recorded in a logbook and categorized accordingly. The maximum storage period for hazardous waste at TPS is 90 days before being transported by a licensed third party using an electronic manifest (festronik), which is recorded in the Environmental Reporting Information System (SIMPEL) of the Ministry of Environment and Forestry (KLHK). The third-party appointed by the Company holds transportation permits from the Department of Transportation and utilization permits in compliance with KLHK regulations. The management of hazardous waste is continuously monitored and overseen using festronik. Waste generation is evaluated periodically each semester, to reduce handling costs and waste quantities.

The Company has also identified the impacts related to waste in its operations as follows:



The following is a summary of waste generated, diverted, and managed by third parties, in tons:

Year	Source	Waste Generated	Waste Diverted from Final Disposal	Waste Managed by Third Party
2023	Production	15,313.62	-	15,313.62
2022	Production	19,464.77	-	19,464.77
2021	Production	13,576.85	-	13,576.85

The following is a summary of the waste managed by third parties, in tons:

Year	Category	On Site	Off Si	Total
2023	Hazardous Waste	-	7,211.66	7,211.66
	Non-Hazardous Waste	-	8,101.96	8,101.96
	Total	-	15,313.62	15,313.62
2022	Hazardous Waste	-	9,636.66	9,636.66
	Non-Hazardous Waste	-	9,828.11	9,828.11
	Total	-	19,464.77	19,464.77
2021	Hazardous Waste	-	6,862.12	6,862.12
	Non-Hazardous Waste	-	6,714.73	6,714.73
	Total	-	13,576.85	13,576.85

The following is a summary of waste based on management methods, measured in tons:

Category	Type of Waste	Management Method	2023	2022	2021
Hazardous	Fly ash	Transported to licensed third party	6,448.27	7,475.96	6,397.44
	Bottom ash		620.35	1,896.23	382.36
	Hazardous Sludge		3.44	21.91	9.52
	Contaminated gloves		15.36	55.40	22.96
	Expired chemicals		2.34	2.35	-
	Fluorescent lamps		0.05	0.98	0.59
	Sludge solvent		47.40	90.67	21.77
	Used oil		4.24	31.06	15.69
	E-waste		1.15	0.65	0.79
	Used batteries		-	1.64	3.63
	Hazardous waste packaging		56.52	59.80	7.37
	Coolant		8.14	-	-
	Used refractory		3.12	-	-
	Used filters		1.28	-	-
Non-Hazardous	Sludge	Wastewater Treatment Plant (WTP)	8,101.96	9,828.11	6,714.73
TOTAL			15,313.62	19,464.77	13,576.85





Effluent Management

Wastewater produced by the company is treated at the Wastewater Treatment Plant (WWTP). This process involves four main stages: neutralization (equalizer), flocculation (coagulation), sedimentation (separation of clear water from fiber sludge), and dewatering (pressing sludge until the water content reaches 72%) using a belt press machine. The clear water from the sedimentation tank overflows into a gutter, which then channels it to the river. Meanwhile, non-hazardous sludge is managed at the Temporary Storage Site before being transported by a third party.

Effluent quality measurements are based on analysis data from the Continuous and Online Wastewater Quality Monitoring System (SPARING) of the KLHK. This system allows the company to transmit effluent analysis data to the KLHK data center every two minutes in real-time, while also monitoring key parameters such as pH 6–9, COD <100 mg/L, TSS <45 mg/L, and Flow Rate <400 m³/h, with a tolerance limit of up to 5% above the standard within a year.

The company also adopts recycling methods to reduce effluent discharge into the river. Part of the treated water from the WWTP is reused, and mixed with river water for clarification in the raw water treatment system. Additionally, this water is used for cleaning areas and equipment in the WWTP. The company continually enhances the efficiency and effectiveness of chemical use in waste treatment through equipment modifications tailored to achieve optimal chemical reactions as needed.

The following is the summary of water discharge based on the destination:

Freshwater

(≤1,000 mg/L Total Dissolved Solids) (Liters)



2023

2,094,784,000



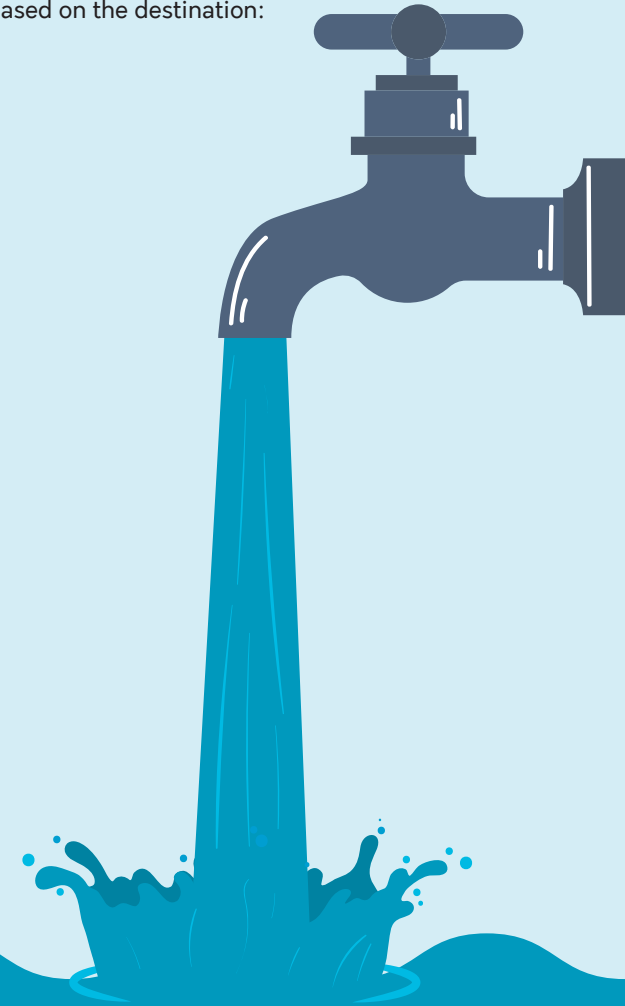
2022

1,910,694,000



2021

2,161,522,000



BIODIVERSITY [GRI 3-3, 304-1, 304-2, 304-3, 304-4]

BMJ acknowledges the potential negative environmental impacts that may arise from its operations. The production process involves the use of certain chemicals, and the resulting liquid waste may lead to leaks and river pollution. Additionally, emissions of smoke, dust, and noise from equipment such as boilers could disrupt the surrounding fauna ecosystem. In response to these challenges, BMJ has adopted an environmental management system compliant with ISO 14001 standards. This includes a series of Standard Operating Procedures (SOPs) specifically designed to manage the environmental impacts of the company's activities.

Furthermore, BMJ demonstrates a strong commitment to preserving biodiversity and natural resources around its operational areas. These efforts align with compliance with applicable environmental regulations, including permitting processes and routine reporting related to the Environmental Management Plan and Environmental Monitoring (RKL-RPL) through the SIMPEL system governed by KLHK.

66

Carbon Sequestration Calculation in Planted Trees

BMJ is firmly committed to continuously enhancing the sustainability and potential of its biodiversity management programs. In 2023, one of the key activities was calculating the carbon sequestration of trees planted within the Company's operational areas. This initiative is part of our efforts to understand and measure the environmental impact of BMJ's operations, particularly in relation to the carbon sequestration occurring within the concession area.

Biodiversity Commitment



1

Sourcing 100% of raw materials from suppliers certified in Sustainable Forest Management and Chain of Custody Systems.

2

Using only PEFC and SVLK-certified pulp and other materials in the production of cigarette paper and packaging products.

3

Consistently implementing and maintaining recognized traceable certification systems.

Biodiversity Management

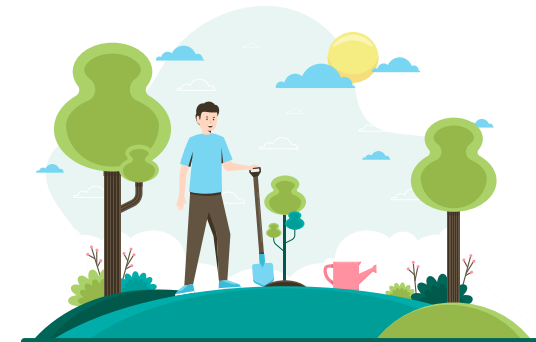
The Company has identified, managed, and mitigated the actual and potential impacts on biodiversity. BMJ Factory, located in Karawang Regency, covers an area of 25 hectares and is situated close to agricultural ecosystems and the Citarum River banks, as outlined in the table below:

Activity	Potential Impact	Impact Scope	Impact Duration	Impact Reversibility Level	Impact Mitigation
Production Process	Depletion of natural resources	Karawang Regency and Indonesia			Compliance with threshold values or quality standards, use of the latest technology, licensed management, and utilization
	Air, water, and soil pollution	Purwadana Village and Citarum River	During the production process	Reversible depending on mitigation actions	Efficiency in material use, use of the latest technology, skilled labor, application of reduce, reuse, and recycle (3R) principles, and implementation of assessment, remediation, and monitoring (ARM) methods
	Dust and air pollution from boilers				
	Noise from machinery operation				

The company regularly evaluates the impacts identified on biodiversity performance. Evaluations are conducted every six months for the short-term, medium-term, and long-term action plans that have been established. Additionally, the Company has allocated a total area of 11.1 hectares as a conservation area.

Location	Operation	Conservation Area (ha) [A]	Concession Area [B]	% of Total Concession Area [C] = [A]/[B]
Karawang Factory	Production	11.10	17.48	64%

As of 2023, there are approximately 75 teak trees and 93 monkey pod trees older than 10 years in the green open spaces. The Company also carries out reforestation along the Citarum River banks. In the vicinity of the operational area, various flora and fauna can be found, including monitor lizards, cobras, and several bird species such as the sooty-headed bulbul, zebra-dove, and spotted-dove. However, the Company has not yet conducted direct monitoring or identified species according to the International Union for Conservation of Nature (IUCN) Red List. Additionally, the Company has reforested 5 hectares along the Citarum River.





Social Performance

Sustainability Report **2023**

EMPLOYMENT ASPECTS

For BMJ, Human Resources (HR) plays a crucial role in achieving the company's goals. In addition to supporting the company's advancement, HR is also a key pillar in driving business sustainability. BMJ is committed to implementing HR management that adheres to sustainability principles and social criteria in line with the triple bottom line concept (People, Planet, Profit). This approach is believed to create alignment between performance growth and the management of employment aspects, supporting employee well-being.

As part of our efforts to enhance individual performance, innovation, dedication, and competitiveness within the company, we have established several policies related to employment aspects, including the BMJ Business Conduct Policy, Human Rights & Working Conditions Policy, and Career Management Policies. These policies guide our initiatives, such as incentive calculation based on performance, the Knowledge Management Program, and Competency Enhancement through the Community of Practice (COP) program. [\[GRI 3-3\]](#)

BMJ's HR management also aligns with the company's ESG program, overseen by the Human Resource and Organization Development (HR & OD) Department. This department is responsible for ensuring that HR practices align with ESG goals, such as talent development, diversity & inclusion, and occupational health and safety (OHS). HR & OD also fosters harmonious working relationships based on mutual respect, trust, and open communication. ESG success is measured through indicators such as employee engagement & development, diversity & inclusion, and OHS. To assess the effectiveness of these ESG programs, BMJ has identified several employment aspects related to social sustainability. [\[GRI 3-3\]](#)

Sustainability Aspects in Employment



Harmonious, Dynamic, and Fair Industrial Relations

BMJ understands that effective industrial relations are crucial for the success and sustainability of its business. Productive industrial relations can lead to increased work productivity, job satisfaction, and employee retention. To this end, BMJ continuously fosters open and transparent communication and encourages collaboration among various stakeholders to build ideal industrial relations. One of the company's employee engagement initiatives is by providing community platforms for employees to pursue their hobbies, such as sports and the arts. This initiative aims to enhance employee motivation and performance and to create a culture of excellence and achievement that brings pride to both employees and the company. [GRI 3-3]

Additionally, BMJ has established a Labor Union as an intermediary between management and employees. Through the Labor Union, employees can directly communicate their aspirations, concerns, and feedback to management, fostering open and constructive dialogue. The Labor Union also plays a role in negotiating various employment aspects, such as wages, working conditions, and employee welfare, all of which are governed by the Collective Labor Agreement (CLA). By the end of the reporting period, 100% of employees were members of the Labor Union and covered by the CLA. [GRI 2-30]

Management also holds regular meetings with Labor Union representatives, at least once a month, to discuss current employment issues. When cases or potential problems arise in industrial relations, management representatives and employees from the Labor Union, as part of the Bipartite Cooperation Institution (LKS Bipartit), promptly conducted a mediation and discussion session outside the regular monthly schedule. Beyond its advisory role, LKS Bipartit is responsible for seeking solutions and mitigate any potential negative impacts that may arise from these issue. Furthermore, the company regularly conducts employee engagement surveys through the Human Resources (HR) Division to evaluate the effectiveness of the complaint mechanisms provided. [GRI 2-25, 3-3]

Employee engagement is also a key aspect in the planning of significant operational changes affecting employees. These changes are implemented through consultations or discussions with employees and Labor Union representatives to gather perspectives that inform the decision-making process before operational changes are implemented. BMJ mandates that employees must be notified of such changes at least one month before their implementation. [GRI 402-1]



Support for Human Rights

BMJ is committed to upholding human rights in every aspect of the company's operations and supply chain. This commitment is reflected in the Code of Ethics, specific HR-related policies, and the CLA, which mandate compliance with all relevant regulations in line with labor law principles and the United Nations Universal Declaration of Human Rights. The company also ensures that there are no practices of discrimination, harassment, or labor exploitation within its operations. Additionally, BMJ actively implements human rights awareness training programs for all employees and business partners.

