BMJ

Eureka Everyday!

# EMPOWERING OUR PEOPLE, ADVANCING OUR SUSTAINABLE JOURNEY

## Sustainability Report

**2024**

PT BUKIT MURIA JAYA

# Theme Explanation

## Empowering Our People, Advancing Our Sustainable Journey

BMJ is committed to strengthening the role of all elements within the Company in realizing comprehensive sustainability. This commitment is manifested through an empowerment-based approach that serves as a key enabler, encompassing not only employees but also the Company's responsibilities toward the community, environment, and corporate governance. This approach aligns with the 5Ps framework of the Sustainable Development Goals (SDGs), which consists of people, planet, prosperity, peace, and partnership, and serves as the foundation for fostering equitable, inclusive, and sustainable development.

As part of its long-term strategy, BMJ has developed a structured and participatory sustainability roadmap, positioning empowerment as a main enabler. Each initiative is designed to promote social well-being, maintain ecosystem balance, create sustainable economic value, uphold the principles of good governance, and foster strategic partnerships with stakeholders. Through this approach, BMJ strengthens the foundation of corporate sustainability while contributing responsibly to the achievement of global development goals.

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# Sustainability Performance Overview

## Economic Performance

### Revenue (%)

| 2022 | 2023 | 2024 |
|---|---|---|
| 6.35% | 6.66% | 7.08% |

### Ratio of Entry-Level Employee Wages to Minimum Wage by Work Location in 2024

| | |
|---|---|
| Karawang | 113% |
| Kudus | 104% |

### Total Assets (%)

| | |
|---|---|
| 2024 | 0.20% |
| 2023 | 7.92% |
| 2022 | 3.45% |

### Net Profit (%)

| | |
|---|---|
| 2024 | 59.72% |
| 2023 | 146.81% |
| 2022 | 20.67% |

### Total Equity (%)

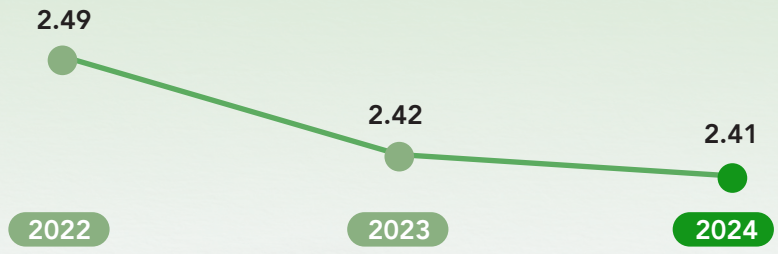
| | |
|---|---|
| 2024 | 4.61% |
| 2023 | 10.27% |
| 2022 | 4.43% |

# Environmental Performance

## Greenhouse Gas (GHG) Emissions in 2024 (ton $CO_2e$)

| Scope 1 | Scope 2 | Scope 3 |
|---|---|---|
| 35,740 | 104,088 | 46,120 |
| From Fuel and Coal | From Electricity | From Employee Transportation, Waste, Suppliers, and Distribution to Customers |

## Emission Intensity (ton $CO_2e$/ton)




## Energy Intensity (GJ/ton)

| | |
|---|---|
| 2024 | 16.27 |
| 2023 | 18.67 |
| 2022 | 19.48 |

## Emission Reduction (ton $CO_2e$)

| | |
|---|---|
| 2024 | 3,675 |
| 2023 | 2,835 |
| 2022 | N/A |

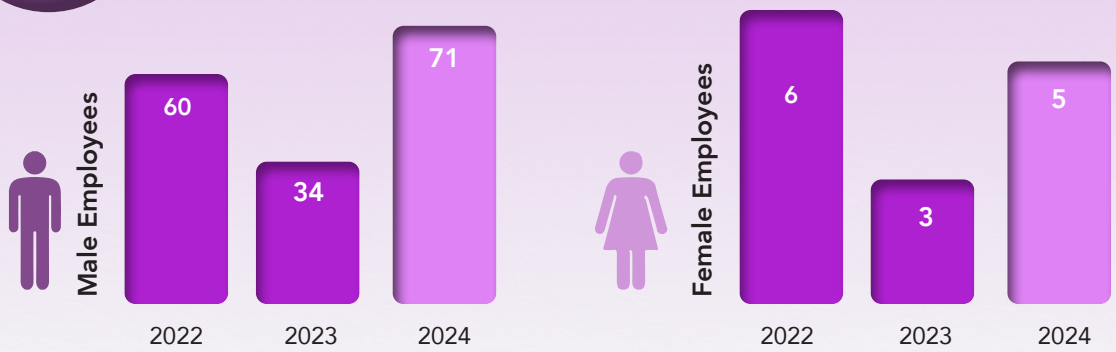
## Waste Generated (ton)

| | |
|---|---|
| 2024 | 14,875.00 |
| 2023 | 15,313.62 |
| 2022 | 19,464.76 |

## Social Performance

### Number of Female Employees (People)

### Number of New Employees (People)




**ZERO**

Cases of discrimination in the workplace.

Work-related fatality cases

Occupational disease cases

**100%** Company employees, contractors, and relevant stakeholders within the company's operational areas are covered under the Occupational Health and Safety Management System implemented by BMJ

## Corporate Social Responsibility (CSR) 2024

**16**
Number of CSR Activities

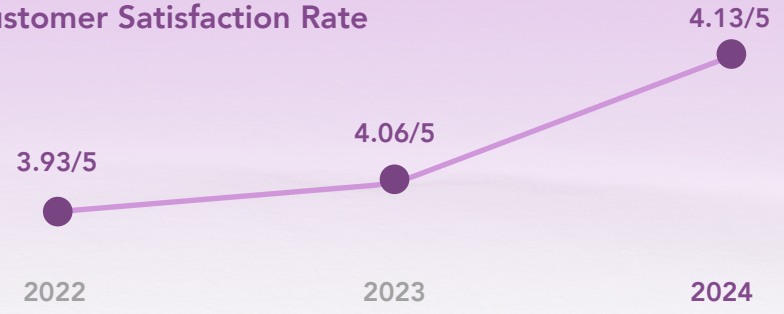
**5**
Number of CSR Activities

**25.84%**
Total Budget for Activities

**7.94** Average Social Return on Investment (SROI) Value of 1 from 16 CSR Programs in the 2024 Period

- The SROI value represents the return (in rupiah) generated for every 1 rupiah invested through CSR programs.
- The SROI calculation is an initiative independently carried out by the BMJ team, which has been equipped with the necessary knowledge and skills through training by an independent consultant.

### Customer Satisfaction Rate




## Governance Performance

### Development and Implementation of the 2024–2028 ESG Roadmap

BMJ has developed and implemented the 2024–2028 ESG Roadmap to strengthen its ESG commitment and align its sustainability direction with the strategic initiatives introduced by the ESG Committee.

**0** Zero Case Corruption — No corruption cases occurred throughout 2024

**0** Zero Non-Compliance Cases with Laws and Regulations — No cases of non-compliance with laws and regulations resulting in fines or non-monetary sanctions were recorded in 2024

### ESG and Sustainability Rating

CDP

| | |
|---|---|
| Climate | (C) |
| Forest | (B-) |
| Water Security | (B-) |

ecovadis

Overal score
**63**/100

Percentile
**74th**

BRONZE | Top 35%
ecovadis
Sustainability Rating
MAR 2025

# Awards and Certifications

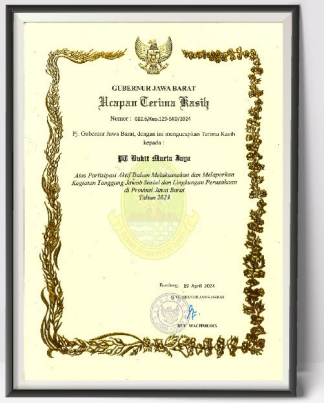
## Awards

Bandung, March 8, 2024

**Tree Planting and Maintenance Movement on Critical Land across the Regency**

.....

Organizer: West Java Provincial Forestry Agency




Bandung, April 19, 2024

**Active Partisipation in the Implementation and Reporting of the Company's CSR Programs**

.....

Organizer: West Java Provincial Government

Karawang, September 12, 2024

**Active Participation in the Implementation of the Company's CSR Programs**

.....

Organizer: Karawang Regency Government

Jakarta, October 2, 2024

**Silver Achievement PQM CI Convention 2024**

PQM CI Convention

.....

Organizer: PQM

Karawang, October 5, 2024

**CSR Program on Compost Fertilizer and Organic Waste Management Training**

.....

Organizer: Environmental Agency (DLH), Karawang Regency Government

Jakarta, October 24, 2024

**Investment Impact Measurement Leaders Award**

CSR Awards 2024

.....

Organizer: BGK Foundation dan Investortrust

Jakarta, November 21, 2024

**Bronze Achievement OPEXCON Competition 2024**

OPEXCON Awards 2024

.....

Organizer: SSCX

Jakarta, November 21, 2024

**Gold Achievement OPEXCON Competition 2024**

OPEXCON Awards 2024

.....

Organizer: SSCX

Karawang, December 30, 2024

**Voluntary Blood Donation Event**

.....

Organizer: Indonesian Red Cross (PMI), Karawang Regency

Jakarta, March 4, 2024

Indonesia Best Companies in HSE Implementation 2024 with Very Good Predicate

**Indonesia Best Companies in HSE Implementation 2024**

.....

Organized by: SWA Media Group and Spot Corporate Communications

Jakarta, August 8, 2024

**Zero Accident Award**

.....

Organizer: Ministry of Manpower of the Republic of Indonesia (Kemnaker RI)

Jakarta, August 2024

**HIV-AIDS Prevention and Control Program in the Workplace with Gold Category**

.....

Organizer: Ministry of Manpower of the Republic of Indonesia (Kemnaker RI)

Bandung, January 24, 2025

**OHS Award: Zero Accident 2024**

.....

Organizer: West Java Provincial Government

Bandung, January 24, 2025

**P2K3 Award, Platinum Category, West Java Provincial Level, 2024**

.....

Organizer: West Java Provincial Government

Bandung, January 24, 2025

**HIV-AIDS Prevention and Control Program in the Workplace, Platinum Category, West Java Provincial Level, 2024**

.....

Organizer: West Java Provincial Government

Jakarta, February 24, 2025

Blue PROPER Award

**PROPER Environmental Award 2023–2024**

.....

Organizer: Ministry of Environment and Forestry (KLHK) of the Republic of Indonesia

# Certifications

## ISO 9001: 2015

**Quality Management System**

Since 1993

Karawang and Kudus
PT TUV Rheinland Indonesia

## ISO 14001: 2015

**Environmental Management System**

Since 2011

Karawang and Kudus
PT TUV Rheinland Indonesia

## ISO 45001: 2018

**OHS Management System**

Since 2011

Karawang and Kudus
PT TUV Rheinland Indonesia

## Timber Legality Verification System (SVLK)

**Wood Products**

Wood Products

Karawang and Kudus
PT TUV Rheinland Indonesia

## Programme for the Endorsement of Forest Certification (PEFC)

**Wood Products**

Since 2012

Karawang
SCS Global Services

## Authorized Economic Operator (AEO)

**Export-Import**

Since 2019

Karawang and Kudus
Ministry of Finance

## SMK3 Standar PP No. 50 Tahun 2012

**Occupational Health and Safety Management System (OHSMS)**

Since 2019

Karawang and Kudus

## SNI 3755 : 2019

**Cigarette Paper**

Since 2021

Karawang
Pulp and Paper Research and Development Center – Indonesia

## Halal Certificate

**Halal Product Assurance System for Offset Plant**

Since 2023

Karawang
Ministry of Religious Affairs

# Message from the President Director [GRI 2-22]

It is an honor for us to present the 2024 Sustainability Report, themed "Empowering Our People, Advancing Our Sustainable Journey". This theme embodies BMJ's spirit in strengthening the role of all components across the organization to advance holistic sustainability, covering employee empowerment, social responsibility, environmental protection, and governance strengthening. This approach aligns with the 5P framework of the Sustainable Development Goals (SDGs), which encompasses the pillars of people, planet, prosperity, peace, and partnership.

As part of its long-term strategy, BMJ has developed a structured and participatory sustainability direction by positioning empowerment initiatives as key drivers. Each initiative is designed to promote social well-being, preserve ecosystem balance, generate sustainable economic value, uphold the principles of good governance, and foster strategic partnerships with stakeholders. This direction is articulated in the 2024–2028 ESG Roadmap, which emphasizes Consistency and Reliability as the core strategy to ensure that sustainability implementation is carried out in a consistent, measurable, and impactful manner across the company's entire ecosystem.

In line with the roadmap, we continue to drive the increase in renewable energy use, such as through the installation of solar panels and the deployment of battery-powered electric vehicles within our operations, as well as expanding initiatives in waste management and natural resource conservation. We are also advancing cross-functional sustainability topics, strengthening employee understanding through training, certification programs, and both internal and external outreach forums.

Throughout 2024, BMJ collaborated with financial institutions focused on sustainability and ensured that external audits were conducted by credible and independent third parties. In addition, we consistently welcome feedback from stakeholders to identify current challenges and needs within our sustainability strategy. The ability to adapt to regulatory changes, technological developments, and shifting market preferences is a critical factor in ensuring the resilience of our business in the future.

**Augustinus Omar Rahmanadi**
President Director

## Strengthening Green Commitment Through Efficiency and Innovation

In 2024, BMJ recorded significant progress in responsible environmental management. Through the implementation of energy efficiency strategies and the optimization of production processes, we successfully reduced energy intensity by 12.9%, while simultaneously increasing production volume by 18.6%. The operation of the Precipitated Calcium Carbonate (PCC) Plant has made a tangible contribution to the reduction of greenhouse gas emissions by 3,675 tons of $CO_2$eq, while also enhancing the efficiency of energy and raw material usage. In the area of water conservation, we recorded recycled water usage accounting for 7.5% of total consumption, reflecting our commitment to preserving natural resources. All these achievements were carried out under the framework of BMJ's Environmental Policy and Sustainability Blueprint, which are integrated with ISO 14001 and ISO 50001 standards. We believe these progressive measures are an essential part of the company's journey toward a greener and more sustainable future.

## Inclusive and Sustainable Social Empowerment

BMJ consistently upholds its commitment to creating sustainable social value through a focused, participatory, and data-driven empowerment approach. This effort begins with the implementation of social mapping in villages surrounding our operational areas to identify local potential and gain a deeper understanding of the community's social conditions. The results of the social mapping served as a strategic foundation for designing the medium-term CSR program through 2028, including the flagship initiative in 2024, the provision of clean water facilities in Purwadana Village, which recorded a Social Return on Investment (SROI) of 1:7.94—an effectiveness indicator that reflects the tangible benefits delivered to the community. In 2024, BMJ also ensured the establishment of a safe and healthy workplace, supported by the full implementation of an OHS management system and the absence of any fatal workplace accidents. Our commitment to capacity building was further demonstrated through intensive training programs for employees and business partners, reinforcing human capital competitiveness as a key pillar of the company's sustainability and growth.

## Upholding Integrity-Driven Governance

BMJ continues to strengthen its commitment to transparent, integrity-driven, and adaptive corporate governance as a fundamental pillar of sustainability. In 2024, the principles of good corporate governance were implemented consistently, with no regulatory sanctions reported. This commitment was further reinforced through the establishment of the ESG Committee and the adoption of ISO 37001 Anti-Bribery Management System. We have also established a compliance and risk management system that is responsive to business dynamics, while ensuring that ethical values are deeply embedded in our organizational culture through robust anti-corruption policies, trusted whistleblowing mechanisms, and objective management of conflicts of interest. The implementation of governance principles also includes a risk-based approach encompassing environmental, social, and economic aspects, applied comprehensively across the entire operational chain. Through credible governance, BMJ continues to generate long-term value for stakeholders and strengthen the company's competitiveness in a sustainable manner.

## Closing Statement

BMJ remains firmly committed to advancing impactful sustainability by strengthening the synergy of all elements within the company and driving long-term-oriented innovation. Throughout 2024, the various achievements we have made reflect the tangible results of strong collaboration among employees, partners, and stakeholders. These accomplishments have not only reinforced the foundation of our business but also serve as a catalyst for continuously exploring new solutions and technologies aligned with the evolving landscape of sustainable development.

We view sustainability not merely as an obligation, but as an opportunity to create added value and competitive advantage. Therefore, we will continue to innovate in developing low-emission, resource-efficient, and high-value products and services. We believe that through a spirit of consistency, integrity, and empowerment, BMJ will continue to create value for society, the environment, and all stakeholders, while playing a vital role in the journey toward an inclusive, resilient, and sustainable future.

Karawang, July 2025

**Augustinus Omar Rahmanadi**
President Director

# Commitment and Sustainability Strategy [GRI 2-22]

## Sustainability Commitment

BMJ places Environmental, Social, and Governance (ESG) principles as the core foundation of its commitment to responsible and sustainable business practices. This commitment is reflected in a strong focus on minimizing environmental impacts, enhancing social well-being, and upholding good corporate governance. BMJ believes that sustainability is not merely an obligation, but a strategic imperative that supports business growth while creating long-term value for all stakeholders. By prioritizing sustainability principles, BMJ is committed to playing an active role in delivering positive impacts for society, the environment, and the business community.

## Sustainability Strategy

In responding to global challenges and supporting the achievement of the Sustainable Development Goals (SDGs), BMJ is committed to integrating sustainability principles across all aspects of its business operations. This commitment is realized through a broader approach based on the 5Ps framework, namely People, Planet, Prosperity, Peace, and Partnership. This approach reinforces the view that business success is measured not only by financial performance, but also by the positive impact delivered to society, the environment, and stakeholders.

As part of this effort, BMJ encourages employees and business partners to adopt a sustainability-oriented mindset and practices. This initiative is expected to create meaningful impact and substantial benefits not only for the Company but also for its partners and surrounding communities. To strengthen the implementation of sustainable business practices, BMJ has established a Sustainability Blueprint that outlines strategic approaches, policies, and programs for managing Environmental, Social, and Governance (ESG) aspects.

As a further step, BMJ has developed and implemented the ESG Roadmap 2024–2028 as a strategic guide to strengthen the application of ESG principles, ensure business sustainability, and contribute positively to sustainable development. This ESG Roadmap is designed to enhance business practices that are more responsible, transparent, and competitive. To support these efforts, BMJ actively participates in ESG rating institutions such as the Carbon Disclosure Project (CDP) and EcoVadis. This participation reflects BMJ's commitment to objectively monitor its sustainability performance while gaining constructive feedback to continuously refine its sustainability strategies and practices for the future.

## ESG Targets

BMJ's performance in ESG aspects is reinforced through the implementation of flagship programs that align with the Company's sustainability commitments and strategies. These programs are designed to support the achievement of measurable and sustainable ESG targets, while also strengthening the positive impact on stakeholders and the surrounding environment through the following key targets:

## Environmental

| | |
|---|---|
| Addressing the impacts of climate change | • Achieve net zero emissions.<br>• Conduct operational activities (Scope 1 and 2) to achieve carbon neutrality by 2030.<br>• Achieve net zero emissions (Scope 1, 2, and 3) by 2050.<br>• Gradually transition to renewable energy for eligible operational activities by 2030. |
| Reducing waste generation and accumulation | • Minimize the use of single-use plastics wherever unnecessary.<br>• Utilize packaging materials made from plastics that are reusable, recyclable, or compostable.<br>• Prevent the disposal of operational waste or residues into the soil. |
| Biodiversity and reforestation | • Achieve a 35% reduction in water consumption for operational activities.<br>• Increase the use of recycled water by 30% in operational activities. |
| Biodiversity and reforestation | • Ensure that 100% of pulp raw materials and other forestry products used in the supply chain come from forests that are sustainably managed and do not cause damage or deforestation. |

## Social

| | |
|---|---|
| Human rights | • Ensure zero employment of underage workers in all operational activities.<br>• Ensure that 100% of raw materials and services within the supply chain are not sourced from suppliers involved in human rights violations, as verified through periodic audit results. |
| Occupational health and safety | • Achieve zero accidents.<br>• Employees have easy access to personal protective equipment (PPE) when needed. |
| Human capital and corporate culture | • Increase the proportion of high-potential young employees advancing into management positions through a structured succession program alongside senior management. |

## Governance

| | |
|---|---|
| Business Ethics | • 100% Compliance with the Business Conduct Policy.<br>• Ethics Training Programs. |
| Compliance with Laws and Policies | • 100% Adherence to the Business Conduct Policy |

# BMJ's Contribution to Sustainable Development

BMJ consistently ensures that the management of every operational activity takes into account its potential impact on social, economic, and environmental aspects in support of sustainability objectives. As part of its commitment to sustainable business practices, BMJ strives to actively contribute to the achievement of the Sustainable Development Goals (SDGs). This commitment is realized through various initiatives, including corporate social responsibility programs and the adoption of business practices based on sustainability principles. These efforts are designed to deliver long-term benefits for the Company, its stakeholders, and the surrounding environment. The following are several initiatives implemented by BMJ in support of the SDGs:

- Provided halal certification assistance to MSMEs participating in the Bina Karya Program.
- Distributed aid and grants to support village development and strengthen community institutions in village unit areas.
- Delivered social assistance in the form of financial support to underprivileged residents of Purwadana Village.
- Created job opportunities for the people of Karawang Regency throughout the production process, as part of efforts to improve community welfare through transparent communication.
- Promoted circular economy development by empowering MSMEs through ongoing education and training programs.

- Provided health benefits for employees, including coverage under the national health insurance (BPJS Health), employment insurance (BPJS Employment), and accident insurance.
- Operated a licensed on-site clinic accessible 24/7 for employees and their families, staffed by certified professionals in Occupational Health and Safety (Hiperkes and KK).
- Organized independent community health posts (Posyandu Mandiri) around operational areas to address stunting and prevent the spread of dengue fever (DBD).
- Held blood donation drives for employees.
- Delivered educational outreach on HIV/AIDS prevention to local communities.

- Provided training and education programs for all employees, with an average of 19.53 training hours per year for male employees and 32.56 hours for female employees.
- Awarded scholarships to orphans and children from underprivileged families in BMJ's CSR priority zones.
- Developed sports facilities and supporting public infrastructure in Purwadana Village.

- The Company has maintained the number of women in managerial positions, reflecting stability in its gender diversity policy.
- Ensured the elimination of discrimination and child labor throughout the recruitment process and across the Company's supply chain.
- Held an annual forum between labor unions and management to strengthen social dialogue and foster constructive industrial relations.
- Implemented a retirement program for employees, which includes severance pay, pension funds, long-service awards, and two years of pre-retirement training.