[GRI 3-3, 2-27]

To create an inclusive and comfortable work environment, BMJ firmly rejects all forms of discrimination, harassment, and other human rights violations. According to the specific human rights policies, all business units of BMJ are obligated to continuously consider human rights factors. During 2023, BMJ did not review human rights aspects across its operations. However, the company ensures compliance with human rights regulations through commitments outlined in the specific human rights policies, Code of Ethics, and CLA. [GRI 412-1]

BMJ recognizes the importance of understanding human rights principles for employees and the supply chain to foster collective awareness. Therefore, the company regularly conducts socialization of the Code of Ethics and company policies regarding human rights to all employees and partners, delivered digitally to ensure broad and efficient access. The company's commitment to protecting human rights is evidenced by the absence of human rights violations in its operational environment throughout the reporting period, resulting in no negative impacts. [GRI 412-2, 412-3]

Contribution to the Elimination of Child Labor and Modern Slavery

In accordance with Article 68 of Law No. 13 of 2003 and International Labour Organization (ILO) Convention No. 138 of 1973 on the Minimum Age for Admission to Employment, BMJ sets a minimum age requirement of 18 years for employee recruitment. This policy represents BMJ's commitment to preventing the involvement of underage labor, as outlined in the Collective Labour Agreement (CLA) Chapter V Article 15 on Employee Recruitment and the Code of Ethics. The minimum age requirement is also applied in supplier selection processes to ensure that no underage labor is involved in the company's operational environment. [GRI 2-27, 3-3, 408-1]

In line with this, BMJ also firmly prohibits modern slavery practices and the use of forced labor both within the company and among suppliers, in accordance with Law No. 19 of 1999. Policies related to the prohibition of slavery and forced labor are detailed in the CLA, which mandates written agreements between the company and employees based on mutual consent, covering recruitment, rotation, and all other employment relationships. Every two years, company management reviews the CLA to evaluate the performance in preventing child and forced labor. During the reporting period, no child labor or forced labor was found in the company's operational environment or supply chain, thus posing no associated risks. [GRI 3-3, 409-1]



HUMAN RESOURCE MANAGEMENT

Diversity and Equal Opportunity

The implementation of diversity and equal opportunity principles is believed to drive innovation, diverse perspectives, and enhance performance and productivity. Therefore, BMJ considers diversity and equal opportunity as the foundation of human resource management, as outlined in BMJ's ESG Program. With this approach, BMJ aims to create an inclusive and highly competitive work environment that positively impacts all employees and advances the company as a whole. [GRI 3-3]

ESG Human Resource Management Targets



Diversity & Inclusion

Accelerate the empowerment of exceptional human resources within the company.



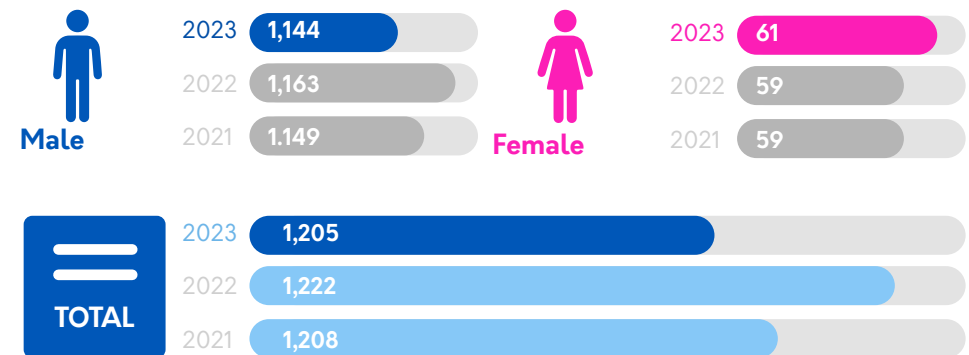
Empowering Employees & Our Communities

- Maintain the presence of skilled labor for the present and future.
- Prioritize employee health and well-being, and take steps to assist through collaboration with local communities when needed.

Policies related to the application of diversity and equal opportunity principles in human resource management are detailed in the company's CLA. These policies are implemented in employee recruitment, training and development programs, career advancement, and employee remuneration and welfare. In alignment with Law No. 40 of 2008 on the Elimination of Racial and Ethnic Discrimination, BMJ is also committed to building an inclusive work culture, where respecting, honoring, and acknowledging each individual's uniqueness and abilities is highly valued. [GRI 3-3]

The BMJ Business Conduct Guidelines clearly state that the company prohibits all forms of discrimination based on gender, religion, race, nationality or ethnicity, cultural background, social group, disability, marital status, age, or political views. In 2023, BMJ ensured that there were no incidents of discrimination in all business and operational activities. The commitment to diversity and equal opportunity is reflected in the company's employee composition, compiled from the ERP HR Database as follows: [GRI 2-7, 3-3, 405-1, 406-1]

Employee Composition Based on Gender





Employee Composition Based on Employment Status and Gender

Employment Status	2023		2022		2021	
	L	P	L	P	L	P
Permanent Employees	1,089	58	1,096	56	1,119	52
Contract Employees	55	3	67	3	30	7
Total	1,144	61	1,163	59	1,149	59

Employee Composition Based on Position Level

Position Level	2023		2022		2021	
	L	P	L	P	L	P
Directors	4	0	4	0	4	0
General Managers/ Regional Managers	3	0	3	0	4	0
Managers	48	3	50	3	47	3
Staff	104	41	134	43	135	41
Non-Staff	985	17	972	13	959	15
Total	1,144	61	1,163	59	1,149	59

Employee Composition Based on Age Group

Age Group	2023		2022		2021	
	L	P	L	P	L	P
> 50 Years old	195	21	108	3	98	2
41—50 Years old	459	21	355	14	325	14
31—40 Years old	382	17	460	21	478	17
18—30 Years old	108	2	260	21	248	26
Total	1,144	61	1,163	59	1,149	59



Employee Composition Based on Work Area and Employment Status

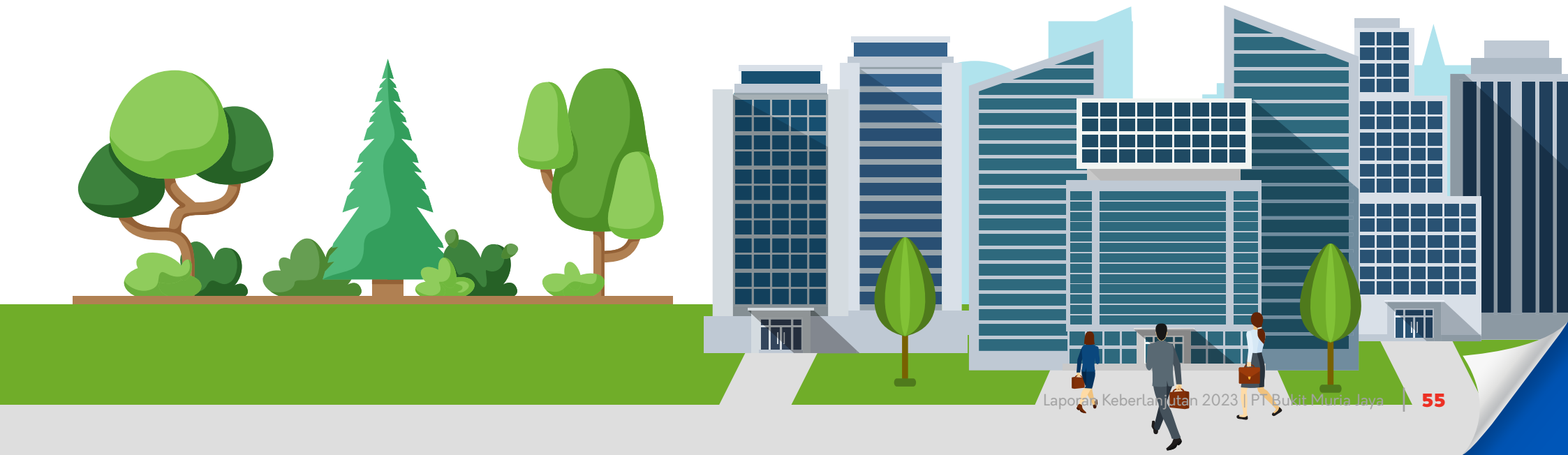
Work Area	2023		2022		2021	
	Permanent Employees	Contract Employees	Permanent Employees	Contract Employees	Permanent Employees	Contract Employees
Karawang	1,075	35	1,086	42	1,102	8
Kudus	72	23	66	28	69	29
Total	1,147	58	1,152	70	1,171	37

Based on the table above, the number of BMJ employees in 2023 did not show a significant change compared to the previous year. Although the demographic data indicates a lower number of female employees, BMJ steadfastly upholds the principles of diversity and equal opportunity, regardless of gender, in an inclusive work environment. Additionally, all BMJ employees are full-time, whether permanent or contract. In practice, BMJ also engages workers not classified as employees, such as consultants and contractors, though their numbers are not significant.

[GRI 2-8, 405-1]

Employee Composition Based on Work Area and Gender

Work Area	2023		2022		2021	
	M	F	M	F	M	F
Karawang	1,054	56	1,075	53	1,062	48
Kudus	90	5	88	6	87	11
Total	1,144	61	1,163	59	1,149	59



Employee Remuneration

As a form of recognition and compensation, BMJ is committed to providing remuneration with fairness and equity. BMJ understands that every employee has the same right to receive wages, benefits, and rewards based on fair and transparent evaluation criteria, without discrimination based on gender or other factors. [\[GRI 3-3\]](#)

In line with this, BMJ does not differentiate in salary and remuneration ratios between male and female employees. BMJ uses the remuneration policies outlined in the CLA as the basis for employee compensation and benefits. The following are the benefits provided to employees based on their employment status, namely permanent employees and contract employees. [\[GRI 401-2, 405-2\]](#)

BMJ is committed to providing adequate remuneration in compliance with applicable regulations as part of fulfilling every employee's rights. We prioritize fairness and adherence to individual standards as regulated by national laws, their derivatives, or the Company's CLA, following the highest amount among these. This commitment supports employee welfare and forms the basis for determining the wage ratio for entry-level employees at the lowest job levels relative to the minimum wage applicable in each work area. [\[GRI 202-1\]](#)

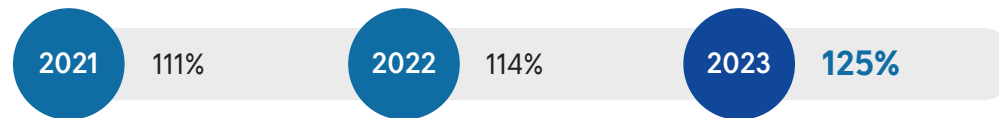
Employee Benefits Based on Employment Status

Types of Benefits	Permanent Employees	Contract Employees
Healthcare Services	✓	✓
Insurance (BPJS Employment, BPJS Health)	✓	✓
Accident Insurance	✓	✓
Annual Leave	✓	✓
Maternity Leave	✓	✓
Bonus	✓	✓
Meal Allowance	Provided by the canteen	Provided by the canteen
Recreation, Sports, Arts & Culture	✓	✓
Shuttle Vehicle	✓	✓
Awards and Remuneration	Awards for 15+ years, attendance incentives, and length of service incentives	Given at the end of the contract or upon contract renewal

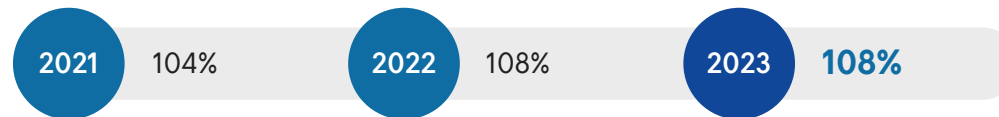
The Ratio of Entry-Level Employee Wages to Minimum Wage by Gender and Work Area



Karawang



Kudus



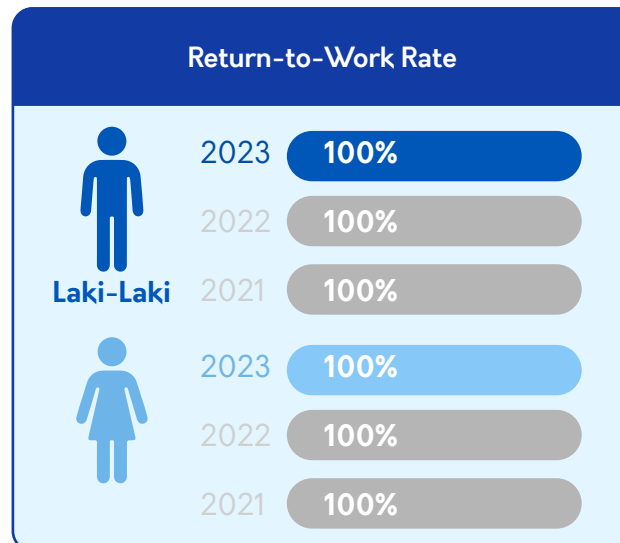
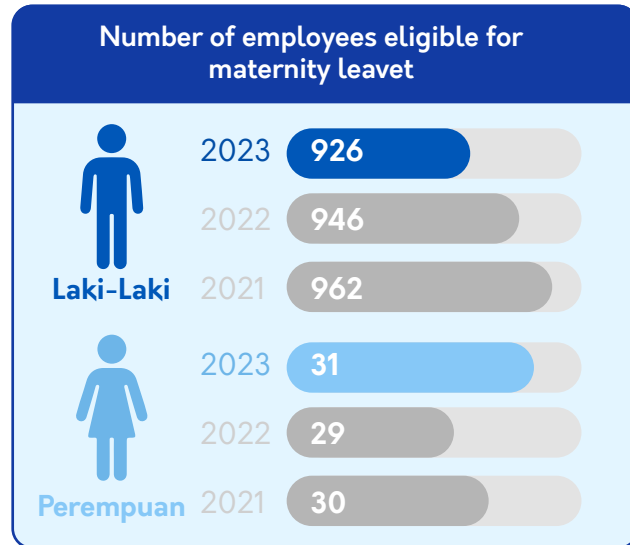
Maternity Leave

In accordance with labor laws and the Collective Labor Agreement (CLA), maternity leave is recognized as a right granted to employees. BMJ provides this leave to married employees, including both female employees who are giving birth and male employees who are supporting their spouses during childbirth. By presenting a doctor's certificate, employees are entitled to maternity leave to prepare for the arrival of their child. BMJ acknowledges the importance of supporting employees during this significant moment as part of the company's commitment to employee well-being. [\[GRI 3-3\]](#)

BMJ grants female employees maternity leave for 1.5 months before childbirth and 1.5 months after childbirth. This maternity leave does not affect the employee's annual leave entitlement. Additionally, BMJ provides an extra 1.5 months of rest for female employees who experience a miscarriage or as recommended by a doctor or midwife.