- Implemented integrated management of domestic and industrial wastewater.
- Applied water recycling technology to reduce groundwater usage and promote efficient and sustainable water resource utilization.
- Built clean water facilities in Purwadana Village.

- Implemented an energy efficiency program based on ISO 50001 to reduce energy consumption intensity.
- Adopted energy-efficient lighting systems and emission control technologies to lower the carbon footprint.
- Reduced energy use and GHG emissions by utilizing PCC as one of the raw materials in production.
- Managed hazardous and non-hazardous waste responsibly and strengthened recycling practices within the production area.

- Developed conservation areas and green open spaces around the Company's operational sites.
- Conducted annual reforestation programs on a regular basis.
- Integrated sustainability principles into material and product procurement through the implementation of vendor declaration letters and environmental compliance evaluations.
- Achieved 100% procurement of raw materials from suppliers certified under Sustainable Forest Management and Chain of Custody Systems.

- Carried out tree planting and maintenance programs on critical land areas in Karawang Regency.
- Collaborated with relevant stakeholders in environmental education activities to help preserve and maintain the cleanliness of the Citarum River.
- Provided education and facilities for local communities and environmental officers to support waste management and composting from organic waste.

- Committed to implementing the principles of Good Corporate Governance (GCG).
- Enforced an anti-corruption policy across all business activities.
- Upheld human rights and rejected all forms of discrimination.

# ESG Performance Reflection in Sustainability Ratings

Beyond financial indicators, Environmental, Social, and Governance (ESG) aspects are increasingly becoming key benchmarks for investors and business partners in decision-making. Recognizing the importance of transparency and external validation of its sustainability commitments, BMJ actively participates in ESG ratings conducted by international agencies such as CDP and EcoVadis.

CDP

| | |
|---|---|
| Climate | (C) |
| Forest | (B-) |
| Water Security | (B-) |

ecovadis

Overal score

**63**/100

Percentile

**74th**

BRONZE | Top 35%
ecovadis
Sustainability Rating
MAR 2025

In achieving this, BMJ has implemented a range of sustainability initiatives that are strategically embedded into the company's operations. These include:

1. Decarbonization: Installation of solar panels, transition to electric company vehicles, and incentives for employees using electric motorcycles.
2. Resource Efficiency: Implementation of energy management programs and increased use of renewable energy in operations.
3. Governance and Compliance: Conducted a gap assessment as an initial step toward implementing ISO 26000 (CSR) and ISO 37001 (anti-bribery) standards to strengthen sustainability governance.
4. Supply Chain Strengthening: Conducting social mapping and training for business partners to align supplier practices with ESG principles.

All of these initiatives are carried out within a robust and accountable ESG governance framework. BMJ has established a cross-level ESG Committee, involving the Board of Directors and technical management, with clear responsibilities across all business lines. To ensure the continuity of its ESG programs, the company integrates ESG indicators into corporate and individual performance evaluations, supported by quarterly reviews targeting short-term (operational), medium-term (tactical), and long-term (strategic) goals. Additionally, external assessments and community satisfaction surveys serve as key inputs for continuous improvement.

Participation in ESG assessments serves not only as a performance measurement tool but also brings strategic benefits that enhance corporate value. Specifically, the results are used for:

- Corporate Reputation Enhancement: CDP and EcoVadis scores serve as benchmarks for investors and business partners in evaluating BMJ's ESG credibility.
- Identification of Areas for Improvement: These ratings guide improvements in emissions data quality, expanded use of renewable energy, and stronger supplier engagement.
- Contribution to Global Goals: The company supports the achievement of the Sustainable Development Goals (SDGs)—particularly SDG 7 (Affordable and Clean Energy), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action)—through low-carbon and circular economy strategies.

With this structured and continuous approach, BMJ reinforces its commitment not only to meeting stakeholder expectations but also to positioning itself as a leading manufacturing company in sustainability performance and ESG reputation, both nationally and globally.

BMJ

Eureka Everyday!

# About Sustainability Report

Sustainability Report 2024

PT Bukit Muria Jaya (BMJ), hereinafter referred to as BMJ or "the Company", has published its Sustainability Report covering the reporting period from January 1, 2024 to December 31, 2024. This report is the third edition published as part of BMJ's commitment to transparency in disclosing its performance in financial, environmental, social, and governance aspects. The Company ensures that all data and information presented in this report have been prepared accurately and in accordance with good reporting principles. [GRI 2-2, 2-3]

This report provides information to internal and external stakeholders, as well as investors, regarding the Company's efforts to implement sustainable business practices and its contribution to the achievement of the SDGs set by the Government of Indonesia. If there are any changes in the scope of entities or in the environmental, social, and governance (ESG) aspects covered in this report, the related information will be marked with the note "restated*" to ensure the accuracy and validity of the data. [GRI 2-3, 2-4]

In its preparation, this report refers to the 2021 GRI Universal Standards issued by the Global Sustainability Standards Board (GSSB), a body established by the Global Reporting Initiative (GRI) to develop sustainability reporting standards that are globally recognized and widely adopted. In addition, references to the achievement of the SDGs are also applied as part of the Company's contribution to sustainable development.

# Determination of Material Topics and Report Content [GRI 3-1]

BMJ has determined and assessed the material topics in this report by referring to the 2021 GRI Universal Standards. This assessment was carried out using a comprehensive approach to identify the Company's positive and negative impacts on economic, social, and environmental aspects.

In the materiality assessment process, the Company applied the double materiality method by involving external consultants and stakeholders. This approach aims to ensure that the Company's sustainability priorities are aligned with issues considered significant by its stakeholders. The stages in the materiality assessment process are as follows:

### 1 Identifying Sustainability Issues

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

### 2 Evaluating the Significance of Impacts

The Company conducted surveys on 21 priority issues that may have an impact on BMJ and its stakeholders, involving both internal and external parties through the distribution of questionnaires.

### 3 Conducting the Materiality Assessment

After evaluating the impacts, the Company established thresholds to prioritize significant impacts and grouped them into relevant topics to serve as the focus of the Company's attention and efforts on material issues.

### 4 Prioritizing and Validating the Results

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 both stakeholders and the Company.

Subsequently, the report content was evaluated to meet the quality principles of Sustainability Reporting as recommended by GRI, which include:

### 1 Accuracy

The information presented in the report is accurate and can be used to assess the Company's performance.

### 2 Balance

The Company's performance presented must include both positive and negative aspects to allow for a rational and comprehensive assessment.

### 3 Clarity

The information presented in the report must be easy to understand and transparent to ensure accessibility for stakeholders.

### 4 Comparability

The information presented must be consistent to enable stakeholders to assess changes in the Company's performance over a specific period of time.

### 5 Completeness

The report must provide sufficient information to evaluate the impacts of the Company's performance during the reporting period.

### 6 Sustainability Context

The report must include information about the Company's impacts within the context of sustainability.

### 7 Verifiability

The report preparation process must be conducted in a manner that allows for verification and reflects the quality and materiality of the information presented.

### 8 Timeliness

The report must be published on a regular basis to enable stakeholders to make timely decisions based on the information provided.

## Material Topics of the Sustainability Report

### Medium Priority Scale

**Data Privacy and Security**
- Customer Privacy

**Corporate Governance**
- Market Presence
- Procurement Practices

**Business Ethics**
- Child Labor
- Forced Labor
- Marketing and Labeling

**Compliance with Laws and Regulations**
- Environmental Compliance

**Human Rights**
- Human Rights Assessment

**Human Resources and Corporate Culture**
- Employment
- Training and Education
- Diversity and Equal Opportunity
- Non-discrimination

### High Priority Scale

**Addressing Climate Change Impacts**
- Emissions
- Energy

**Economic Performance**
- Economic Performance

**Reducing Waste Accumulation**
- 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 Topics Boundaries [GRI 3-2]

To provide a clearer understanding of the material topics, including the reasons for their significance and the boundaries of their reporting, please refer to the following table.

| Material Topic | Description of Material Topic | GRI Standard Topic | Topic Boundary | |
|---|---|---|---|---|
| | | | Within the Company | Outside the Company |
| **Environmental Sustainability Aspects** | | | | |
| Addressing Climate Change Impacts | Reflects the Company's efforts in reducing greenhouse gas (GHG) emissions and improving energy efficiency | • Emission<br>• Energy | ✔ | ✔ |
| Reducing Waste Accumulation | Reflects the Company's commitment to the responsible management of waste and effluents | Waste and Effluent | ✔ | ✔ |
| Biodiversity and Reforestation | Reflects the Company's concern for environmental conservation, particularly in relation to the preservation of flora and fauna biodiversity | Biodiversity | | ✔ |
| Resource Use | Reflects the Company's efforts in using materials efficiently and responsibly | Materials | ✔ | ✔ |
| **Social Sustainability Aspects** | | | | |
| Occupational Health and Safety | Reflects the Company's commitment to protecting the health and safety of its employees and customers | • Occupational Health and Safety<br>• Customer Health and Safety | ✔ | ✔ |
| Community Relations | Reflects the Company's commitment to engaging with surrounding communities through various programs and activities | • Local Community<br>• Indirect Economic Impact | ✔ | ✔ |
| Data Privacy and Security | Reflects the Company's commitment to managing customer data privacy and security | Customer Privacy | ✔ | ✔ |

| Material Topic | Description of Material Topic | GRI Standard Topic | Topic Boundary | |
|---|---|---|---|---|
| | | | Within the Company | Outside the Company |
| Human Capital and Corporate Culture | Reflects the Company's commitment to managing a high-quality, diverse, equitable, and inclusive workforce, free from discrimination | • Employment<br>• Training and Education<br>• Diversity and Equal Opportunity<br>• Non-discrimination | ✔ | |
| Human Rights | Reflects the Company's commitment to upholding human rights across its operations | Human Rights Assessment | ✔ | ✔ |
| Business Ethics | Reflects the Company's commitment to upholding ethical conduct in its business operations | • Child Labor<br>• Forced Labor<br>• Marketing and Labeling | ✔ | ✔ |
| **Governance Sustainability Aspects** | | | | |
| Anti-Corruption | Reflects the Company's commitment to preventing corrupt practices throughout its value chain | Anti-Corruption | ✔ | ✔ |
| Corporate Governance | Reflects the Company's market presence in terms of labor compensation and supply chain | • Market Presence<br>• Procurement Practices | ✔ | ✔ |
| Compliance with Laws and Regulations | Reflects the Company's commitment to upholding compliance principles across its operations | Environmental Compliance | | ✔ |
| **Economic Sustainability Aspects** | | | | |
| Economic Performance | Reflects the Company's commitment to managing economic performance and fulfilling its responsibilities to all stakeholders | Economic Performance | ✔ | ✔ |

# Stakeholder Engagement [GRI 2-29]

BMJ recognizes that stakeholders play a vital role in supporting the successful implementation of its sustainability strategy and the achievement of Company's objectives. Therefore, the Company consistently prioritizes the engagement of relevant stakeholders in applying sustainability practices and addressing strategic issues related to environmental, social, economic, and governance aspects.