Maternity leave can be extended up to three months if there are conditions that pose a risk to the female employee, based on a doctor's certificate, and considered as illness. Female employees who return from their leave can resume their previous positions. Male employees whose spouses give birth are granted three days of leave. Details regarding maternity leave are shown in the following table. [\[GRI 401-3\]](#)

Usage of Maternity Leave



Employee Competency Development

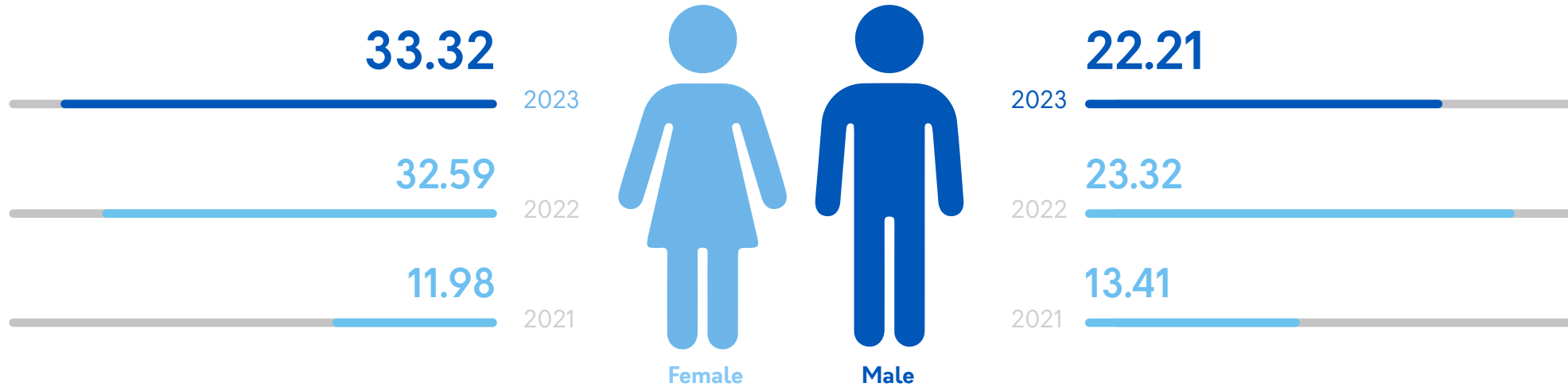
BMJ is strongly committed to fostering performance growth, innovation, dedication, and competitiveness among individuals within the organization. To achieve this goal, BMJ consistently conducts training and education programs for employees, aimed at enhancing their quality and competencies while creating a supportive work environment. These programs are designed to align with the company's strategy to ensure effective, efficient, and integrated development of employee quality and competencies, thereby directly contributing to the overall improvement of company performance. [GRI 3-3]

As an integral part of BMJ's annual plan, employee training and education focus on the implementation of ESG principles within the Sustainability Program. These programs are crafted to enhance employees' knowledge and understanding of ESG principles, the benefits for business development, and the long-term impacts if ESG principles are not properly applied in company operations. Below are details of the training and education programs conducted by BMJ in 2023, including both online and face-to-face formats. [GRI 3-3, 404-1, 404-2]

BMJ Training and Education Programs in 2023



Average Training Hours by Gender (Hours)



Average Training Hours by Position Level (Hours)

Position Level	2023	2022	2021
Directors	1	59	6
Senior Managers	15.68	40.35	12.58
Managers	24.15	59.11	14.36
Staff	30.84	34.78	15.69
Non-Staff	25.74	20.27	12.54

Our focus is not only on organizing training and education programs to enhance the quality and competencies of employees in supporting their careers within the Company but also on addressing the needs of employees approaching retirement. As outlined in BMJ's Sustainability Program, we continually prepare for the retirement of our

employees. Pre-retirement training over two years is provided to all employees, along with other programs such as severance pay, pension funds, and service awards. The aim is to ensure that employees' benefits and well-being are maintained as they enter retirement. [\[GRI 404-2\]](#)

BMJ is strongly committed to human resource development through professional, objective, transparent, and fair employee performance reviews. Every employee undergoes these reviews periodically to ensure they can achieve optimal performance in their respective fields and expertise. BMJ acknowledges each individual's contribution to achieving company goals through rewards, recognition, and career development opportunities provided. This approach not only motivates a productive work environment but also reinforces BMJ's commitment to the professional and personal growth of team members. The following table shows the number of employees who have received performance reviews. [\[GRI 404-3\]](#)

Number of Employees in Performance Reviews

Position Level	2023	2022	2021
Directors	4	4	4
Senior Managers	14	14	12
Managers	40	40	41
Staff	160	162	162
Non-Staff	963	941	989
Number of Employees in Performance Reviews	1,181	1,122	1,208
Total Number of Employees	1,205	1,222	1,208
Percentage of Employees in Performance Reviews	98.01%	91.82%	100%

Employee performance reviews serve not only as a means to assess and evaluate individual performance for career development but also as an effort to measure the effectiveness and efficiency of the training and education programs that have been implemented. These reviews help evaluate the extent to which these programs have successfully achieved the goals and objectives set out in the company's business plan. Therefore, performance reviews are not just a tool for individual evaluation but also an important component in the overall evaluation and enhancement of the human resources development strategy and the achievement of the company's business objectives.

Employee Recruitment

The recruitment process at BMJ is open to the general public without discrimination based on gender, religion, ethnicity, or race. To ensure fair hiring practices, free from discrimination or other unethical actions, the company pays close attention to compliance with internal regulations and relevant labor laws. The company ensures that the selection process is conducted rigorously and with high quality to attract the best and most competent human resources according to the required specifications. [\[GRI 3-3\]](#)

BMJ encourages local communities, particularly those around BMJ's operational areas, to participate in recruitment and develop their careers with equal opportunities. As of the end of 2023, 25% of BMJ's senior management comes from local communities. According to BMJ's Business Conduct Guidelines, BMJ is committed to providing equal employment opportunities and treating all employees fairly, recognizing each employee's rights, and firmly rejecting any form of discrimination in the workplace. BMJ relies solely on merit, qualifications, and other professional criteria for decision-making related to employment, including recruitment, training, compensation, and promotion. [\[GRI 3-3, 202-2\]](#)

On the other hand, BMJ also tracks employee turnover. Various factors contribute to employees leaving the company, such as retirement, contract expiration, resignation, death, and other reasons. As part of its responsibility and appreciation for employees ending their employment, BMJ ensures that all their entitlements are met. The company provides compensation in accordance with applicable labor laws and the terms outlined in the Collective Labor Agreement (CLA). The following is a compilation of data on new hires and employee turnover over the past three years: [\[GRI 3-3, 401-1\]](#)



Composition of New Hires and Employee Turnover by Gender

Gender	2023		2022		2021	
	New Hires	Employee Turnover	New Hires	Employee Turnover	New Hires	Employee Turnover
Male	34	4	60	26	10	8
Female	3	1	6	0	2	2
Total	37	5	66	26	12	10

Composition of New Hires and Employee Turnover by Work Area

Gender	2023		2022		2021	
	New Hires	Employee Turnover	New Hires	Employee Turnover	New Hires	Employee Turnover
Karawang	30	5	54	16	8	6
Kudus	7	0	12	10	4	4
Total	37	5	66	26	12	10

Composition of New Hires and Employee Turnover by Age Group

Gender	2023		2022		2021	
	New Hires	Employee Turnover	New Hires	Employee Turnover	New Hires	Employee Turnover
18—30 Years old	28	3	55	25	7	7
31—40 Years old	4	2	5	1	2	3
41—50 Years old	1	0	1	0	3	0
>50 Years old	4	0	5	0	0	0
Total	37	5	66	26	12	10



OCCUPATIONAL HEALTH AND SAFETY

OHS Management System

Occupational Health and Safety (OHS) is a critical factor in creating a sustainable business and is a right of employees enshrined in the Collective Labor Agreement. BMJ is fully committed to creating a safe and conducive working environment for all employees and contractors. OHS is implemented through the OHSE Department, with the company's commitment to reducing workplace accidents to zero (zero accident). This commitment is expressed through compliance with OHS aspects in all operational activities and updates to BMJ's QHSE policies and Business Conduct related to Health, Safety, and Environment (HSE). [GRI 3-3]

BMJ enforces the Occupational Health and Safety Management System (OHSMS) as an integral part of its management system. The OHSMS aims to ensure that Occupational Health and Safety practices are carried out effectively and systematically. BMJ's implementation of OHSMS is based on Government Regulation No. 50 of 2012 concerning the Occupational Health and Safety Management System and the international standard ISO 45001. In addition to compliance with these regulations, BMJ also develops Quality, Health, Safety, Environment, and Energy policies, as well as other relevant policies. All these policies are detailed in BMJ's Business Conduct Guidelines and the Collective Labor Agreement (CLA). This step is crucial to complement the implementation of OHSMS and enhance overall OHS performance. [GRI 3-3, 403-1]

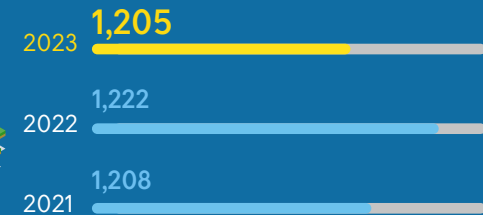
BMJ's commitment to improving OHS performance is demonstrated through routine reviews of OHSMS implementation by top management, conducted annually. To ensure the quality of implementation, BMJ also conducts regular audits of OHSMS implementation, at least once a year, both internally and externally, in accordance with applicable regulations. As part of its ongoing efforts to create a safe and healthy working environment, this step reflects the company's serious commitment to meeting OHS aspects and improving the effectiveness of OHS risk management. [GRI 3-3, 403-1]

OHSMS implementation follows the Hazard Identification, Assessment of Risk, and Opportunities (HIARO) method based on ISO 45001 standards. Each department is responsible for implementing this method, which is then verified by the OHSE Department. BMJ's OHSMS implementation covers 100% of employees, activities, and operational areas of the company. This requires full compliance with all OHSMS provisions by all employees, including contractors and other relevant parties within the company's operational environment. [GRI 3-3, 403-1, 403-8]

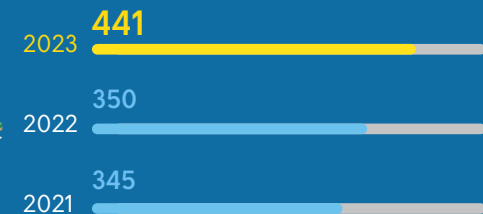
Number of Employees Covered by OHSMS



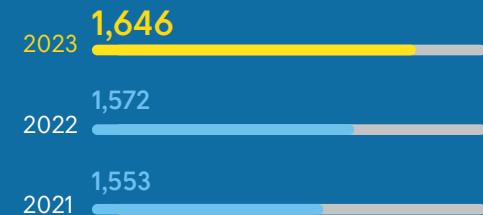
Total Company Employees



Total Contractor Employees



Total



Hazard Identification and Risk Assessment

Hazard identification and risk assessment are crucial components of occupational health and safety management at BMJ. This process aims to identify potential hazards and assess associated risks, enabling the implementation of appropriate control measures to prevent accidents and work-related illnesses. This process adheres to ISO 45001:2018 standards and Government Regulation No. 50 of 2012 concerning Occupational Health and Safety Management Systems (OHSMS). BMJ employs the HIARO method, in accordance with ISO 45001, as the primary basis for hazard identification, risk assessment, and the establishment of risk control hierarchies. [\[GRI 403-2\]](#)

According to the HIARO concept, the hazard identification process at the Company encompasses routine activities and daily operational situations that may present hazards as well as non-routine activities that are occasional or unplanned, as well as short-term and long-term activities that pose varying hazards and risks. This phase focuses on hazards from infrastructure, equipment, materials/substances, and physical conditions in the workplace. Additionally, this method accounts for hazards arising from product/service design, research and development, production testing, assembly, construction, service delivery, maintenance, and disposal. [\[GRI 403-2, 403-7\]](#)

In the hazard identification and risk assessment process, applying HIARO method encourages the company to create opportunities focused on improving or enhancing the OHSMS continuously. These steps are an extension of hazard identification, which can serve as opportunities to enhance Occupational Health and Safety (OHS) performance related to relevant activities. Opportunities may also include evaluating existing practices or steps to eliminate hazards and reduce previously identified risks.

BMJ applies the hazard control hierarchy to identified risks, following the principles of eliminating the source of the hazard, substituting hazardous materials or equipment, technical controls, administrative controls, and the use of personal protective equipment (PPE). The priority is to eliminate the source of the hazard, accompanied by other control methods as per the situation and level of potential hazard. Regular inspections and internal audits are conducted to ensure the effectiveness and consistency of the risk and hazard control hierarchy implementation. Employees are also provided with OHS competencies through regular training and certification to enhance their skills. [\[GRI 403-2, 403-9, 403-10\]](#)



BMJ strengthens its OHS monitoring system by providing the K3L Patrol application for real-time reporting of potential hazards or risks in the workplace. This application ensures early identification, reinforces a safety culture, and allows for effective handling of potential hazards. BMJ protects reporters from retaliation according to internal regulations and ensures prompt follow-up on every report received while maintaining the confidentiality of the reporter's identity. The Company also offers employees the opportunity to avoid work situations that may lead to accidents or work-related illnesses by reporting them to their supervisors or the OHSE Department. [GRI 403-2]

Occupational Health Services Facilities

The company is committed to ensuring the safety and health of its employees in the workplace. This commitment is realized through the provision of adequate health services. BMJ has established an official clinic equipped with professional and certified medical personnel in Occupational Hygiene, Health, and Safety (OHS). This clinic is available to all employees and workers 24 hours a day, providing access to health services whenever needed. [GRI 403-3]

The clinic plays a crucial role in maintaining the health and safety of employees within the workplace. Its presence not only supports employees' physical and mental well-being but also fosters a culture that prioritizes occupational health and safety. The clinic's primary functions include identifying and mitigating workplace hazards and risks through various health programs and services, including:

- Annual health check-ups based on risks that could lead to occupational diseases.
- Follow-up actions based on health check-up results.
- Measurement and control of hazard factors, including physical, chemical, biological, ergonomic, and psychological aspects.
- Analyzing the potential occurrence of occupational diseases through data from internal and external clinic visits.
- Campaigns to promote a culture of health and safety at work.

As part of the OHSMS, BMJ has also established procedures for investigating work-related accidents. This procedure serves as a guideline for managing accidents within the Company. In the event of an incident, reporting involves all relevant parties, including certified OHSE leaders from the Ministry of Manpower and BNSP. The goal of the investigation is to identify the root causes and implement appropriate corrective actions. The results of the investigation are then reported in an accident report. [GRI 403-2]



BMJ extends its health support not only to employees but also to their families. This is implemented through strategic partnerships with leading hospitals and clinics available at all times. This collaboration covers a range of health services, including outpatient care, inpatient care, childbirth, dental care, and other health services, both work-related and non-work-related. This initiative aims to enhance the quality of health for employees and their families, as well as provide medical assistance outside of working hours. This step underscores the company's commitment to maintaining the well-being and health of its employees and their families beyond the workplace. [GRI 403-6]

OHS Communication, Participation, and Consultation

BMJ is dedicated to maximizing the implementation of its Occupational Health and Safety Management System (OHSMS) and fostering a strong OHS culture across its operational areas. One of its efforts includes encouraging active employee participation through communication, participation, and consultation on OHS. As part of this initiative, BMJ has established the Occupational Health and Safety Advisory Committee (OHSAC), a formal committee consisting of management and employee representatives.

The responsibilities of the OHSAC [GRI 403-4]

1

Providing input regarding the implementation of the OHSMS at the workplace.

2

Discussing and evaluating any critical issues related to the OHSMS implementation at the workplace.

3

Offering suggestions for improvements in the implementation of the OHSMS at the workplace.



OHSAC plays a crucial role as a representative of all employees to ensure the effective implementation of OHS policies in line with the Communication, Participation, and Consultation Procedures. In this capacity, the OHSAC fosters open and transparent communication between employees and management through regular meetings held once a month. Active employee involvement in decision-making processes related to OHS is also essential for identifying risks, evaluating preventive measures, and creating a safe and healthy work environment. [GRI 403-4]

Employees also have the right to request consultations from the OHSAC on OHS issues they face, including complaints and suggestions related to occupational health and safety. Effective communication, participation, and consultation between employees and the OHSAC enable the company to optimally implement the OHSMS and effectively enhance OHS performance. [GRI 403-4]

OHS Participation and Consultation Facilities

- Monthly OHSAC meetings;
- Review and evaluation of HIARO;
- Morning meetings / Tool Box Meetings (TBM);
- Monthly bipartite meetings between management and the labor union; and
- Reports on Near Misses, Unsafe Actions, and Unsafe Conditions.

OHS Communication Media

1. Pre-work meetings
2. Training sessions
3. OHS policy frameworks
4. OHS policy cards
5. OHS policies displayed on meeting room walls
6. Bulletin boards
7. Leaflets
8. Banners
9. Emails
10. Intranet usage
11. Internal social media
12. Suggestion boxes
13. Other information media

OHS Training and Induction

BMJ actively conducts a series of OHS training programs for employees at both the head office and manufacturing plants, with the primary goal of strengthening OHS culture and implementing the OHSMS. The company has established procedures to meet OHS training needs, covering aspects of workplace safety and health. The relevance and suitability of these training programs are based on competency requirements and applicable regulations.

As part of the OHS Induction program, basic OHS knowledge is mandatory for all employees, including visitors and business partners entering BMJ's operational areas. Additionally, internal communication media such as the company's intranet, bulletin boards, emails, and other channels are used to disseminate the latest relevant OHS information to employees. Specialized OHS training is also provided to employees to support specific tasks aligned with their responsibilities and job descriptions. [GRI 403-5, 403-7]

OHS Training in 2023



OHS Performance

BMJ and all company members are committed to the optimal implementation of the Occupational Health and Safety Management System (OHSMS) to achieve goals in OHS aspects. Over the past three years, this commitment has been successful, with no fatality incidents involving employees and contractors in the company's operational areas. However, high risks and potential hazards in operational activities continue to cause frequent work-related accidents. Nevertheless, the company continuously improves the implementation of stringent OHS procedures to mitigate the impact of these incidents, as reflected in the number of lost work hours during this period. [GRI 403-9]

Number of Workplace Accidents

Description	2023	2022	2021
Minor Injuries	4	3	-
Moderate Injuries	7	4	4
Serious Injuries	-	-	-
Fatalities	-	-	-
Total	11	7	4

Number of Lost Work Hours Due to Workplace Accidents

Description	Unit	2023	2022	2021
Minor Injuries	Hours	-	-	-
Moderate Injuries	Hours	152	104	184
Serious Injuries	Hours	-	-	-
Fatalities	Hours	-	-	-
Total	Hours	152	104	184



The table above shows that workplace accidents are still occurring in the operational area. The Company actively investigates these incidents and conducts regular evaluations to prevent similar incidents from recurring, both situationally and annually. Unsafe actions, such as non-compliance with Standard Operating Procedures (SOPs) or work instructions, and low-risk perception are considered contributing factors to these accidents. [GRI 403-9]

In response to the workplace accidents that occurred in 2023, BMJ has taken strategic steps to enhance awareness and commitment to occupational health and safety (OHS) among all employees. This is being accomplished through a comprehensive OHS campaign that emphasizes the importance of implementing OHS practices in the workplace. This effort is accompanied by intensified work supervision through the use of the Safety Patrol app on Android smartphones. The Company continuously communicates and implements mitigation procedures to reduce identified high-risk factors for workplace accidents. [GRI 403-9]

Mitigation Procedures for High-Potential Workplace Accidents

Types of High-Consequence Hazards	Mitigation Measures
Explosion and fire hazards	- Supervision and work permit for hot work - Strict prohibition of smoking in unauthorized areas - Formation of Emergency Response Team (ERT) - Installation of both active and passive fire extinguishing equipment
Entanglement with rotating objects	Automatic protection against contact hazards from rotating objects
Falls from heights	- Automatic protection against contact hazards from rotating objects - Work permits for working at heights
Being struck by lifted objects	- Operator Licenses (SIO) - Regular inspection of work equipment
Exposure to hazardous substances and waste	- Training in handling hazardous materials and waste - Installation of Material Safety Data Sheets (MSDS)
Electric shocks	- Installation of safety labels and signage - Certification for Electrical Safety Officers and Electrical Safety Experts

Over the past three years, the Company has not recorded any cases of occupational diseases. To prevent such cases, the Company continuously conducts risk identification and assessment related to occupational health, ergonomics, and disease spread in operational areas. Additionally, the Company consistently implements various risk mitigation measures for occupational diseases, such as requiring all employees to undergo health checks, placing clear warnings in operational areas, providing and ensuring the use of Personal Protective Equipment (PPE) according to procedures, and conducting awareness campaigns about occupational diseases, chemical hazards, and exposure to physical factors. [GRI 403-10]

Number of Occupational Diseases

Description	2023	2022	2021
Number and fatality rate due to occupational diseases	-	-	-
Number and rate of recordable occupational diseases	-	-	-
Main types of occupational diseases	-	-	-

PRODUCT STEWARDSHIP

The industry managed by BMJ is responsible for large-scale production that is distributed and consumed by the wider community. Based on this, BMJ is committed to providing and ensuring products that are safe for public safety and health. The company consistently ensures that all production processes and products comply with specific industry regulations by conducting tests for potential risks and hazards. These measures serve as concrete steps to maintain customer trust and loyalty, which are crucial factors in sustainable business. [GRI 3-3]

Product Safety and Innovation

As part of implementing its vision to become a leading partner in the paper industry, BMJ continuously maintains and ensures product quality according to national and international standards. The Company also prioritizes compliance with all regulations and rules related to the health and safety impacts of its products. Therefore, in its production process, the company ensures compliance with the following standards: [GRI 3-3]

1. ISO 9001 - Quality Management System
2. Indonesian National Standard (SNI) 3755 — Cigarette Paper
3. SVLK dan PEFC — Timber Legality Assurance System for forestry products
4. Halal product assurance system, particularly in the offset area

The safe and proper management of chemical materials throughout the product lifecycle is a priority for BMJ to prevent hazards and negative impacts. The company ensures that the handling of chemical waste and/or hazardous and toxic waste (B3) is always carried out in close coordination with environmental health and safety officers, as well as hazardous waste management personnel, and implements safe work practices and procedures in each work area.

The control of hazardous and toxic substances (B3) is governed by the Materials, Chemicals & Waste Policy Number B/POL/010 and the Procedure for Hazardous and Toxic Materials (B3) Control & Material Safety Data Sheet (MSDS) Number P-BCO-004, which provide guidelines for the safe control, storage, and disposal of chemical and B3 waste.

Availability of Material Safety Data Sheets/Safety Data Sheets (MSDS/SDS) in every laboratory

The MSDS contains information about specific materials categorized as B3. BMJ ensures that the MSDS is always accurate and available in every laboratory or other area where chemicals are used or stored. Chemicals are also labeled and stored properly in suitable containers.

Disposal of hazardous waste

To prevent safety risks for employees and the surrounding environment, B3 waste is collected and handed over to authorized third parties and sent to licensed facilities. This process ensures that hazardous waste is managed correctly according to applicable regulations.

Accumulation and storage of hazardous waste

During this process, the team must comply with several stipulations, such as:

1. Using personal protective equipment
2. Storing hazardous waste in or near the laboratory where it is generated
3. Collecting only similar waste in the same container
4. Collecting all chemical/hazardous waste in tightly sealed, leak-proof containers that must remain closed except when adding waste
5. Storing containers in locations where spills will not cause environmental releases.

Chemical waste disposal

The company ensures that the disposal of chemical and hazardous waste is conducted promptly and carefully by technical and administrative regulations and policies. This process aims to ensure no negative impacts on the environment and public health.

Storage and inventory of chemical and hazardous materials

A written inventory of current chemicals must be maintained at each location where hazardous chemicals are stored or used. Additionally, arrangements for the disposal of obsolete, expired, or nearly expired chemicals must be made during the inventory.



To provide understanding and awareness about the product handling process, from product characteristics to distribution from producer to consumer, raw material acceptance, storage, usage, or distribution, BMJ implements the Product Knowledge Education and Product Handling Training Program. This process is described and standardized in the General Guidelines for Product Handling document.

The company also regularly reviews Supplier Corrective Action Reports (SCAR) related to Product Handling. SCARs are issued as tools to identify root causes and implement corrective actions to prevent recurrence. In this process, issues are analyzed from various aspects such as human factors, equipment including machinery, materials used, methods, environment, and their relation to occupational health and safety (OHS). These factors are also covered in the Product Handling Training Program and MSDS/SDS.

In 2023, the company has not yet conducted health and safety impact assessments on the raw materials produced. However, the company remains committed to producing products that comply with national and international regulations and standards. During the reporting period, there were no incidents of non-compliance related to the health and safety impacts of products and services. [GRI 416-1, 416-2]

BMJ also engages in product innovation and development in line with energy transition trends for the coming years. The company strives to reduce energy and water consumption in the production process through research into technologies that enable paper production with less water usage, thus ensuring improved energy efficiency.

Product Innovation

1

Non-Flammable Paper

This type of paper, which is resistant to burning up to a certain temperature, is specifically used in the production of next-generation non-conventional cigarettes, meeting the specific requirements of the modern industry.

2

Colored Cigarette Paper

This type of cigarette paper is modified with the addition of color pigments to meet market demands for cigarettes with a more appealing aesthetic

3

Unbleached Cigarette Paper

Designed to reduce negative impacts on the environment and health, this product caters to cigarette manufacturers marketing environmentally friendly cigarettes.

4

Stain-Resistant Paper

This paper type does not absorb oily substances or other materials typically easily absorbed by paper, making it suitable for packaging products containing oil or fat.



Marketing and Labeling

In promoting products and services, marketing and labeling are crucial aspects. BMJ understands that to reach target customers and promote unique selling propositions, effective marketing strategies are required. BMJ's product marketing is based on one main slogan: "Socially Responsible Marketing." This means the company not only strives to meet customer expectations but also endeavors to have a positive impact on customers and the communities where it operates. The company employs various media to support product packaging marketing, including print media, television, radio, posters, banners, brochures, and filler ads, as well as direct marketing personnel. [GRI 3-3]

On the other hand, BMJ optimally implements labeling to ensure customers understand product features, benefits, and warnings to guarantee their safety and satisfaction. The company has established labeling policies to ensure the final product quality meets customer orders and protects them from potential hazards during the shipping process. Information regarding the origin and components of product materials is included in the contract. Additionally, Occupational Health, Safety & Environment (OHSE) information is included in the MSDS. For forestry products, the company follows the COC PEFC policy and SVLK labeling standards. For cigarette paper products, BMJ implements SNI labeling standards. For halal products in the offset area, the company implements the Halal labeling standards. [GRI 417-1]

As part of the labeling process, labels for tracking or production data traceability are included on each product. However, if there are special label requests from customers, these will be reviewed first to ensure they can be met. As long as they do not violate copyright provisions, special labeling can be done. Some customers also request additional labels with special barcodes to be read by their scanners. In product marketing, especially for new customers, the Know Your Customer (KYC) procedure, definitive checks, and Office of Foreign Assets Control (OFAC) checks are always carried out to ensure that marketed products do not enter illegal markets or go to sanctioned parties, whether individuals, groups, or countries.

In promotional activities, information is conveyed with an emphasis on honesty, transparency, and responsibility, avoiding claims that are not factual and discriminatory. BMJ is committed to complying with all applicable laws and regulations in the field of marketing. Therefore, during the reporting year, there were no incidents of non-compliance related to the company's service information delivery or non-compliance with marketing communications. [GRI 417-2, 417-3]



Customer Care

As a form of care towards customers, BMJ has established a comprehensive customer protection policy outlined in the BMJ Business Conduct Guidelines. This policy covers various aspects of customer interactions, such as product quality, contract terms, shipping and return policies, and most importantly, customer privacy and data protection. The company ensures that this customer protection policy complies with all applicable laws and regulations. Additionally, the company routinely reviews and evaluates this policy to ensure it remains relevant to the latest technological developments. [GRI 3-3]

BMJ consistently complies with all applicable laws and regulations related to personal data protection. The company's privacy policy is designed to ensure that customer information is managed securely and confidentially. Customer data will not be disclosed to third parties unless permitted by the customer or required by law. This aligns with the company's goal to build a reputation as a responsible and trustworthy business. Throughout 2023, the company did not receive any reports regarding violations of this privacy policy. [GRI 3-3, 418-1]

The company consistently implements various preventive measures to protect customer data from cybersecurity threats, demonstrating a commitment to customer data security. The data storage systems used are equipped with the latest security features, minimizing the risk of data misuse incidents. Throughout 2023, there were no reports of data security incidents involving customer data. The company will continue to monitor technological developments to ensure optimal data protection. [GRI 3-3, 418-1]

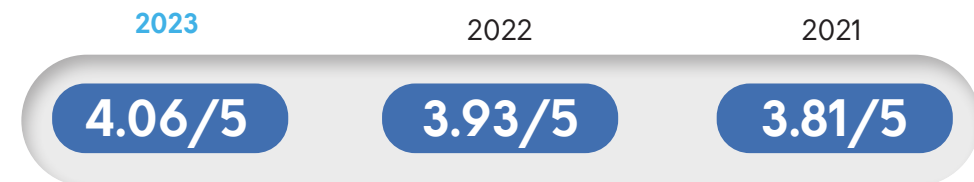
Effective procedures for handling customer complaints not only help resolve issues quickly but also play a crucial role in maintaining customer loyalty and enhancing the company's overall image. BMJ always welcomes feedback, suggestions, and complaints related to its products. The customer complaint handling procedure is detailed in the Customer Complaints & Replacement Procedure, which can be summarized as follows: [GRI 3-3]

Customer Complaint and Replacement Mechanism

1. Customers submit complaints to the BMJ commercial team with product samples and relevant documents.
2. A representative from the commercial team receives the customer's complaint, creates a complaint form, and reviews the validity of the complaint.
3. Once the complaint's validity is confirmed, the necessary documentation and product sample requirements are completed, and a Supplier Corrective Action Report (SCAR) is issued.
4. The commercial team coordinates repairs and follow-up actions until resolution.