In this process, BMJ identifies key stakeholder groups through a stakeholder mapping method. This method aims to classify stakeholders based on their level of interest, the nature of the relationship, relevant issues to be communicated, and the appropriate communication approach to ensure effective engagement. The results of this mapping serve as the basis for BMJ in formulating strategies that support the achievement of long-term sustainability goals. The list of identified stakeholders is presented in the following table.

| Shareholders | Employees | Suppliers | Customers | Government | Communities | Media |
|---|---|---|---|---|---|---|
| **Key Areas of Focus**<br>At least once a year | **Key Areas of Focus**<br>Employment practices | **Key Areas of Focus**<br>Commercial relationships | **Key Areas of Focus**<br>• Product quality<br>• Customer service | **Key Areas of Focus**<br>Compliance with laws and regulations | **Key Areas of Focus**<br>Contribution to socio-economic development | **Key Areas of Focus**<br>• Product communication<br>• Publication of CSR activities<br>• Updates on sustainability progress |
| **Frequency**<br>At least once a year | **Frequency**<br>At least once a year | **Frequency**<br>As needed | **Frequency**<br>On a continuous basis | **Frequency**<br>On a continuous basis | **Frequency**<br>As needed | **Frequency**<br>As needed |
| **Engagement Method**<br>• General Meeting of Shareholders (GMS)<br>• Publication of annual report | **Engagement Method**<br>Meetings between worker representatives and company management | **Engagement Method**<br>Regular coordination with suppliers | **Engagement Method**<br>• Complaint handling<br>• Product communication<br>• Customer satisfaction surveys | **Engagement Method**<br>• Complying with all applicable regulations and conducting communication<br>• Employment and environmental reporting | **Engagement Method**<br>• CSR activities<br>• Discussions with community representatives | **Engagement Method**<br>• Media briefings<br>• Press releases<br>• Plant visits |

# External Assurance [GRI 2-5]

To ensure the quality, reliability, and accuracy of the information presented in this sustainability report, GRI recommends the use of external assurance by an independent third party. In line with this recommendation, the report has undergone an assurance process conducted by CBC Global Indonesia, an independent institution certified as a Certified Sustainability Reporting Assurer (CSRA) by the Institute of Certified Sustainability Practitioners (ICSP). This process ensures the accountability of the data and information presented in the report, thereby enhancing the report's credibility and strengthening stakeholder trust.

# Accessibility and Feedback

The Company values all input, ideas, constructive criticism, and comments as they contribute to improving the quality of future reports. Therefore, the Company invites readers and stakeholders to access and download the 2024 Sustainability Report through the official website at www.bmjpaperpack.com and to provide feedback using the feedback form available in this report. The Company also ensures broad access to information for stakeholders, investors, and other interested parties by contacting: [GRI 2-3]

**Fanny Wibowo**
**Head of Purchasing Department**

Jl. Karawang Spoor, Purwadana Village, Teluk Jambe Timur District,
P.O. BOX 54 KW Karawang 41300, West Java, Indonesia
Telephone: +62 (267) 601030
Facsimile: +62 (267) 600700
Email: info@bmjpaperpack.com

BMJ

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# BMJ at a Glance

Sustainability Report 2024

# Company Profile

Share Ownership [GRI 2-1]

PT Eragraha Pirantimegah | Michael Bambang Hartono | Robert Budi Hartono

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Company Profile [GRI 2-1]

**PT Bukit Muria Jaya**

Legal Entity and Company Status [GRI 2-1]

**Limited Liability Company (PT)**

Line of Business [GRI 2-6]

**Cigarette Paper and Packaging Production**

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

**1 (One) – Indonesia**

Head Office Location [GRI 2-1]

**Jl. Karawang Spoor, Telukjambe Timur District,
P.O. BOX 54, KW Karawang
41300, West Java, Indonesia**

Telephone and Facsimile

**Tel. +62 (267) 601030
Fax. +62 (267) 600700**

Email and Website

**info@bmjpaperpack.com
www.bmjpaperpack.com**

# BMJ Overview

BMJ

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BMJ is a company engaged in paper production and has been operating since 1989. In 1997, BMJ expanded its business by establishing a Packaging Division as a strategic move to grow the company. Through this division, BMJ started producing a variety of packaging products, such as product boxes, food packaging, foil laminated paper, airline tickets, and other products.

BMJ carries the slogan "Eureka Everyday," reflecting the Company's spirit of delivering the best solutions to meet customer needs in both domestic and international markets. With a strong focus on quality, BMJ is committed to providing products and services that meet industry standards while continuously innovating to enhance productivity and deliver added value to its customers.

# Vision, Mission, and Company Values

## Vision and Mission

To be the world's number one partner in the cigarette industry by providing total solutions for non-tobacco materials through intimate customer experiences, as well as operational and service excellence.

## Company Values

BMJ has four core company values that align with the Company's brand identity and are consistently upheld as the foundation for advancing the business.

### We Are One

BMJ has four core company values that align with the Company's brand identity and are consistently upheld as the foundation for advancing the business.

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

# Company Scale [GRI 2-6, 2-7]

**Revenue**
(%)

| | |
|---|---|
| 2024 | 7.08% |
| 2023 | 6.66% |
| 2022 | 6.35% |

**Total Net Profit and Loss**
(%)

| | |
|---|---|
| 2024 | 59.72% |
| 2023 | 146.81% |
| 2022 | 20.67% |

**Total Assets**
(%)

| | |
|---|---|
| 2024 | 0.20% |
| 2023 | 7.92% |
| 2022 | 3.45% |

**Number of Operational Areas**
(Plant Units)

| 2022 | 2023 | 2024 |
|---|---|---|
| 2 | 2 | 2 |

**Total Employees**
(People)

| 2022 | 2023 | 2024 |
|---|---|---|
| 1,222 | 1,205 | 1,239 |

**Total Equity**
(%)

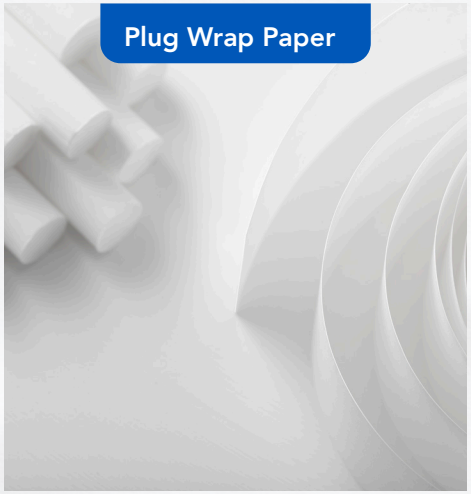
| | |
|---|---|
| 2024 | 4.61% |
| 2023 | 10.27% |
| 2022 | 4.43% |

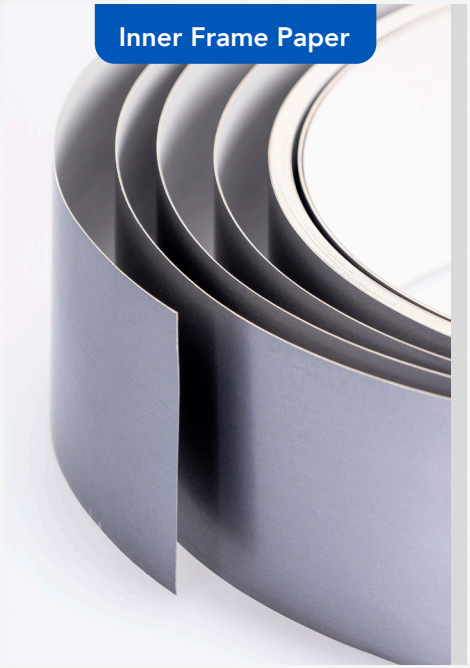
**Total Liabilities**
(%)

| | |
|---|---|
| 2024 | 20.84% |
| 2023 | 2.03% |
| 2022 | 0.49% |

# Activities, Brands, Products, and Services [GRI 2-6]

BMJ produces a variety of raw materials for the cigarette industry, other than tobacco, including cigarette paper, tipping paper, aluminum foil laminated paper, plug wrap paper, inner frame paper, and base paper for printed packaging. Additionally, BMJ offers customized features tailored to customer needs. To meet international quality standards, BMJ is committed to delivering high-quality products specifically designed to ensure customer satisfaction.





# Head Office and Operational Areas [GRI 2-1]

During the reporting period, BMJ operated in Indonesia with its Head Office located in Karawang and two plants operating in Karawang and Kudus. Throughout 2024, there were no changes to the Company's operational locations.

**Head Office**
Jl. Karawang Spoor, Teluk Jambe Timur District, P.O. BOX 54 KW Karawang 41300, West Java, Indonesia

**Operational Area (Karawang Plant)**
Jl. Karawang Spoor, Teluk Jambe Timur District, P.O. BOX 54 KW Karawang 41300, West Java, Indonesia

**Operational Area (Kudus Plant)**
Jl. Raya Kudus Jepara, Km. 14, Papringan, Kaliwungu District, Kudus Regency 59332, Central Java, Indonesia

# Market Served [GRI 2-6]

BMJ consistently strives to deliver high-quality products that meet international standards. This dedication has established BMJ as a trusted partner for its clients. The combination of superior product quality and professional service enables BMJ's products to compete not only in the domestic market but also to successfully penetrate global markets.

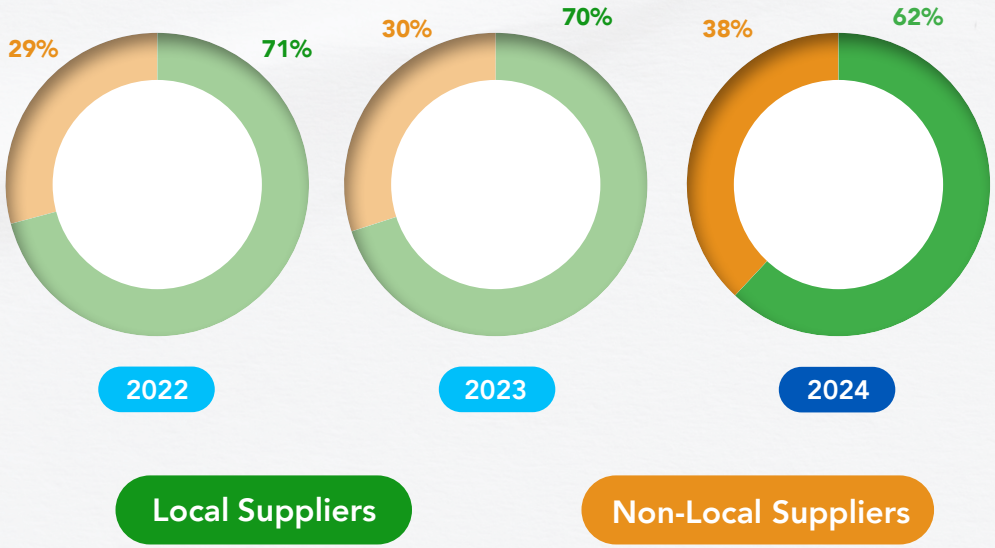
# Supply Chain [GRI 2-6]

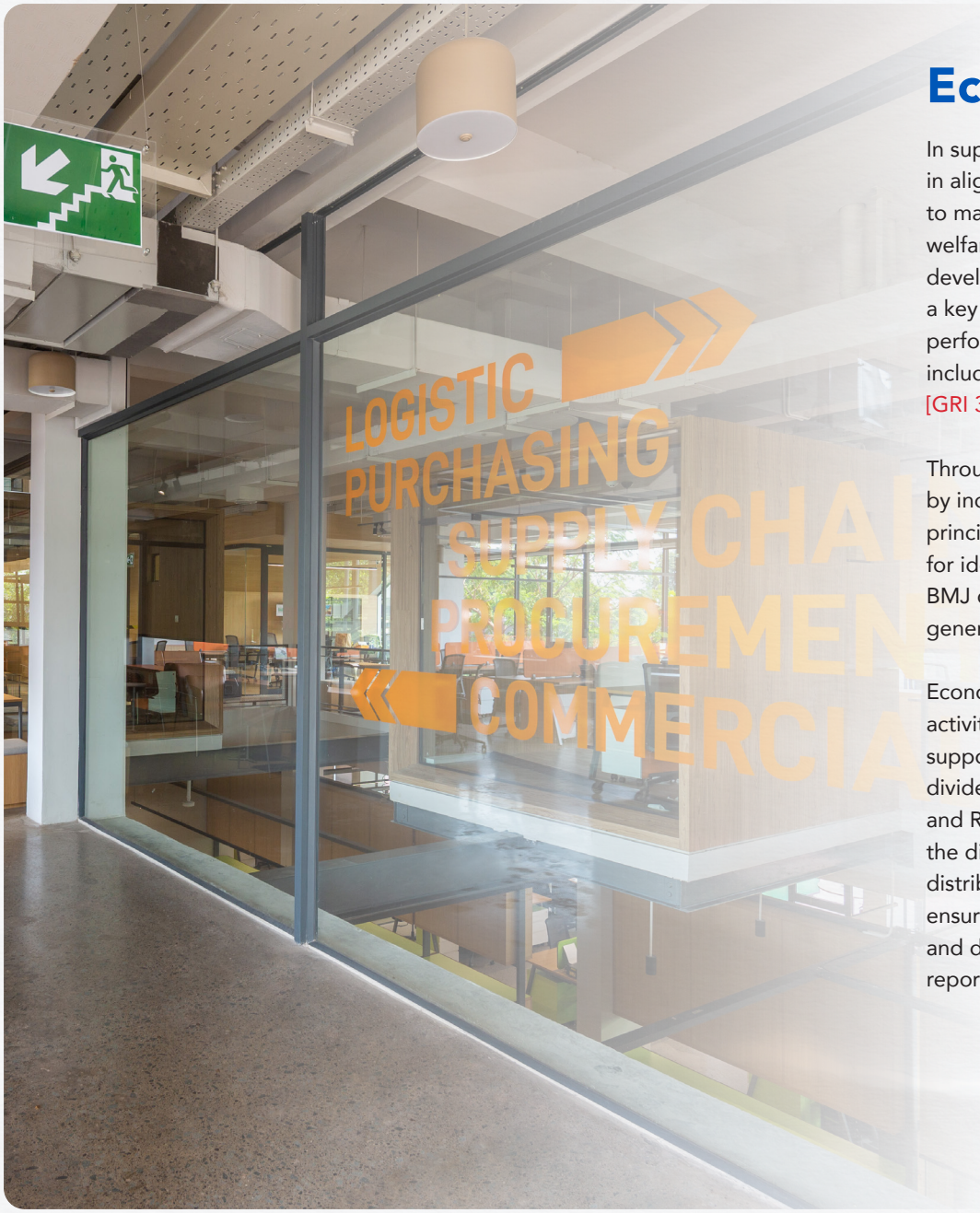
BMJ believes that an effective and efficient supply chain plays a crucial role in supporting smooth operations and achieving business targets. To ensure the availability of necessary goods and services, especially raw materials, BMJ collaborates with various partners and suppliers. In its management, BMJ applies a quality-cost-service based approach along with procurement risk management aligned with the Company's strategy and policies. All suppliers are required to comply with the Supplier Code of Conduct, which covers all ESG aspects. This approach not only ensures quality and efficiency but also mitigates potential social impacts from operational activities. [GRI 3-3]

As a form of control and evaluation of policy implementation, BMJ regularly conducts periodic assessments through the Service Survey Assessment (SSA), focusing on service aspects, and the Survey Quality Index (SQI), which evaluates quality aspects. These evaluations aim to drive continuous improvement in supplier performance to ensure that the standards set by the Company are consistently met. [GRI 3-3]

In addition to emphasizing quality and efficiency, BMJ is also committed to supporting the local economy by prioritizing the use of local suppliers to meet operational needs. This policy not only strengthens regional economic growth but also enhances production and distribution cost efficiency through shorter lead times. The majority of BMJ's local raw material suppliers are based on the island of Java. As part of its ongoing commitment, BMJ strives to maintain a higher proportion of spending on local suppliers compared to non-local suppliers, as reflected in the following data. [GRI 204-1]

## Proportion of Spending on Local and Non-Local Suppliers






# Economic Performance

In supporting sustainable economic growth, BMJ is committed to operating its business in alignment with sustainability principles. This commitment is realized through efforts to maintain a balance between achieving economic performance and enhancing the welfare of stakeholders, both directly and indirectly. The Company's focus on production development and expansion drives it to manage capital and resources optimally, which is a key element in achieving economic performance targets. Monitoring and evaluation of performance are conducted regularly to ensure all business aspects proceed as planned, including through data collection, information review, and ongoing internal coordination. [GRI 3-3]

Throughout 2024, BMJ consistently endeavored to enhance business sustainability by increasing production and fostering innovation. These efforts were guided by the principles of Environmental, Social, and Governance (ESG), which serve as the foundation for identifying opportunities and managing business challenges. Through this approach, BMJ categorizes its economic performance into three main areas: economic value generated, economic value distributed, and economic value retained. [GRI 3-3, 201-1]

Economic value generated includes the revenue obtained from BMJ's business activities. Meanwhile, economic value distributed covers expenditures allocated to support economic growth and stakeholder welfare, such as salary payments, taxes, dividends, costs to suppliers, and social contributions as part of the Corporate Social and Responsibility (CSR) programs. Meanwhile, economic value retained represents the difference between the economic value generated and the economic value distributed. These funds are used to support the Company's business development to ensure sustainable long-term growth. All data related to the economic value generated and distributed are compiled based on the Company's financial reports for the 2024 reporting period.

### Generated and Distributed Economic Growth [GRI 201-1]

| Description | 2024 | 2023 | 2022 |
|---|---|---|---|
| Revenue | 7.08% | 6.66% | 6.35% |
| **Generated Economic Growth** | **7.08%** | **6.66%** | **6.35%** |
| Operating expenses | 0.89% | (1.30%) | 8.98% |
| Employee wages and remuneration | 14.12% | 10.31% | 2.66% |
| Payments to government | 60.55% | 332.08% | (55.12%) |
| Community investments | 25.84% | 22.22% | 78.09% |
| **Distributed Economic Growth** | **3.73%** | **1.55%** | **7.54%** |

BMJ understands that climate change poses risks that could potentially impact the Company's operations, revenue, and expenses. Therefore, in 2024, BMJ implemented various initiatives to manage climate-related risks and opportunities. These initiatives include raising awareness of sustainability principles across all entities involved in the Company's operations, executing risk and opportunity management programs related to climate change, and participating in disclosures of climate impact management through the Carbon Disclosure Project (CDP) and EcoVadis platforms. However, during the reporting year, BMJ did not generate any revenue from financial opportunities or implications related to climate change. Additionally, BMJ did not receive any financial assistance from the government. [GRI 201-1, 201-2, 201-4]

To support stakeholder welfare, BMJ allocates a portion of the distributed economic value to employee compensation funding. The Company offers three pension programs for employees, namely 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 implementing these programs, BMJ collaborates with BPJS Ketenagakerjaan and AXA Mandiri to ensure employees receive optimal pension benefits. [GRI 201-3]

## Association Memberships [GRI 2-28]

Indonesian Chamber of Commerce and Industry (KADIN)
**Regional Administrator**

Indonesian Employers Association (APINDO)
**Member**

Indonesian Pulp and Paper Association (APKI)
**Manager**

BMJ

Eureka Everyday!

# Environmental Performance

Sustainability Report 2024

PT Bukit Muria Jaya (BMJ) views environmental performance as a strategic pillar in supporting long-term business sustainability. The Company believes that responsible environmental management is not only essential for regulatory compliance but also plays a critical role in advancing the Sustainable Development Goals. Accordingly, BMJ consistently enhances its operational practices by prioritizing resource efficiency, minimizing ecological impact, and adopting environmentally friendly innovations.

As the foundation of these efforts, the Company has established an Environmental Policy that forms an integral part of its sustainable business strategy. This policy encompasses the implementation of ISO 14001 Environmental Management System standards, compliance with applicable laws and regulations, as well as the integration of circular economy principles and product life cycle analysis into the design process. Its implementation is supported by regular internal audits, the setting of measurable environmental targets, and transparent performance reporting.

Furthermore, BMJ encourages the active participation of all employees and stakeholders through training programs and environmental awareness initiatives. The policy's key focus areas include the transition to renewable energy, water management efficiency, waste reduction, elimination of single-use plastics, and the protection of biodiversity as well as the prevention of deforestation across the supply chain. The policy is regularly reviewed to ensure its relevance and effectiveness in supporting sustainable environmental goals.