In addition to focusing on customer data protection, BMJ is also committed to maintaining and improving customer satisfaction levels. To ensure product quality aligns with customer and market expectations, BMJ conducts various routine programs such as monthly performance reviews (insight and dashboard), post-event performance evaluations, and semi-annual market reviews with obtained feedback.

The company also conducts periodic customer satisfaction surveys to ensure customer expectations and suggestions are met and to improve future performance. Customer satisfaction levels in 2023 increased compared to 2022 and 2021. This achievement indicates that the company's commitment and initiatives have had a positive impact on the quality of products and services offered.

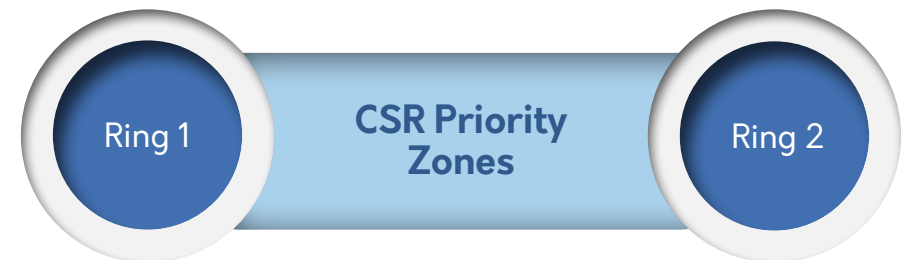


COMMUNITY EMPOWERMENT AND DEVELOPMENT

BMJ is committed to advancing the lives of communities around its operational areas, as they are the most influenced by and influential to its operational activities. BMJ's active engagement with local communities is built through regular communication and the implementation of corporate social responsibility (CSR) programs designed to align with the Sustainable Development Goals (SDGs). Managing community relations is the responsibility of the Corporate Affairs Division, which strives to maintain and strengthen positive relationships between BMJ and surrounding communities through various initiatives that bring positive impacts to both parties. [GRI 3-3]

In 2023, BMJ issued a Social Responsibility Statement outlining the company's commitment to advancing corporate social responsibility (CSR) aspects. This commitment is implemented through the adoption of policies and the integration of systems into the company's business operations, particularly ethical behavior, attention to employee health and safety, and concern for the environment and the community.

The company also conducted a gap assessment for ISO 26001, a global standard for CSR implementation, which BMJ uses as a foundation for its CSR programs. Through its CSR programs, BMJ emphasizes its commitment to environmental conservation and social development. By actively involving the community, BMJ aims to provide both direct and indirect benefits through infrastructure development that supports its operational activities and strengthens the social bonds between the company and the community. [GRI 3-3]



Purwadana Village

Ring 2: TelukJambe Barat, TelukJambe Timur, Cikampek, Karawang Barat, Karawang Timur, Telagasari, Pangkalan, Rawamerta, Rengasdengklok Sub-districts



Throughout 2023, BMJ conducted 14 CSR activities as part of its ten flagship CSR programs, with a total fund allocation of Rp904,235,378. [\[GRI 3-3, 203-1, 413-1\]](#)

CSR Budget Allocation

CSR Pillar	2023
	%
Environmental	0.7%
Education and Sports	58.6%
Health	2.2%
Arts and Culture	1.6%
Economic	1.0%
Other Social Fields	35.9%
Total	100%

BMJ is dedicated to actively participating in community development and empowerment through well-planned and sustainable CSR programs. Inspired by a spirit of care, these programs are designed to address issues, improve welfare, and empower communities by creating new job opportunities. Moreover, BMJ is committed to providing both direct and indirect benefits to surrounding communities through the development of infrastructure that supports both operational activities and community needs.

In its efforts to effectively implement CSR programs, BMJ has conducted social mapping in villages around its operational areas. Through social mapping, BMJ has gained a deep understanding of the potential and dynamics of the local communities, providing a data-driven foundation for formulating sustainable community development strategies and programs.

This social mapping offers a comprehensive overview that serves as the basis for the company in establishing the CSR work plan for the next five years, from 2023 to 2028. Based on the social mapping results, 5 (five) flagship CSR programs were identified and analyzed using the Social Return on Investment (SROI) method in 2023. Additionally, charitable activities in the social sector, such as donations and grants, reflect the company's responsibility and support for local infrastructure development and institutional growth. [\[GRI 3-3\]](#)

Bukit Muria Jaya CSR Programs



Environmental Kinarya

- Submission of the PROKLIM Program for Purwadana Village to the Ministry of Environment and Forestry & Karawang District Environmental Agency



Education and Sports Kinarya

- Scholarships for orphans
- Training programs to support the implementation of the Merdeka Curriculum
- Assistance in constructing sports facilities in Purwadana Village
- Support for organizing the BPD Purwadana Soccer League
- Support for the Employee Sports Club



Health Kinarya

- Dengue fever fogging in Purwadana Village
- Blood donation activities by BMJ employees
- Health Check-up and Financial Assistance for the Elderly



Economic Kinarya

- Halal Certification Assistance for Fostered MSMEs
- SMEs Involvement in Operational assistance for Mosques and Prayer Room



Arts and Culture Kinarya

- Wayang Golek cultural performance to celebrate the 390th anniversary of Karawang



Other Social Fields

- Holiday Allowance Program for Local Officials and Community Leaders
- Donations to the Indonesian Red Cross (PMI), NGOs, mass organizations, and other institutions
- Donations for village activities
- Grants and contributions for village development



Environmental Pillar



BMJ is committed to environmental conservation through CSR programs and activities focused on monitoring and managing the environment around its operational areas. One of BMJ's main initiatives is the Teluk Mungkal Riparian Village and Purwadana Climate Village programs, aimed at preserving vulnerable ecosystems in these areas. In 2023, the company focused on submitting and developing the PROKLIM Program for Purwadana Village to Ministry of Environment and Forestry & Karawang District Environmental Agency.

The Climate Village Program (PROKLIM) is a national movement to control climate change through community-based actions. PROKLIM includes climate change adaptation and mitigation actions by community groups to increase climate resilience and reduce greenhouse gas (GHG) emissions. In collaboration with the RQ Cahaya Karya Foundation, BMJ organized environmental education programs along river areas, specifically targeted at the foundation's students. The goal of this program is to raise awareness and concern among young people about environmental cleanliness and health, with the hope that the younger generation will become environmentally conscious change agents in the future.

Ekoriparian Village and Purwadana Climate Village

Climate Village is one of the ongoing CSR programs under Environmental Pillar that BMJ continues to develop. This program aims to create environmentally conscious villages or urban areas, particularly in efforts to mitigate global climate change. The beneficiaries of this program include the Cerdas Membahana Waste Bank group, Family Welfare Empowerment (PKK) cadres, and the residents of Purwadana Village.

This program comprises several ongoing and developing activities, including:

1. Establishment of a waste bank in Purwadana Village to educate residents on environmental care through household waste segregation.
2. Training/education on recycling kitchen waste oil.
3. Building clean water facilities.
4. Constructing TPS3R facilities, which are Waste Management Sites utilizing reduce, reuse, recycle (3R) methods.
5. Providing tents for waste recycling education and composting.

In line with the commitment to environmental preservation, the company has implemented the Ekoriparian Village program, focusing on protecting the Citarum River. This effort includes various activities, from building infrastructure to support environmental education to providing clean water facilities for the community. Some concrete examples of this program are construction of the Citarum Harum Education Park, the establishment of water quality monitoring posts, the supply of clean water tanks for the community.



Education and Sports Pillar



In the field of education and sports, BMJ has developed two flagship programs: Adiwiyata School and Para Juara Community. Adiwiyata School program involves providing guidance and technical support to Purwadana 1 and Purwadana 2 Public Elementary Schools (SDN). This support includes environmental education, greening of school environments, and the integration of an environmental curriculum, including the development of plant nurseries. Additionally, BMJ implements differentiated learning support in schools to meet individual student needs.

In 2023, activities included the provincial-level Adiwiyata School program, which featured capacity-building for school principals, scholarships for orphaned children in Purwadana Village, and the implementation of the Merdeka Curriculum in Karawang Regency. These activities emphasize the active participation of school principals, teachers, and students to enhance the quality of education. The success of the program relies on a participatory approach involving all stakeholders and aligning with community needs. This approach ensures that the Adiwiyata School program is implemented effectively.

Furthermore, BMJ is dedicated to enhancing the achievements of students and the local community through scholarship programs for orphaned children in Purwadana Village. This initiative aims to acknowledge both academic and other successes of students who require additional support. Additionally, the Para Juara Community program helps employees pursue their hobbies and improve their skills through various sports and arts activities. BMJ also sponsors the BPD Purwadana League to elevate the quality of activities and the performance of football club athletes in Purwadana Village.

Para Juara Community Program in 2023 focused on enhancing sports and public health facilities by constructing a sports field in Purwadana Village. This initiative was driven by the community's need for adequate spaces for educational and sports activities. The multi-purpose building is expected to serve various educational, sports, health, and social functions for the community.

The program actively engaged the community at every construction stage, adopting a participatory approach to promote self-reliance and well-being. Implemented in two phases from 2023 to 2024, the program includes the installation of the sports field's flooring and the construction of the building's framework. Additionally, this initiative supports local sports, arts, and educational communities, thereby providing a sustainable positive impact for the company and its stakeholders.



Health Pillar



BMJ strives to improve community health standards by organizing various health programs, such as Posyandu Mandiri and Remaja Tangguh. The Posyandu Mandiri Program aims to develop human resources by training and empowering posyandu (integrated health service post) cadres. Involving individuals across all demographics and generations, the program focuses on preserving and empowering both prospective and existing posyandu cadres. Activities include capacity building, strengthening posyandu information and institutional frameworks, initiating economic activities, and providing health services. The Posyandu Mandiri Program in Purwadana Village emphasizes active community involvement in creating a healthy environment and supporting local economic growth.

Through Posyandu Mandiri, BMJ conducts fogging in ring 1 and ring 2 of CSR priority zones, focusing on residents' homes, yards, and plantations prone to becoming breeding grounds for *Aedes aegypti* mosquitoes, which cause dengue fever. This fogging activity is part of the Posyandu Mandiri program, alongside regular information dissemination on preventing stunting in the surrounding communities.

Furthermore, BMJ expanded its CSR initiatives in the health sector by implementing a financial assistance and health check-up program for the elderly in Purwadana Village. Recognizing the elderly as a vital part of the community, the program provides special attention to maintaining their well-being. Assistance includes financial support, healthcare, and daily necessities, alongside regular health check-ups to ensure their health is maintained. This approach ensures the CSR program addresses not only economic aspects but also the holistic well-being and health of the community.

Remaja Tangguh Empowerment Program in Purwadana Village aims to enhance the knowledge, skills, and awareness of youth through policies, activities, and mentoring tailored to their needs. Initiated by BMJ in 2021, this program focuses on raising awareness about the dangers of drugs, forming Anti-Drug Task Forces, and organizing blood donation activities. The success of the program is determined by a participatory approach involving the entire community. To realize the Remaja Tangguh vision, BMJ collaborates with the Indonesian Red Cross of Karawang Regency to hold regular blood donations. In 2023, BMJ employees actively participated in these blood donation events.



Economic Pillar



The economic pillar is one of the most emphasized in the CSR program due to its far-reaching impact on various aspects of life. BMJ understands this and has developed two long-term programs to strengthen the local economy pillar. The first program, Bina Graha, focuses on enhancing the capacity and capability of community empowerment institutions at the village level, such as Village-Owned Enterprises (BUMDes). Through this program, BMJ aims to strengthen the economic infrastructure at the village level, enabling the community to manage local resources more effectively and sustainably.

On the other hand, the Bina Karya program focuses on the empowerment and capacity-building of youth groups and housewives. One of the initiatives within this program is “UMKM Jawa,” which aims to support local product innovation and expand market access for Micro, Small, and Medium Enterprises (MSMEs). Activities within this program include:

- 1) Provision of production tools
- 2) Assistance with product design and packaging
- 3) Technical support for promotion and marketing
- 4) Training and business administration guidance
- 5) Training/education on recycling used cooking oil

In 2023, BMJ provided support to several MSME groups. Through this support, BMJ not only directly boosts its business growth but also indirectly fosters local economic potential and job creation within the community. As part of the Bina Karya “UMKM Jawa” support, BMJ also provided halal certification assistance to MSMEs. This certification aims to enhance consumer trust in MSME products, expand market reach, and ensure that products meet quality, health, and hygiene standards.

Through this assistance, BMJ strives to provide the technical support and guidance needed for MSME operators to improve their business management skills and develop innovative products. In this way, BMJ not only enhances the economic well-being of the local community but also creates an ecosystem that supports the growth and sustainability of micro-enterprises at the village level.

BMJ supports economic development that aligns with the maintenance of public facilities such as mosques and prayer rooms through the Bina Graha Program. This program fully engages BUMDes workers in the provision of furniture and other supporting facilities, with BMJ also contributing by supplying equipment and raw materials for furniture production. Through the involvement of BUMDes workers, the program enhances community skills while creating new job opportunities. This initiative fosters local economic independence by focusing on product innovation and increasing production capacity. The Bina Graha Program plays a vital role in strengthening the village economy and delivering tangible benefits to the well-being of the local community.



Cultural Arts and Other Social Pillars



As part of its commitment to preserving local cultural arts, BMJ contributed to the staging of a wayang golek performance held to celebrate Karawang's 390th anniversary. This event reflects the company's dedication to preserving national cultural heritage and supporting the community. The performance not only provided entertainment for the Karawang community but also served as a platform to reintroduce the beauty and values of wayang golek performance art to younger generations. This initiative aims to raise awareness about the importance of preserving cultural heritage and strengthening social values such as cooperation and community spirit.

Additionally, demonstrating its concern for the community, BMJ actively implements Corporate Social Responsibility (CSR) programs with a focus on social issues. Operational support provided to mosques, prayer rooms, the Indonesian Red Cross (PMI), non-governmental organizations (NGOs), and other institutions, as well as support for village development through grants and contributions, exemplifies the company's commitment to enhancing community welfare. Through these CSR programs, the company seeks to foster harmonious relationships between the company and the surrounding community.