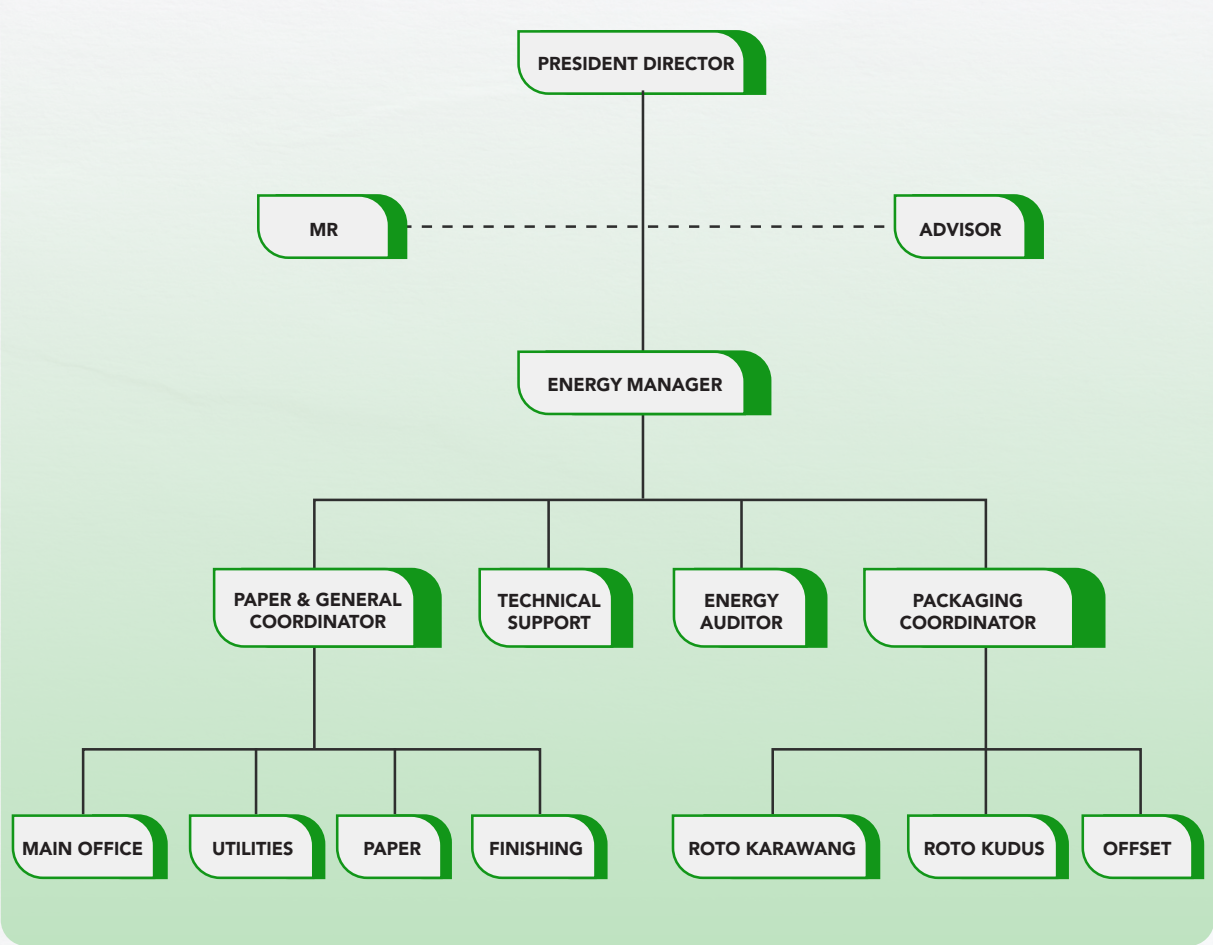
# Energy Management

The issue of inefficient energy use has become a global concern due to its significant contribution to climate change. Acknowledging this, BMJ is committed to managing energy responsibly through the implementation of policies and strategies that emphasize efficiency, effectiveness, and sustainability. As part of the Company's environmental strategy, BMJ has established an Energy Policy that underscores the importance of controlling energy consumption, enhancing operational practices, and fostering a culture of energy efficiency across all levels of the organization. [GRI 3-3]

Energy plays a vital role in supporting BMJ's various operational activities, starting from the operation of manufacturing facilities and equipment, transportation and operational vehicles, to office areas and other supporting functions. The primary energy sources include diesel fuel for generators and vehicles, coal for powering steam boilers, and electricity from the PLN for office operations, lighting, and electric vehicle charging. To minimize environmental impact, BMJ strives to optimize fuel utilization, adopt low-emission technologies, and gradually transition to renewable energy sources.

In its implementation, BMJ carries out an Energy Management Program led by the Paper Electrical Maintenance & Energy Plant Department, involving all relevant operational units. This program aligns with Government Regulation No. 70 of 2009 on Energy Conservation and the international standard ISO 50001 on Energy Management Systems. These efforts are reinforced through the development of energy conservation action plans, the implementation of continuous improvement programs, and the integration of energy efficiency considerations into investment decision-making processes. [GRI 3-3]

## Energy Management Team Structure




## Energy Efficiency Initiatives

As part of the implementation of the Energy Management Program, the Company consistently carries out various initiatives aimed at reducing its carbon footprint. These initiatives are guided by BMJ's Sustainability Blueprint, include the following: [GRI 3-3, 302-4]

- Use of energy-efficient lighting, such as LED lamps.
- Installation of solar panels for street lighting.
- Implementation of skylights for lighting at the head office.
- Utilization of electric forklifts.
- Electricity conservation campaigns.
- Reduction of coal usage through the application of catalytic chemicals in steam boiler generators.
- Smart building system equipped with automatic lighting and doors.
- Promotion and encouragement of bicycle use among employees residing in Karawang City.

# Energy Use and Energy Intensity

In support of sustainability and energy efficiency efforts, BMJ actively records and monitors detailed energy consumption data. Coal consumption data is obtained through the SAP application system, while electricity usage is calculated based on monthly utility bills. To date, BMJ has not transitioned to renewable energy sources and has not calculated potential energy savings from sold products. In addition, the Company does not engage in energy sales to third parties. The following presents a breakdown of the Company's energy consumption: [GRI 302-1, 302-2, 302-5]

## Company Energy Consumption

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Diesel (GJ) | 2,869 | 3,101 | 4,510 |
| Coal (GJ) | 686,254 | 667,057 | 727,424 |
| Coal (GJ) | 393,195 | 377,054 | 365,804 |

*Note: Energy conversion to GJ is based on conversion factors provided by the International Energy Agency (IEA) (https://www.iea.org/statistics/resources/unitconverter/)

To measure the effectiveness of energy use in its operations, BMJ applies the energy intensity parameter, which is calculated by dividing the total energy consumption in gigajoules (GJ) by the total production volume in tons. This approach enables the Company to assess energy efficiency in a more measurable manner and serves as a reference for identifying opportunities to improve energy performance in the future. The following presents the details of the Company's energy intensity: [GRI 302-3]

## Energy Intensity

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Total Energy (GJ) | 1,082,317 | 1,047,212 | 1,097,738 |
| Production (ton) | 66,521 | 56,080 | 56,362 |
| Energy Intensity(GJ/ton) | 16.27 | 18.67 | 19.48 |

In 2024, BMJ's total energy consumption reached 1,082,317 gigajoules (GJ), marking an increase of 3.3% compared to the previous year. On the other hand, energy intensity decreased by 12.9%, from 18.67 GJ/ton in 2023 to 16.27 GJ/ton, representing a reduction of 2.4 GJ/ton. This reduction aligns with an 18.6% increase in production volume. The trend reflects improved operational efficiency and serves as a positive indicator of the Company's ongoing energy sustainability efforts. [GRI 302-4]

# GHG Emissions Management

BMJ recognizes that its operational activities contribute to emissions that have the potential to harm the ozone layer. To mitigate this impact, the Company is committed to reducing and offsetting greenhouse gas (GHG) emissions, as well as supporting the transition to renewable energy sources. This initiative aligns with BMJ's commitment to supporting SDG 13, which emphasizes the importance of taking concrete action to address climate change. The implementation of sustainable environmental policies reflects BMJ's tangible commitment to environmental preservation.

As a concrete measure, BMJ implements emissions management to control and reduce emissions generated from its operational activities. This program is implemented in accordance with applicable regulations and is built on BMJ's commitment to environmentally conscious business practices. The primary focus of this management is the control of GHG emissions, which are a global concern in the effort to combat climate change. [GRI 3-3]

### Emission Reduction Initiatives

In an effort to minimize environmental impact, BMJ adopts a range of consolidated approaches to manage GHG emissions. These approaches are designed to ensure that every operational aspect with the potential to generate emissions is effectively identified, controlled, and reduced. The various initiatives implemented to reduce GHG emissions include: [GRI 3-3]

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

## Emission Reduction Through the PCC Plant [GRI 305-5]

The Precipitated Calcium Carbonate Plant (PCC Plant) is one of BMJ's key initiatives to reduce GHG emissions through a more environmentally friendly production process. PCC is used as a filler material in paper production to partially replace the use of wood fiber (pulp). The use of PCC contributes to reduced energy consumption, as its production process is more efficient compared to pulp manufacturing. Additionally, during its formation, PCC has the capability to absorb carbon dioxide ($CO_2$), thereby helping to lower the total emissions generated from operational activities.

Through the implementation of the PCC Plant, BMJ successfully reduced emissions by 2,835 tons of $CO_2$ equivalent in 2023 and 3,675 tons of $CO_2$ equivalent in 2024. This initiative not only supports energy and raw material efficiency but also contributes to more sustainable production practices by significantly reducing the carbon footprint.

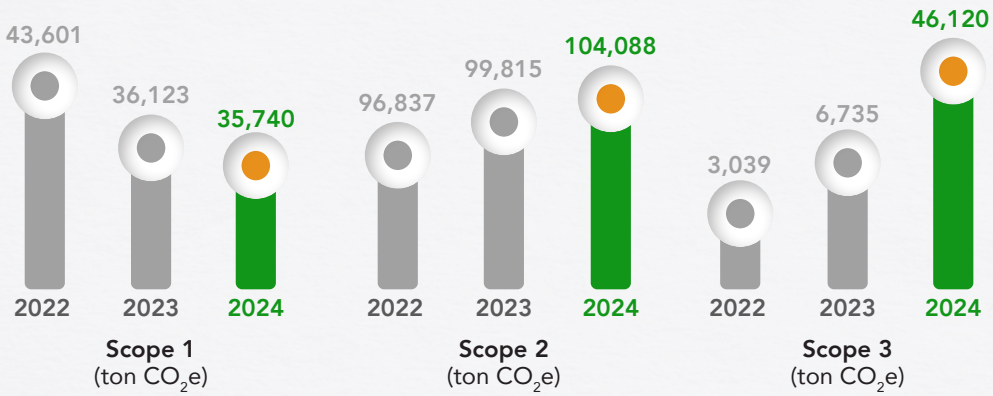
# Emissions Generated and Emission Intensity

As part of its commitment to managing environmental impacts responsibly, the Company has calculated Scope 1, Scope 2, and Scope 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. [GRI 305-1, 305-2, 305-3]

Scope 1 emissions are generated from the use of fuels and coal, in operational activities, while Scope 2 emissions result from electricity consumption supplied by the State Electricity Company (PLN). In 2022, the Company also began calculating Scope 3 emissions, which include transportation and distribution activities, such as employee mobility, waste management, supplier operations, and product distribution to customers.

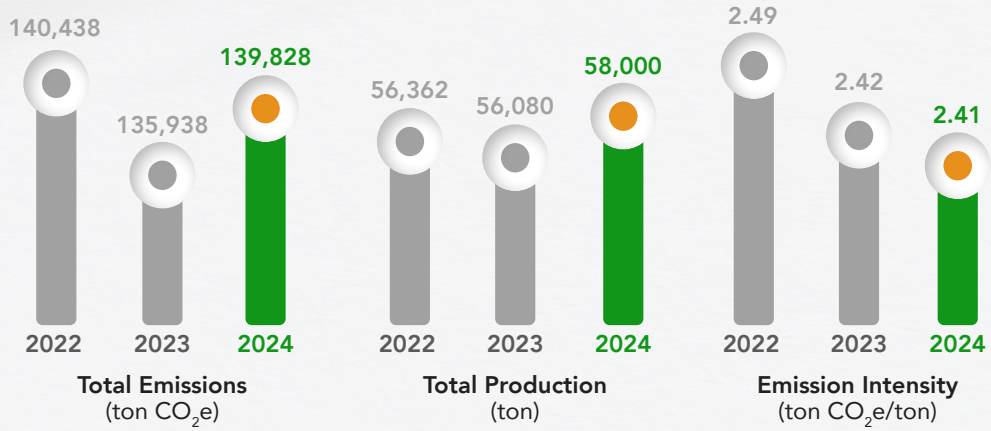
The calculation of Scope 1 and Scope 3 emissions refers to emission factors established by the Oil and Gas Research and Development Center (Lemigas) under the Ministry of Energy and Mineral Resources (ESDM). Meanwhile, Scope 2 emissions are calculated using emission factors issued by the Directorate General of Electricity, also under the Ministry of Energy and Mineral Resources. This approach is applied to ensure accurate, consistent results that align with applicable standards. The following is the calculation of GHG emissions generated by the Company: [GRI 305-1, 305-2, 305-3]