Impact and Evaluation of CSR Programs [GRI 413-1]

Program evaluation is a crucial aspect for improving the quality of CSR initiatives and ensuring their effectiveness. Therefore, BMJ conducts monitoring and evaluation (Monev) for every activity organized. Through Monev, the company can assess the conditions before and after program implementation, indirectly reflecting the impact of the program. Additionally, Monev aims to identify various aspects of the program that require further evaluation to ensure alignment with the established work plan.

BMJ independently measures the impact of its programs using the Social Return on Investment (SROI) method as a form of internal evaluation. The calculations are conducted by the General Service Department, which has been trained by an independent consultant. This assessment allows the company to understand the impact experienced by stakeholders, including the company itself, as a result of the program, and to compare this impact against the investment made (program budget).

The following are the results of the SROI measurement for 5 (five) CSR programs for 2023:

No.	Program Name	SROI Value
1	Adiwiyata School Program	4.0
2	Remaja Tangguh Program	8.3
3	Para Juara Community Program: Sports Field Facilities in Purwadana Village	1.4
4	Bina Graha Program	1.3
5	Posyandu Mandiri Program	3.6

The measurement results indicate that these programs have a positive SROI ratio. This ratio shows that every investment made by the Company in these CSR programs yields significant value for the beneficiaries, according to the measured figures. However, BMJ also understands that these programs still require ongoing improvements and development to maintain the quality of the Company's social responsibility towards the community. Therefore, BMJ is committed to continuously optimizing the implementation of these programs and aims to replicate them in other areas to achieve a larger and more widespread impact.

Environmental Pillar

- Increase community awareness and concern for environmental cleanliness.
- Enhance cleanliness and aesthetic value in riverbank areas.
- Ensure access to clean water for the community.
- Improve job availability and income for the community through waste bank programs.

Health Pillar

- Provide support for addressing stunting and malnutrition, particularly in Purwadana Village.
- Increase the competencies of Posyandu cadres in health issues.
- Raise awareness among the community, especially youth, about the dangers of drug abuse.
- Enhance community awareness and involvement in helping others through blood donation activities.

Art and Culture Pillar

- Encourage participation and empower the community in the arts.
- Promote the development of future generations capable of preserving and maintaining local history, customs, and culture.

Education and Sports Pillar

- Provide green open spaces and waste management facilities within school environments.
- Enhance teachers' competencies regarding the Merdeka Curriculum, which also improves school accreditation.
- Expand access and educational opportunities for individuals through scholarship programs.
- Develop potential and talent in the field of sports.

Economic Pillar

- Develop the potential of local SMEs as a source of economic growth.
- Empower and enhance community skills in creating economic value from unused products.
- Support the government's food security programs.
- Increase the capacity of Village-Owned Enterprises (BUMDes).

Community Relations Management

BMJ remains open and actively encourages feedback, input, and criticism from all stakeholders. Complaints regarding operational activities can be submitted to the General Services Department. Each complaint received by the General Services Department will be addressed according to established guidelines and priority levels. To resolve complaints, the General Services Department will coordinate with relevant departments within BMJ. The outcomes of complaint handling will then be reported to the board of directors and communicated back to the complainant for further information. [GRI 3-3, 413-1]

Meanwhile, BMJ has not yet specifically evaluated the social and environmental impacts of local community participation at the Company's operational units, nor has it involved local communities as members of consultation committees, work councils, or occupational health and safety committees. However, this aspect will be a major consideration moving forward to enhance local community involvement in all Company operations.

Nonetheless, BMJ has identified potential impacts of its operational activities as a precautionary measure to prevent broader impacts in the future. One activity with potential impact is the operation of coal boilers, which can generate dust. Therefore, the Company has implemented effective preventive measures to date, resulting in no significant negative impacts on the surrounding community. These initiatives include: [GRI 413-1, 413-2]

Using fly ash control systems (bag house filter) and electrostatic precipitators (ESP).

Ensuring boiler operators are certified.

Using low-sulfur coal (0.75%).



Governance Performance



COMMITMENT TO SUSTAINABILITY GOVERNANCE

BMJ emphasizes the importance of compliance with legal obligations across all aspects of business for all employees and related parties. This commitment to legal compliance is evident in the absence of any fines or legal actions imposed by authorized agencies or regulators during the specified reporting period. [\[GRI 2-27\]](#)

BMJ's commitment to sustainable governance is reflected in every policy and practice we implement within the company. We believe that strong governance is the foundation for achieving sustainable performance and creating long-term value for our stakeholders.

In facing evolving challenges and opportunities, we understand that sustainability requires not only long-term commitment but also concrete and measurable actions. BMJ consistently strives to develop and update policies and procedures that support integrity, transparency, and accountability in every aspect of our operations.

Through a holistic approach, BMJ prioritizes environmental, social, and human aspects in every policy we implement. We aim to build harmonious relationships with all stakeholders and encourage their active participation in the decision-making process. In this way, we believe we can create sustainable value and enhance collective well-being while continuing to safeguard and preserve the natural resources that underpin our business sustainability.

SUSTAINABILITY POLICY [\[GRI 2-23\]](#)

BMJ has implemented several critical policies to support sustainability within the company. These policies cover various aspects that reflect the company's commitment to ethics, the environment, and the community.





ESG Policy

BMJ is strongly committed to business ethics and professionalism in its operations, prioritizing the interests of customers, employees, and the environment. The company's ESG program addresses the most relevant and significant issues for both community and stakeholders, both internal and external.



Sustainable Procurement Policy

BMJ underscores its commitment to consistently act responsibly towards employees, customers, suppliers, and the surrounding community. The company considers the social impact of all its activities and strives to prioritize sustainability practices in every aspect of its operations, from sourcing raw materials to the procurement process. In conducting business relationships, BMJ establishes strict quality criteria that include applying experience, knowledge, and sound judgment in evaluating suppliers. Suppliers are expected to adhere to the highest standards in environmental stewardship, business ethics, human rights, and community development.

Through this evaluation, BMJ reaffirms its principle of developing the company in alignment with sustainability goals, while also creating broader opportunities for business partners to collaboratively build a sustainable business.



Environmental Policy

BMJ is dedicated to being an environmentally responsible company. The company continually strives to maintain environmental balance amid its business activities, including within its supply chain. This commitment reflects BMJ's ongoing efforts to preserve the environment sustainably.



GOOD CORPORATE GOVERNANCE PRINCIPLES

The implementation of good corporate governance (GCG) involves a set of principles that guide the company in ensuring that its operations and decision-making processes are conducted effectively, benefiting all stakeholders and contributing to the company's long-term sustainability. In addition to fostering a transparent and accountable structure, GCG also reinforces the ethical values and integrity that we firmly uphold. BMJ adheres to the following GCG principles:

Implementation of International Standards

BMJ has actively adopted international standards across all its operations. Currently, BMJ is strengthening energy efficiency by implementing ISO 50001 standards. The company has also completed training and a GAP Assessment for ISO 26000, which provides guidelines on corporate social responsibility. Furthermore.



Transparency

Transparent management of information to ensure that all stakeholders have access to important, material, and useful information.

1

2

Accountability

Clear functions, execution, and accountability in corporate governance and among employees. The company's management is directed towards achieving organizational goals while considering the interests of shareholders and other stakeholders.

Responsibility

Conducting business activities in alignment with laws and regulations through sound corporate governance principles, ensuring that implementation does not conflict with public interest.

3

4

Independence

Managing the business independently and professionally while avoiding conflicts of interest and undue influence from any parties that do not align with applicable laws and regulations.

Fairness

Conducting business activities with a focus on relationships with stakeholders, grounded in equality and fairness while respecting the rights of all shareholders and other stakeholders.

5

GOVERNANCE STRUCTURE [GRI 2-9]

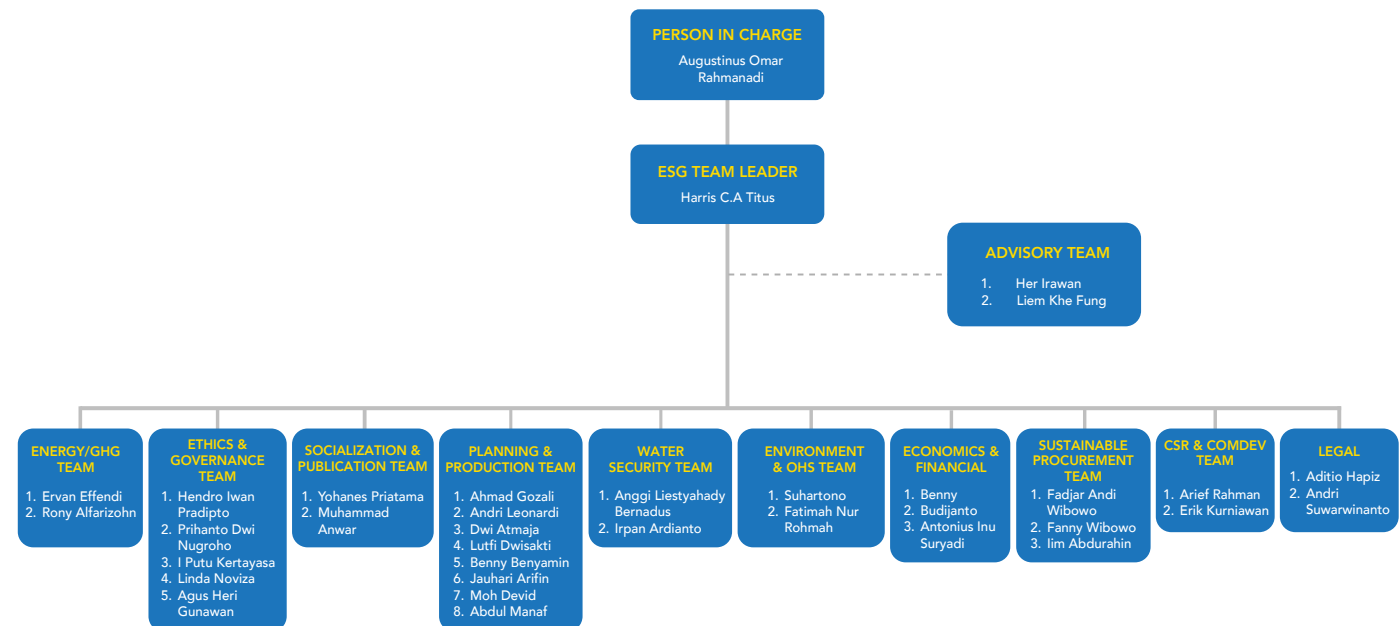
BMJ's governance structure is built on GCG principles to drive optimal performance, contribution, and corporate value, thereby ensuring long-term sustainability. The formation of BMJ's governance structure is based on the provisions of Law No. 40 of 2007 on Limited Liability Companies. The governance body comprises individuals from diverse backgrounds, including gender, race, age, education, expertise, and experience.

Additionally, the governance body includes representatives from the local community, reflecting the company's commitment to inclusivity and community participation in decision-making. This approach ensures that the interests of various stakeholders are represented and considered, thereby strengthening the relationship between the company and the surrounding community, and supporting the creation of a sustainable and harmonious business environment. [GRI 2-9]

In implementing sustainable governance, the President Director acts as the highest governance body, responsible for decision-making and oversight related to economic, environmental, and social impacts. The President Director is also responsible for reviewing and approving the information and material topics disclosed in the sustainability report. [GRI 2-9, 2-11, 2-14]

Environmental, Social, and Governance Committee Structure [GRI 2-9]

BMJ's commitment to sustainability is demonstrated by the establishment of the Environmental, Social, and Governance (ESG) Committee in 2022. The ESG Committee is responsible for identifying ESG-related risks and opportunities, developing sustainable strategies and policies, and ensuring compliance with relevant ESG standards. The composition of the ESG Committee in 2023 is as follows.



HIGHEST GOVERNANCE BODY

Composition of Highest Governance Body

Name	Gender	Age	Position
Augustinus Omar Rahmanadi	Male	43 years old	President Director
Harris C.A Titus	Male	73 years old	Commercial Director
Her Irawan	Male	55 years old	Manufacturing Director
Liem Khe Fung	Male	61 years old	Technology and Innovation Director

Nomination and Remuneration of the Highest Governance Body

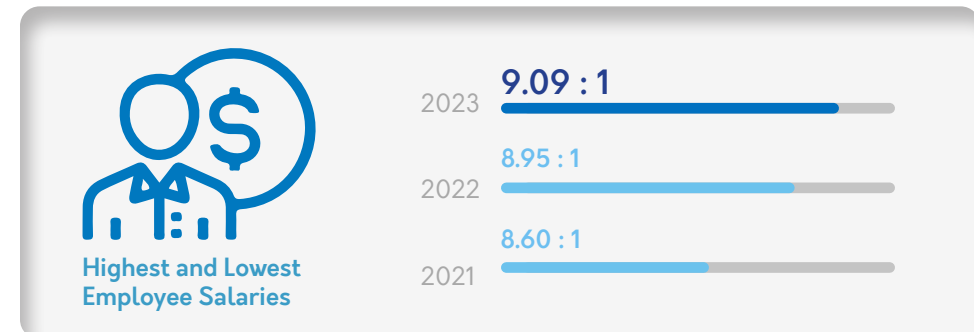
The process for selecting and appointing members of the highest governance body requires meeting several criteria. Candidates must fulfill requirements that include experience, tenure, functions, and positions. These criteria aim to ensure that members can perform supervisory roles with a high level of independence and the best quality of performance. [\[GRI 2-10\]](#)

BMJ values the performance and productivity of the Board of Directors in managing the business in alignment with sustainability values. This is part of the company's efforts to enhance the motivation and loyalty of the governance body, ultimately supporting the achievement of the company's objectives. The remuneration policy is influenced by Key Performance Indicators (KPIs) related to economic, environmental, and social goals and is governed by company policies and regulations.

In setting executive remuneration, the company does not involve external consultants. However, the executive remuneration policy continues to adhere to Government Regulation No. 36 of 2021 on Wage Regulations. [\[GRI 2-19, 2-20\]](#)

BMJ is committed to ensuring that there are no significant remuneration disparities among employees. The company strives to implement a competitive, fair, and balanced remuneration system. Additionally, the company periodically reviews and updates the remuneration policy to keep it relevant to industry developments and the existing business strategy.