## GHG Emissions Generated




BMJ has calculated emission intensity by dividing the total Scope 1 and Scope 2 emissions, measured in tons of $CO_2$ equivalent, by the total production volume in tons. This calculation serves as a means to monitor the efficiency of operational activities, identify potential emission reduction opportunities, and support the implementation of more sustainable business practices. The following presents the Company's emission intensity calculation: [GRI 305-4]

## Emission Intensity




During the reporting period, BMJ had not yet established a baseline year for GHG emissions as a reference point for its emissions calculations. Nevertheless, the use of non-CFC (chlorofluorocarbon) refrigerants ensures that BMJ's operational activities remain free from ozone-depleting substance (ODS) emissions. BMJ has also not yet calculated other significant air emissions but remains committed to continuously improving emissions management through the adoption of environmentally friendly technologies and sustainability initiatives. [GRI 305-6, 305-7]

# Water Management

Water management is a strategic aspect of BMJ's commitment to responsible and sustainable environmental stewardship. BMJ has established a Water Policy as a foundation for promoting efficient water use across its entire operational chain, with the goal of becoming one of the most water-efficient companies in the paper and packaging industry. This policy focuses on the application of the 3R principles (Reduce, Reuse, Recycle), compliance with applicable laws and regulations, as well as the reduction of water footprint and preservation of water quality throughout every stage of the production process. [GRI 3-3]

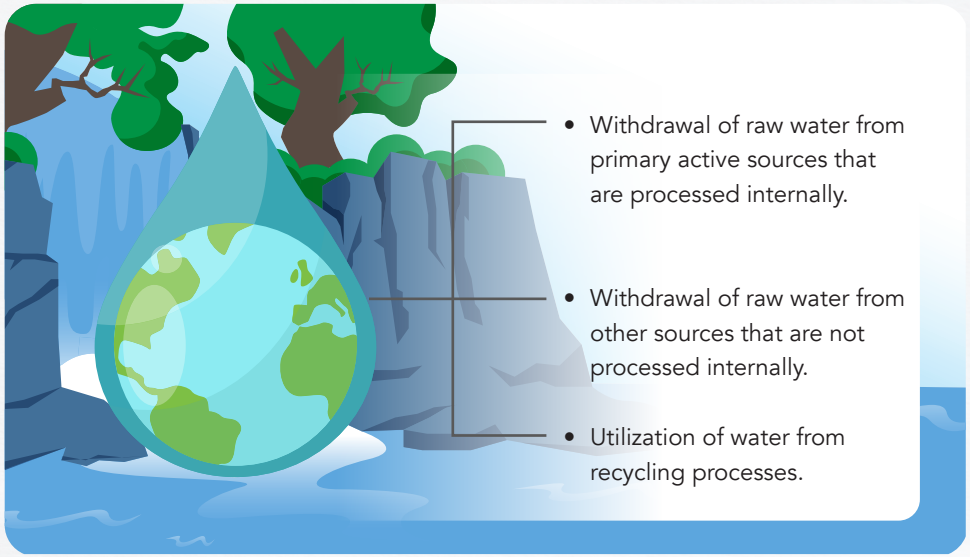
As part of the policy's implementation, BMJ adopts various strategies, including effective wastewater management and the use of water recycling systems to minimize environmental impact. A water stewardship approach is a top priority for the Paper Process Engineering Department, which is committed to the responsible use of surface and groundwater resources. Water withdrawal is conducted in accordance with applicable permits, with attention to areas at risk of water stress, and is directly monitored through flow meters integrated into the Distributed Control System (DCS).

BMJ has also set short-term and long-term targets for water use efficiency and wastewater recycling, including the achievement of Zero Liquid Discharge status in applicable operational units. To ensure effective implementation, the Company regularly conducts water audits, monitors the water balance based on seasonal factors, and identifies and mitigates water-related risks to support informed decision-making. Water usage performance is reported to government authorities in accordance with environmental permit requirements and is used as one of the key performance indicators (KPIs) for the relevant operational units. [GRI 303-1]

Beyond that, BMJ actively promotes collaboration with various stakeholders, including research institutions, suppliers, and local communities to foster innovation and best practices in water conservation. This commitment is further reinforced through training and capacity-building programs for employees and business partners to support responsible water management across the Company's value chain.

## Water Conservation and Reuse of Recycled Water

As a tangible manifestation of its sustainable water management policy, BMJ implements various water conservation approaches across its operations. These efforts are aimed at ensuring efficient use of water resources, reducing reliance on new water sources, and minimizing environmental impact. The water conservation strategies implemented encompass various sources and methods of water utilization, including: [GRI 3-3, 303-1]




BMJ developed a pilot rainwater harvesting project with a storage capacity of 2,000 liters, equipped with solar power (PLTS) technology to operate the water pump. The harvested water is used for vehicle washing and watering tree seedlings. This project aims to assess the potential of rainwater as an alternative and reusable water source, helping to reduce reliance on clean water supplies.

## Percentage of Recycled Water Utilization from Total Water Consumption

| | |
|---|---|
| 2024 | 7.5% |
| 2023 | 14.3% |
| 2022 | 12.4% |

BMJ consistently maintains water use efficiency through a recycling program that enables the reuse of water in production processes. In 2024, recycled water accounted for 7.5% of total water consumption. This initiative helps reduce reliance on clean water and minimizes environmental impact, reflecting BMJ's commitment to sustainable water resource management.

## Total Water Withdrawal [GRI 303-3, 303-5]

| | Surface Water ($m^3$) | Groundwater ($m^3$) | Recycled Water ($m^3$) |
|---|---|---|---|
| 2024 | 2,825,533 | 20,656 | 229,403 |
| 2023 | 2,476,529 | 34,435 | 420,127 |
| 2022 | 3,072,874 | 16,541 | 308,738 |

| | Total Water Withdrawal ($m^3$) | Freshwater (≤1,000 mg/L Total Dissolved Solids) ($m^3$) |
|---|---|---|
| 2024 | 3,075,592 | 3,068,080 |
| 2023 | 2,931,091 | 2,931,091 |
| 2022 | 3,398,153 | 3,398,153 |

## Total Water Consumption ($m^3$)

| | Production Processes | Supporting Facilities | Total Water Consumption |
|---|---|---|---|
| 2024 | 2,316,037 | 752,043 | 3,068,080 |
| 2023 | 2,274,201 | 656,890 | 2,931,091 |
| 2022 | 2,418,674 | 256,049 | 2,674,723 |

# Material Usage

BMJ ensures the responsible use of materials as part of its commitment to environmental sustainability and operational efficiency. The primary focus of material management is to optimize raw material usage, reduce waste, and transition toward a more sustainable production cycle. In the cigarette paper production process, BMJ utilizes various types of materials, including pulp, chemicals, carton, other types of paper, and aluminum foil.

Material usage in BMJ's production process is strictly monitored and regularly evaluated through daily, monthly, and annual tracking. These evaluations are incorporated into the KPIs of the relevant units to ensure efficiency and compliance with operational standards. As of 2024, BMJ recorded the use of recycled input materials at 15.36% of the total raw materials used in production. In addition, the Company also carried out recovery of products or packaging materials, with a reuse rate reaching 11.78% of the total products sold throughout the year. As an additional efficiency measure, BMJ also applies internal recycling practices for production waste (broke), with a maximum utilization rate of up to 40%. However, the Company does not use raw materials from waste paper or reclaimed materials. [GRI 301-2, 301-3]

To strengthen material governance, BMJ has implemented a Policy on Materials, Chemicals, and Waste as a guideline for the orderly, safe, and well-documented management of materials and chemicals. Each chemical is managed based on Material Safety Data Sheets (MSDS) or Safety Data Sheets (SDS), which are consistently available and regularly updated in storage and usage areas. All materials are clearly labeled and stored in standardized containers to ensure safety and traceability. Regular recording and inventory checks are conducted to monitor usage, prevent overstocking, and optimize material rotation before expiration. In addition, capacity building through technical training supports more efficient material use, reduces waste, and strengthens the Company's contribution to sustainability throughout the production process. [GRI 3-3]

## Raw Material Conservation Commitment

As part of its sustainable material management, BMJ promotes raw material conservation initiatives to enhance efficiency and reduce environmental impact. These efforts are implemented through the following programs:

- **Encouraging material-saving initiatives**
- **Increasing the use of environmentally friendly materials**

## Life Cycle Assessment

BMJ is currently conducting a Life Cycle Assessment (LCA) as part of its efforts to improve environmental performance and strengthen sustainable production practices. This assessment is carried out to identify and evaluate the potential environmental impacts of each product produced. At this stage, the approach applied is limited to a gate-to-gate scope, covering only the operational activities within the production facility. Although it does not yet cover the entire product life cycle, the implementation of this LCA represents a strategic first step toward establishing a more comprehensive system for measuring environmental impact in the future.

## Percentage Change in Material Usage [GRI 301-1]

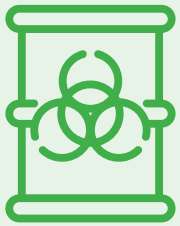
| Material Input | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Paper Division** | | | |
| Pulp | 2.40% | (0.75%) | 16.49% |
| Chemicals | 87.59% | (26.87%) | 12.08% |
| **Roto Packaging Division** | | | |
| Carton | (12.40%) | (19.87%) | (6.46%) |
| MG Paper | (46.89%) | (13.24%) | (6.83%) |
| Foil | (42.38%) | (21.76%) | (9.43%) |
| Ink and Solvent | (17.40%) | (76.17%) | (0.32%) |
| **Ink and Solvent** | | | |
| Carton | (28.87%) | 0.55% | 19.26% |

# Waste and Effluent Management

In the course of its operations, BMJ generates solid waste consisting of both hazardous and toxic waste (B3) and non-hazardous (non-B3) waste. The Company recognizes that improper waste management can lead to environmental pollution and social impacts in the surrounding operational areas. Therefore, waste management is carried out responsibly, with a strong emphasis on compliance with applicable laws and regulations, as well as adherence to sustainability principles, as outlined in the Policy on Materials, Chemicals, and Waste. This approach is also aimed at minimizing negative impacts on the environment and communities. [GRI 3-3]

## Waste Management Commitment

As part of its commitment to responsible waste management, BMJ has established a number of strategic initiatives focused on waste reduction, raising internal awareness, and strengthening control across the entire production process. These initiatives include: [GRI 3-3]



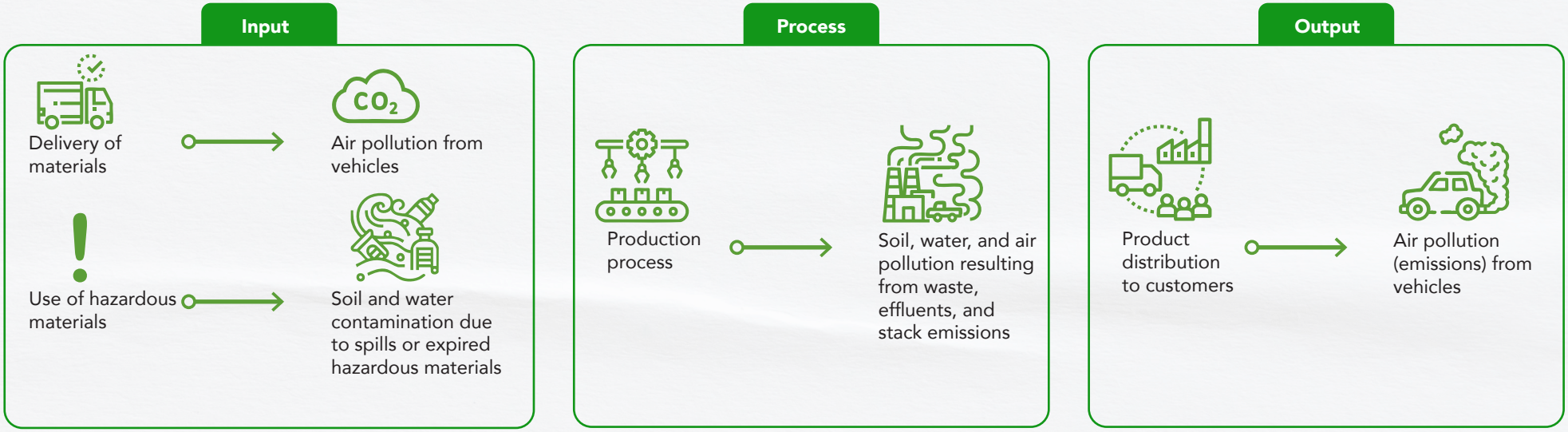
1. Reducing the volume of hazardous and non-hazardous waste.
2. Fostering employee awareness to implement the Reduce, Reuse, Recycle (3R) program within the Company and the surrounding community.
3. Monitoring the process from raw materials to finished products, with a target of achieving 100% of planned targets.