The following is information regarding the annual total compensation ratio [\[GRI 2-21\]](#):



Description	Ratio (%)
Percentage increase in annual compensation ratio	3.47%

Note: The overall annual compensation ratio data is compiled based on records from the HR Remuneration & Performance Division

Sustainable Competency Development [GRI 2-17, 2-18]

To enhance the competency of the highest governance body in managing ESG aspects, BMJ organizes various sustainability programs. These programs include training, workshops, and benchmarking related to economic, environmental, social, and governance aspects. These initiatives are a strategic step to enrich the collective knowledge of the highest governance body on ESG topics.

Additionally, BMJ conducts performance assessments and evaluations of the Board of Directors in overseeing the company's impact on the economy, environment, and society. These evaluations are performed internally, based on key performance indicators (KPIs) and annual assessments. The results of these evaluations are then reviewed and acted upon by the performance evaluation responsible party to ensure appropriate follow-up.

Throughout 2023, the competency development related to sustainability undertaken by the highest governance body is presented in the table below:

No.	Date	Training Name	Organizer
1.	December 18, 2023	ESG Awareness	Bumi Global Karbon
2.	December 18, 2023	Sustainability Report Training Based on Global Reporting Initiative Standard	Bumi Global Karbon

BUSINESS ETHICS AND CORPORATE CULTURE

Business Ethics [GRI 2-23, 2-24]

BMJ has established business ethics guidelines encompassing moral principles and values that guide the company's actions and decisions in its operations. These guidelines include clear procedures for the following aspects:



Social and ethical conduct



Health, safety, and well-being



Environmental stewardship



Personal and business integrity



Company assets



Domestic and international trade

These ethical values are crucial in building a positive company culture. By implementing an integrated program, BMJ manages various risks, including practices of bribery and corruption. The company maintains a firm stance that all employees and business partners must adhere to these ethical standards uncompromisingly.



Company Culture [GRI 2-23, 2-24]

BMJ shapes its company culture based on shared values embraced by all members, making them part of daily routines. This culture serves as a behavioral guide, a unifying tool, and a means to create a conducive organizational climate, enhancing both individual and company performance. With a strong culture, BMJ ensures that individual behavior aligns with company values.

Cultural Behavior Initiatives:

WE ARE ONE

Behavior that prioritizes the company's interests above individual, departmental, or divisional interests; fosters synergy between and within departments; and promotes open communication.

LEAD BY INTEGRITY

Behavior reflecting exemplary actions, valuing others while consistently adhering to ethics and integrity.

LEARN & SHARE

Behavior demonstrating a commitment to continuous learning, sharing knowledge, and sustainable development.

WOW THE CUSTOMER

Behavior reflecting a desire to provide service that exceeds the expectations of internal or external customers, and a commitment to excel in all areas.

BMJ places a high priority on business ethics and professionalism for the benefit of customers, employees, and the environment. In practicing good corporate governance, BMJ focuses on developing human resources by aligning employee behavior with company values to enhance motivation and performance. The company introduces new employees to its profile, culture, regulations, and work discipline, and provides ethics training for all staff.

This commitment is integrated into the organization's strategy and operations in alignment with BMJ's vision, mission, and ethics. By signing the ethics commitment form, all employees pledge to responsible business practices, making them a crucial asset contributing to the company's optimal performance.

RISK MANAGEMENT

BMJ consistently identifies potential risks in every aspect of its operations to manage risks that could hinder business objectives. The company utilizes environmental orientation strategies aimed at reducing the environmental impact of its business activities. This approach is grounded in prioritizing the application of precautionary principles as a core foundation of its business operations.

The highest governance body plays a crucial role in ensuring the effectiveness of risk management and the sustainability of the company. They are responsible for setting policies, providing necessary resources, and performing ongoing evaluations and improvements. Additionally, authority delegation is clearly defined through the establishment of targets and KPIs for each relevant function, which are then periodically assessed and reported in performance reports. [GRI 2-12, 2-13]

Effective communication of critical issues is part of the strategy for managing risks. This involves all departments within BMJ through communication, participation, and consultation procedures. For hazard identification and risk control, the company communicates with employees and contractors through various methods, including socialization, Kaizen ideas, safety and health meetings, near-miss cards, and hazard reports. The company acts swiftly by identifying, gathering relevant information, and seeking solutions that comply with applicable regulations and systems. [GRI 2-16]

BMJ also continuously evaluates existing risks and develops innovative mitigation strategies. This step ensures that the company can not only identify potential risks but also address them effectively and efficiently. Through this proactive approach, BMJ aims to create a safe, sustainable, and responsive operational environment that adapts to dynamic market and environmental changes.





Conflict of Interest Handling in the Company

[GRI 2-15]

In business relationships, it is essential to anticipate potential conflicts of interest between various involved parties. The company strives to ensure that stakeholders involved maintain high integrity to avoid potential conflicts. Employees are directed to always adhere to the company's culture, business ethics, and internal regulations in their operational activities.

The goal of this approach is to prevent actions that could lead to conflicts of interest detrimental to the company. One adopted prevention strategy is to ensure that every individual complies with business ethics principles and adheres to relevant legal rules in conducting business while avoiding other business forms that might conflict with the company's interests.

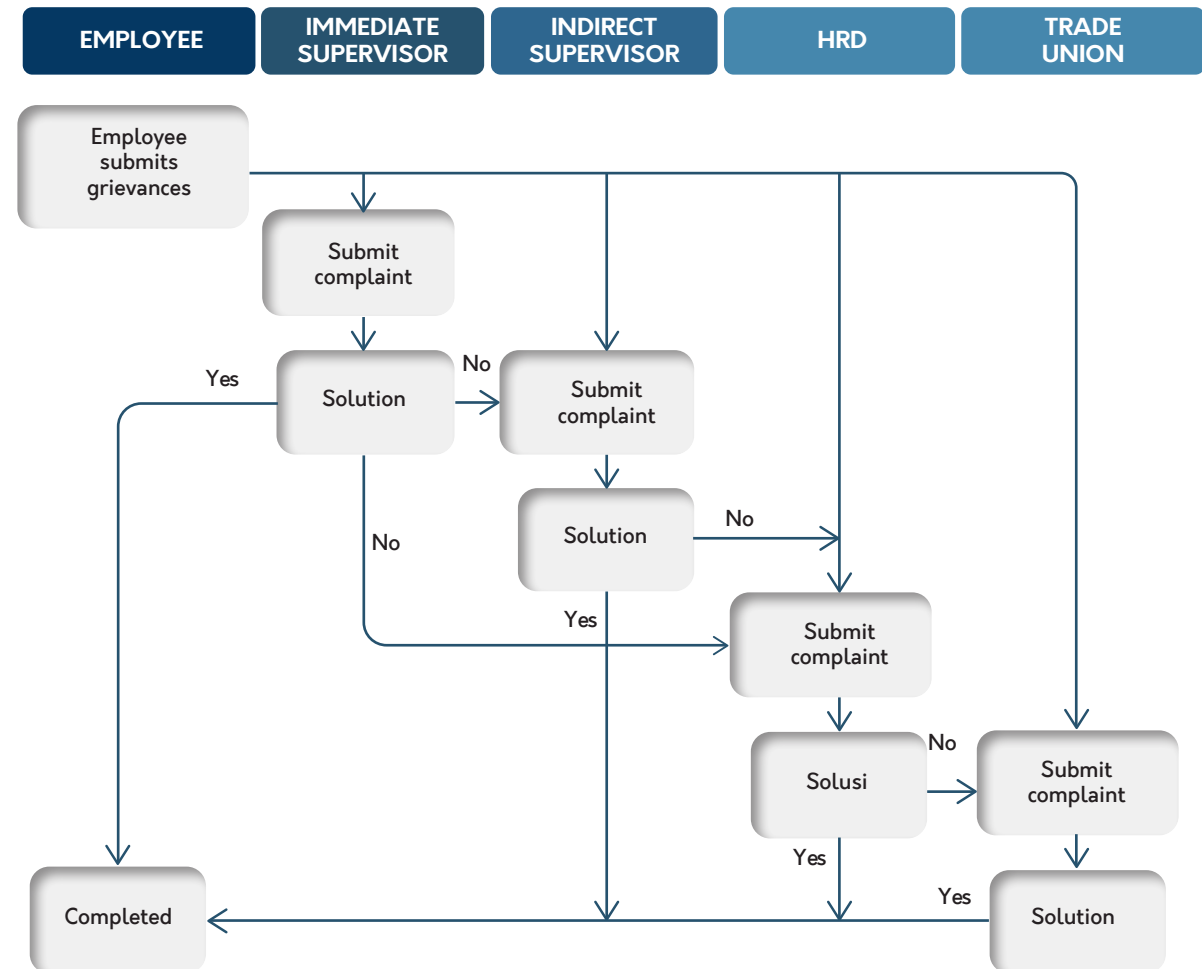
Disclosure of conflicts of interest is a key step in creating a fair, transparent, and ethical work environment. When conflicts of interest are identified, the company communicates them internally to stakeholders to achieve an objective understanding in the decision-making process. This approach reflects the company's commitment to honest, ethical business practices and helps build a strong culture of transparency and integrity within the organization.

Complaints and Grievance Handling Mechanisms [GRI 2-25, 2-26]

BMJ has established a complaint and grievance mechanism through the Collective Labor Agreement (CLA) with the BMJ Workers' Union. This allows employees the freedom to express grievances regarding dissatisfaction with situations or actions considered to breach regulations, CLA, individual employment contracts, and the company's code of ethics, including issues related to equality, opportunities, discrimination, and harassment. The company ensures that all complaints and issue resolutions are handled fairly and promptly, adhering to the principles of deliberation to reach an agreement.

This mechanism has a structured procedure for submitting and addressing employee complaints and grievances. The process includes filing complaints, receiving complaints, identifying issues, and providing suggestions and solutions to address the complaints. If employees feel that they have been treated unfairly or in violation of the CLA, they have the right to escalate complaints or grievances to the company leadership for appropriate resolution.

Complaint and Grievance Submission Process



ANTI-CORRUPTION PRACTICES

BMJ prioritizes good and prudent corporate governance practices to prevent corruption that could damage its reputation and business sustainability. The company upholds integrity and transparency in all operational aspects, in line with the principles outlined in Law No. 20 of 2001 on the Eradication of Corruption. BMJ is firmly committed to ensuring that no corrupt practices occur throughout its business operations. [\[GRI 3-3\]](#)

To reinforce this commitment, BMJ has established anti-corruption policies and communicated them to relevant parties, as well as implemented these policies through various instruments. To ensure effective anti-corruption practices, BMJ evaluates this topic through relevant forums, such as in the development and evaluation of collective labor agreements (CLA) with unions, supplier review processes during Vendor Declaration Letter completion, and business ethics dissemination. [\[GRI 3-3\]](#)

To address potential corruption risks, BMJ has conducted a corruption risk assessment, which involves evaluating and analyzing risks related to corrupt practices to understand and measure the vulnerability of operations to corruption and to identify preventive measures. Based on the assessment results, no business operations were deemed to have medium-to-high corruption risk. [\[GRI 205-1\]](#)

BMJ also took preventive measures by conducting ISO 37001:2016 Anti-Bribery Management System (ABMS) training for employees and members of the company's highest governance bodies. Additionally, a comprehensive awareness program covering policies such as business ethics and anti-bribery has been conducted for all employees (100%). [\[GRI 205-2\]](#)

Through these efforts, BMJ has achieved a significant milestone in 2023 with no cases or indications of corruption within the company's operations. [\[GRI 205-3\]](#)



LAPORAN ASSURANCE INDEPENDEN [GRI 2-5]



INDEPENDENT ASSURANCE STATEMENT

PT. Bukit Muria Jaya
Sustainability Report 2023
Statement No: 012/IAS/CBC/VIII/2024
Type 2, Moderate Level

Scope of Engagement and Assurance

CBC Global Indonesia ("CBC Global Indonesia", "us" or "we") were commissioned by PT. Bukit Muria Jaya ("BMJ") with the objective to provide assurance of BMJ's 2023 Sustainability Report (the "Report") with reference to GRI Sustainability Reporting Standards and the adherence to AA1000 Accountability Principles (2018) with assurance over the subject matter presented in the Report, for the reporting year ended 31st December 2023. **This statement is intended to be used by stakeholders & management of BMJ.**

The **scope and limitation** of our work is restricted to the following areas:

1. Subject Matters

Mitigating the Impact of Climate Change	Economic Performance
Reducing Waste	Anti-corruption
Water Stewardship	Public Relation
Biodiversity and Greenery	Occupational Health and Safety
Environmental Compliance	Corporate Governance & Business Ethics
Privacy and Data Security	Human Rights, HR, and Corporate Culture



2. AA1000 Principles (2018)

Our assurance engagement was planned and performed to meet the requirements of a **Type 2 “moderate level”** of assurance as defined by AA1000 Assurance Standard (AA1000AS) v3 to evaluate the nature and extent of **BMJ**'s adherence to all four AA1000 AccountAbility Principles (2018): Inclusivity, Materiality, Responsiveness and Impact, where sufficient evidence has been obtained to support our statement such that the risk of our conclusion being in error is reduced, but not reduced to very low, but not zero.

We have not performed any work, and do not express any conclusions, on any other information outside of the Subject Matter that may be published in the Report or on **BMJ**'s website for the current reporting period or for previous periods and assumed that the financial data and figures provided by **BMJ** has been audited by independent parties therefore, presentation of financial data and figures in the report NOT within the scope of assurance.

Responsibilities of the Management of BMJ

The Management of **BMJ** is responsible for the preparation of the Subject Matter in accordance with the Reporting Criteria. The responsibility includes designing, implementing and maintaining internal control relevant to the preparation of Subject Matter information that is free from material misstatement, whether due to fraud or error.

Responsibilities, Competencies and Independency of CBC Global Indonesia

Our responsibility is to plan and perform our work to obtain assurance over whether the Subject Matter information has been prepared in accordance with the GRI Universal Standard and report to **BMJ** in the form of an independent assurance conclusion, based on the work performed and the review progress. We must also express a conclusion over whether the Report adheres to the AA1000 Principles (2018) and comment on the nature and extent of each Principle individually. All this engagement was carried out by an independent team of sustainability assurance professionals whose already obtained the **Certified Sustainability Report Assurer (CSRA)** and any relevant certifications.



CBC Global Indonesia is bounded by rules of conduct and professional practice relating to independence and quality overseen by AccountAbility (www.accountability.org/standards/licensing/AA1000 as licensed-providers) and has established policies and procedures that are designed to ensure that our team maintain independence and integrity. We had no financial interest in the operation of **BMJ** other than for the assessment and assurance of this report. We don't accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

Methodology

We conduct the following assurance procedures and activities:

- ☒ Pre-engagement to ensure the independence and impartiality of the assurance team.
- ☒ Kick-off meeting and initial analysis of the report draft.
- ☒ Review, assess and evidence the reliability and quality of sustainability performance and disclosed information as specified in the Report content for the reporting period of 1st of January up to 31st of December 2023.
- ☒ Evaluate the adherence of report content, disclosure and presentation **against the criteria of standard, principles, and indicators using references from AA1000AS v3, AA1000AP (2018) (AccountAbility Principles), GRI Universal Standards**. Adopt IPCC Guidelines for calculation methodology of energy used and emission.
- ☒ Conduct in-depth interview on compliance, governance, risk management, business continuity management topics with the representatives of the relevant functions/divisions of the **BMJ** concerning sustainability strategy and policies for material issues and the implementation of these across the **BMJ's** business.
- ☒ Obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the sustainability program and strategy.
- ☒ Obtained an understanding of how the identified sustainability information is gathered, collated and aggregated internally and enquiries of management of **BMJ** to gain an understanding of the processes for determining material issues for key stakeholder groups, internally and externally.
- ☒ Performed limited substantive testing, on a sample basis, of the sustainability information identified, to verify the assumptions, estimations and computations **BMJ** made and to check that data had been appropriately measured, recorded, collated and reported.
- ☒ Compare the subject matter presented in the report to corresponding information in the relevant underlying sources on a sample basis.
- ☒ Evaluate the subject matter presented in the report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the group.
- ☒ Discuss and analysis data and reports with management of **BMJ** and data contributor to determine whether there are any material



misstatement of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

Finding and Conclusions

From the assurance program and the evidence, we have obtained, a detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact, the GRI Universal Standards is set out below:

INCLUSIVITY

An assessment was made to investigate the engagement of all key stakeholders within the **BMJ**. The presentation of stakeholder's inclusivity in the report is fairly identified and covers all BMJ's inclusivity material issues. The stakeholder's engagement has been held through communication based on various methods and approaches with the contributions of all key stakeholders include their internal and external stakeholders to develop an accountable and strategic sustainability topic.

MATERIALITY

An assessment was made to investigate the material information disclosed by the **BMJ**. The report fairly covers the **BMJ**'s material issues by using materiality matrix and boundary mapping through the stakeholder's inclusivity process. The materiality topics shows in the report provide a fair and sufficient information and aligned with risk management within the company which enables its stakeholders to make a professional judgment about **BMJ**'s performance and management.

RESPONSIVENESS

An assessment was conducted to investigate the **BMJ**'s transparency measures on the topic of material sustainability and its associated impacts. This report discusses **BMJ**'s responsiveness issues as a fulfillment of **BMJ**'s commitment towards sustainability issues. All information related to management's responses to stakeholder inputs and complaints has been included in the company's reports and other mechanisms in a transparent and consistent manner in responses to strategic stakeholder engagement management.

IMPACT

The Report content discloses data and information indicating the impacts of the **BMJ**'s decisions, activities, and services on the economy, environment, and society. An assessment was made to investigate the practice of the **BMJ** to monitor, measure and be accountable for how their actions affect their broader ecosystems. In overall, disclosures of impacts in the Report content are rather balance and adequate with both metric and qualitative information. However, the Company still needs to integrate comprehensively the identified impacts into key management processes to conduct an impact assessment on the other stakeholders, including its organizational strategy, governance, goals, objectives, and operations.



GRI STANDARDS PRINCIPLES

The Report has prepared in accordance with GRI Universal Standards, where all disclosure of each subject matters is presented in the Report. The disclosures of management approach for each subject matters in general is fairly disclosed. The Management of **BMJ** has applied the principles for defining the report's quality (balance, comparability, accuracy, timeliness, clarity, and reliability) and the principles for defining the report's content (stakeholder inclusiveness, sustainability context, materiality, and completeness) and supporting documents were adequately presented during the assurance program.

Opinion Statement

Our professional and certified team of sustainability report assurer has assured this report in accordance with the AA1000AP (2018), AA1000AS v3 and GRI Standards. From the review progress, we conclude that the BMJ's Sustainability Report 2023 provides a fair view of the all the **BMJ**'s programs and performances during 2023. The extent to which the GRI Standards has been applied in the Report and conclude this report has been prepared with reference to GRI Universal Standards.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. We conclude that the data in 2023 for all subject matters' performance indicators are fairly represented. There is nothing has come to our attention that would lead us to believe that the subject matter in the Report for the year ended 31 December 2023, in all material respects, is not prepared in accordance with the applicable criteria.



Recommendations

In 2023, **BMJ** improved its sustainable organizational structure and here are some suggested recommendations for the management of **BMJ**:

1. Improving the sustainability action plan as the direction of implementing the sustainability roadmap in accordance with sustainability commitments through the appropriate strategy in accommodating all potential impacts of ESG issues on the company's overall operations;
2. Build an integrated sustainability management information system supported by a database management documentation system with clear responsibilities to respond to stakeholder needs and sustainability issues;
3. Evaluating the subject matters mapping with specific and clear sustainability commitment targets and objectives, especially in the measurement and assessment of environmental and social sustainability risks in operational standards and procedures.

For and on behalf of:
Jakarta, August 16th, 2024

Dr. Ari Purwanti, Ak., CA., C SRA

Operational Manager

PT CBCG Global Indonesia

The Icon HorizonB roadway Blok M.5N o.3B SD City, Tangerang, Indonesia 15345

Tel: (62)(21) 87780058

Email: services@cbcglobalindonesia.com

GRI STANDARDS CONTENT INDEX

Statement of Use

PT Bukit Muria Jayahas reported in accordance with the GRI Standards for the period 1 January until 31 December 2023.

GRI 1 Used

GRI 1: Foundation 2021

GRI Standard		Disclosure	Location	Omission	
				Requirement Omitted	Reason
General Disclosures					
GRI 2: General Disclosures 2021	2-1	Organizational details	28, 32		
	2-2	Entities included in the organization’s sustainability reporting	20		
	2-3	Reporting period, frequency, and contact point	20, 25		
	2-4	Restatement of information	20		
	2-5	External assurance	25, 95		
	2-6	Activities, value chain, and other business relationship	28, 30-33		
	2-7	Employees	30, 53-55		
	2-8	Workers who are not employees	55		
	2-9	Governance structure and composition	87		
	2-10	Nomination and selection of the highest governance body	88		
	2-11	Chair of the highest governance body	87		
	2-12	Role of the highest governance body in overseeing the management of impacts	91		
	2-13	Delegation of responsibility for managing impacts	91		



GRI Standard	Disclosure	Location	Omission		
			Requirement Omitted	Reason	Explanation
2-14	Role of the highest governance body in sustainability reporting	87			
2-15	Conflict of interest	92			
2-16	Communication of critical concerns	91			
2-17	Collective knowledge of the highest governance body	89			
2-18	Evaluation of the performance of the highest governance body	89			
2-19	Remuneration policies	88			
2-20	Process to determine remuneration	88			
2-21	Annual total compensation ratio	88			
2-22	Statement on sustainable development strategy	13-16			
2-23	Policy commitments	84-85, 89-90			
2-24	Embedding policy commitments	89-90			
2-25	Process to remediate negative impacts	51, 93			
2-26	Mechanisms for seeking advice and raising concerns	93			
2-27	Compliance with laws and regulations	52, 84			
2-28	Membership associations	34			
2-29	Approach to stakeholder engagement	24			
2-30	Collective bargaining agreements	51			

GRI Standard		Disclosure	Location	Omission		
				Requirement Omitted	Reason	Explanation
Material Topics						
GRI 3: Material Topics 2021	3-1	The process to determine material topics	20-21			
	3-2	List of material topics	22-23			
Economic Performance						
GRI 3: Material Topics 2021	3-3	Management of material topics	33			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	33-34			
	201-2	Financial implications and other risks and opportunities due to climate change	34			
	201-3	Defined benefit plan obligations and other retirement plans	34			
	201-4	Financial assistance received from the government	34			
Market Presence						
GRI 3: Material Topics 2021	3-3	Management of material topics	56			
GRI 202: Market Presence 2016	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	56			
	202-2	Proportion of senior management hired from the local community	61			
Indirect Economic Impacts						
GRI 3: Material Topics 2021	3-3	Management of material topics	73-74			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	74			
	203-2	Significant indirect economic impacts	80-81			



GRI Standard		Disclosure	Location	Omission		
				Requirement Omitted	Reason	Explanation
Procurement Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics	33			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	33			
Anti-corruption						
GRI 3: Material Topics 2021	3-3	Management of material topics	94			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	94			
	205-2	Communication and training about anti-corruption policies and procedures	94			
	205-3	Confirmed incidents of corruption and actions taken	94			
Materials						
GRI 3: Material Topics 2021	3-3	Management of material topics	42			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	42			
	301-2	Recycled input materials used	42			
	301-3	Reclaimed products and their packaging materials	42			
Energy						
GRI 3: Material Topics 2021	3-3	Management of material topics	36			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	38			
	302-2	Energy consumption outside of the organization	38			
	302-3	Energy intensity	38			

GRI Standard		Disclosure	Location	Omission		
				Requirement Omitted	Reason	Explanation
	302-4	Reduction of energy consumption	37-38			
	302-5	Reductions in energy requirements of products and services	37-38			
Water and Effluents						
GRI 3: Material Topics 2021	3-3	Management of material topics	40			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	40-41			
	303-2	Management of water discharge-related impacts	40-41			
	303-3	Water withdrawal	41			
	303-4	Water discharged	41			
	303-5	Water consumption	41			
Biodiversity						
GRI 3: Material Topics 2021	3-3	Management of material topics	47			
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	47-48			
	304-2	Significant impacts of activities, products, and services on biodiversity	47-48			
	304-3	Habitats protected or restored	47-48			
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	47-48			
Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics	38			



GRI Standard		Disclosure	Location	Omission		
				Requirement Omitted	Reason	Explanation
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	39			
	305-2	Energy indirect (Scope 2) GHG emissions	39			
	305-3	Other indirect (Scope 3) GHG emissions	39			
	305-4	GHG emissions intensity	39			
	305-5	Reduction of GHG emissions	38-39			
	305-6	Emissions of ozone-depleting substances (ODS)	39			
	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	39			
Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics	43			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	44			
	306-2	Management of significant waste-related impacts	43-44			
	306-3	Waste generated	44-45			
	306-4	Waste diverted from disposal	44-45			
	306-5	Waste directed to disposal	44-45			
Employment						
GRI 3: Material Topics 2021	3-3	Management of material topics	50-51, 57, 61			

GRI Standard		Disclosure	Location	Omission		
				Requirement Omitted	Reason	Explanation
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	61-62			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	56			
	401-3	Parental leave	57			
Labor/Management Relations						
GRI 3: Material Topics 2021	3-3	Management of material topics	51			
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	51			
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	63			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	63			
	403-2	Hazard identification, risk assessment, and incident investigation	64-65			
	403-3	Occupational health services	65			
	403-4	Worker participation, consultation, and communication on occupational health and safety	66			
	403-5	Worker training on occupational health and safety	67			
	403-6	Promotion of worker health	65			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64, 67			
	403-8	Workers covered by occupational health and safety	63			
	403-9	Work-related injuries	64, 67-68			
	403-10	Work-related ill health	64, 68			



GRI Standard		Disclosure	Location	Omission		
				Requirement Omitted	Reason	Explanation
Training and Education						
GRI 3: Material Topics 2021	3-3	Management of material topics	58			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	58-60			
	404-2	Programs for upgrading employee skills and transition assistance programs	58-60			
	404-3	Percentage of employees receiving regular performance and career development reviews	60-61			
Diversity and Equal Opportunity						
GRI 3: Material Topics 2021	3-3	Management of material topics	53			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	53-55			
	405-2	Ratio of basic salary and remuneration of women to men	56			
Non Discrimination						
GRI 3: Material Topics 2021	3-3	Management of material topics	53			
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	53			
Child Labor						
GRI 3: Material Topics 2021	3-3	Management of material topics	52			
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	52			

GRI Standard		Disclosure	Location	Omission		
				Requirement Omitted	Reason	Explanation
Forced or Compulsory Labor						
GRI 3: Material Topics 2021	3-3	Management of material topics	52			
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	52			
Human Rights Assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	52			
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	52			
	412-2	Employee training on human rights policies or procedures	52			
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	52			
Local Community						
GRI 3: Material Topics 2021	3-3	Management of material topics	73-74			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	74-83			
	413-2	Operations with significant actual and potential negative impacts on local communities	82			



GRI Standard		Disclosure	Location	Omission		
				Requirement Omitted	Reason	Explanation
Customer Health and Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	69-70			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	70			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	70			
Marketing and Labeling						
GRI 3: Material Topics 2021	3-3	Management of material topics	71			
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	71			
	417-2	Incidents of non-compliance concerning product and service information and labeling	71			
	417-3	Incidents of non-compliance concerning marketing communications	71			
Customer Privacy						
GRI 3: Material Topics 2021	3-3	Management of material topics	72			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	72			

Feedback Sheet

The Sustainability Report of PT Bukit Muria Jaya 2023 provides an overview of the Company's sustainability performance. We expect constructive feedback, input, and suggestions from the readers and the users through this form which can be sent via email or facsimile/post.

Your Profile

Name : _____
 Institution/Company : _____
 Email : _____
 Phone/Mobile : _____

Stakeholder Group

☐ Customers
 ☐ Shareholders
 ☐ Employees
☐ Business partners
 ☐ Mass media
 ☐ Suppliers
☐ Community organizations/NGOs
 ☐ Government
 ☐ Business organizations
☐ Others _____

How would you rate the content of this report?

	Yes	No
1. This report is easy to understand	☐	☐
2. This report is useful	☐	☐
3. This report describes BMJ's performance in sustainable development	☐	☐
4. Does this report develop your trust in the Company's sustainability	☐	☐

Please write the answer based on your opinion.

Which part of the information is the most useful and interesting to you?

Which part of the information is less useful and needs to be improved?

Is the data presented transparent, reliable, and balanced?

Suggestions/recommendations/comments for future report improvement:

Please send this feedback sheet to:

PT Bukit Muria Jaya

Head Office
 Jl. Karawang Spoor, Kec. Teluk Jambe Timur
 P.O. BOX 54 KW, Karawang 41300
 Jawa Barat, Indonesia
 Phone : +62 (267) 601030
 Facsimile : +62 (267) 600700
 Email : info@bmjpaperpack.com
 Website : www.bmjpaperpack.com



Eureka Everyday

SUSTAINABILITY REPORT 2023

PT Bukit Muria Jaya

Jl. Karawang Spoor, Desa Purwadana,
Kecamatan Telukjambe Timur, P.O. BOX 54
KW Karawang 41300
www.bmjpaperpack.com