## Waste Management Initiatives

As part of its efforts to reduce plastic waste, BMJ promotes the limitation of single-use plastic materials, such as plastic wrappers and bottled water, within its operational areas. The Company provides alternatives such as drinking glasses and water dispensers, and encourages employees to use personal tumblers. This initiative reflects the application of responsible consumption principles and the Company's commitment to more sustainable workplace practices.

For organic waste, BMJ implements a composting program that processes leaves, grass, and plant residues from operational areas into compost. This compost is used internally and also distributed to external parties, including the Karawang Regency Government. In managing liquid waste, BMJ optimizes the use of defoamers and coagulants in the sludge belt press process by applying more efficient dosing. This initiative enhances treatment effectiveness while reducing the potential for environmental pollution caused by chemical residues.

## Identification of Environmental Impacts from Operational Activities




## Waste Management Practices

The Company manages hazardous and toxic waste by transferring it to licensed temporary storage facilities (TPS). Each type of waste is recorded in detail in a logbook and classified according to its category. For e-waste, such as used computers, the Company segregates specific components, such as printed circuit boards (PCBs) and cathode ray tubes (CRTs), in accordance with Government Regulation No. 22 of 2021. The storage period for waste at the TPS is limited to a maximum of 90 days before being transported by third parties licensed by the Ministry of Transportation and authorized by the Ministry of Environment and Forestry (KLHK) for waste utilization. [306-2]

The transportation of hazardous and toxic waste is carried out using an electronic manifest (Festronik), recorded in the Environmental Electronic Reporting Information System (SIMPEL) of the Ministry of Environment and Forestry (KLHK). Through this system, the Company regularly monitors and oversees waste management to ensure compliance with applicable regulations. Waste generation is evaluated every semester as part of the Company's efforts to control management costs and reduce the volume of waste produced. In addition, the Company also identifies the impacts of waste generated from operational processes, as illustrated below: [GRI 306-1]

**Summary of Waste Generated, Diverted from Final Disposal, and Managed by Third Parties** [GRI 306-4, 306-5]

| Year | Source | Waste Generated (ton) | Waste Diverted from Final Disposal (ton) | Waste Managed by Third Parties (ton) |
|---|---|---|---|---|
| 2024 | Production | 14,875.36 | - | 14,875.36 |
| 2023 | Production | 15,313.62 | - | 15,313.62 |
| 2022 | Production | 19,464.77 | - | 19,464.77 |

**Summary of Waste Categories Managed by Third Parties** [GRI 306-4, 306-5]

| Year | Category | On-site (ton) | Off-site (ton) | Total (ton) |
|---|---|---|---|---|
| 2024 | Hazardous waste | - | 3,579.84 | 3,579.84 |
| | Non-hazardous waste | - | 11,295.52 | 11,295.52 |
| | Total | - | 14,875.36 | 14,875.36 |
| 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 |

**Summary of Waste by Management Method** [GRI 306-3]

| Waste Category | Type of Waste | Management Method | 2024 (ton) | 2023 (ton) | 2022 (ton) |
|---|---|---|---|---|---|
| Hazardous | Fly ash | Transported to licensed third parties | 3,168.91 | 6,448.27 | 7,475.96 |
| | Bottom ash | | 243.12 | 620.35 | 1,896.23 |
| | Hazardous sludge | | 3.34 | 3.44 | 21.91 |
| | Contaminated gloves | | 21.09 | 15.36 | 55.40 |
| | Expired chemicals | | 4.27 | 2.34 | 2.35 |
| | Fluorescent lamps | | 0.02 | 0.05 | 0.98 |
| | Solvent sludge | | 44.64 | 47.40 | 90.67 |
| | Used oil | | 5.99 | 4.24 | 31.06 |
| | E-waste | | 1.06 | 1.15 | 0.65 |
| | Used batteries | | 1.70 | - | 1.64 |
| | Hazardous material packaging | | 71.99 | 56.52 | 59.80 |
| | Coolant | | 13.35 | 8.14 | - |
| | Used refractory | | - | 3.12 | - |
| | Used filters | | - | 1.28 | - |
| Non-hazardous | Wastewater treatment plant (WWTP) sludge | Transported to licensed third parties | 7,810.96 | 8,101.96 | 9,828.11 |
| | Fly ash | | 3,217.46 | | |
| | Bottom ash | | 267.10 | | |
| **Total Waste** | | | **14,875.00** | **15,313.62** | **19,464.76** |

## Liquid Waste Management

BMJ consistently treats the liquid waste generated from its operations through a wastewater treatment plant (WWTP), following four main stages as outlined below: [GRI 303-2]

**Neutralization** (Equalizer)
Stabilizes the pH level and waste concentration before entering the subsequent treatment stages.

**Flocculation** (Clumping)
Adding chemicals to coagulate fine particles, making them easier to separate.

**Sedimentation**
Separating clear water from sludge resulting from the flocculation process.

Clear water flows into the drainage gutter.

**River**

Sludge

**Dewatering**
Temporary storage facility (TPS) before being handled by licensed third parties.

Non-hazardous Sludge

Temporary storage facility (TPS) before being handled by licensed third parties.

The quality of treated effluent is evaluated monthly to ensure compliance with quality standards before being discharged into the river body. Monitoring is conducted in real time through the Continuous Wastewater Quality Monitoring System (SPARING) of the Ministry of Environment and Forestry (KLHK), with data transmitted every two minutes to the KLHK data center. In this monitoring process, the Company has established a maximum tolerance limit of 5% above the quality standard over a one-year period to ensure compliance with applicable environmental regulations.

## Effluent Monitoring Parameters

| Parameter | Standard Threshold |
|---|---|
| pH (acidity level) | 6–9 |
| Chemical Oxygen Demand (COD) | <100 mg/L |
| Total Suspended Solids (TSS) | <45 mg/L |
| Water flow rate | <400 m³/jam |
| Total Dissolved Solids (TDS) | ≤1,000 mg/L |

As part of its water conservation efforts, the Company also implements recycling methods. A portion of the treated water from the WWTP is reused by being mixed into the raw water treatment system and utilized for cleaning activities within the WWTP area and its equipment. In addition, the Company continuously improves the efficiency of chemical usage in waste treatment by modifying equipment to optimize chemical reactions as needed. The Company also enhances the efficiency and effectiveness of chemical use in the treatment process through equipment modifications, aimed at optimizing chemical reactions and supporting effective waste management. [GRI 303-2]

## Water Discharge by Destination [GRI 303-4]

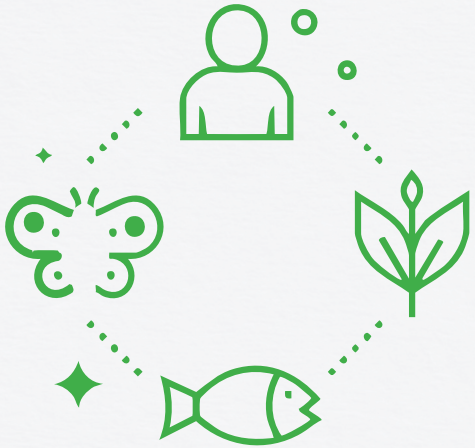
(≤1,000 mg/L Total Dissolved Solids) ($m^3$)

| 2022 | 2023 | 2024 |
|---|---|---|
| 1,910,694 | 2,094,784 | 2,501,083 |

# Biodiversity Protection

BMJ is committed to managing the potential negative environmental impacts arising from its operational activities. The use of chemicals in production processes and the resulting wastewater pose risks of leakage and contamination of water bodies. At the same time, emissions, smoke, dust, and noise from equipment such as boilers can disrupt the ecological balance surrounding the operational area. To mitigate these risks, BMJ has implemented an ISO 14001-based environmental management system, supported by the development and application of Standard Operating Procedures (SOPs) to ensure systematic environmental impact management. [GRI 3-3]

In addition, BMJ consistently safeguards biodiversity and the conservation of natural resources in the areas surrounding its operations as part of its commitment to sustainability. All efforts are carried out with a strong emphasis on compliance with environmental regulations, including the implementation of permitting processes and regular reporting of the Environmental Management and Monitoring Plan (RKL-RPL) through the SIMPEL system managed by the KLHK.



## Biodiversity Commitment

As part of its efforts to preserve biodiversity, BMJ is committed to ensuring the responsible and sustainable use of raw materials. This commitment is realized through various initiatives, including:

1. **Sourcing 100% of raw materials from suppliers** certified under Sustainable Forest Management and Chain of Custody Systems.
2. **Using only pulp and other raw materials certified by PEFC and SVLK** (Timber Legality Verification System) in the production of cigarette paper and packaging products.
3. **Continuously implementing and maintaining certified traceable systems** (recognized traceable certification systems).

## Biodiversity Management

The Company has conducted identification, management, and mitigation efforts for both actual and potential impacts on biodiversity in the areas surrounding its operations. BMJ's plant, located in Karawang Regency, spans 25 hectares and is located near agricultural ecosystems and the riparian zone of the Citarum River. Information related to potential impacts on biodiversity in the area is presented in the following table. [GRI 304-1]

## Identification and Mitigation of Potential Environmental Impacts from Company Operations

| Activity | Potential Impact | Impact Scope | Impact Duration | Impact Reversibility | Impact Mitigation |
|---|---|---|---|---|---|
| Production Process | Air, water, and soil pollution | Purwadana Village and the Citarum River | As long as the production process continues | Reversible depending on mitigation measures | Efficient material use, adoption of advanced technology, skilled workforce, implementation of reduce, reuse, and recycle (3R) practices, and application of assessment, remediation, and monitoring (ARM) methods |
| | Dust and air pollution from boiler operations | | | | |
| | Noise pollution from machinery operation | | | | |
| | Depletion of natural resources | Karawang Regency and Indonesia | | | Compliance with threshold limits or quality standards, adoption of advanced technology, and licensed waste management and utilization |

The Company evaluates its impact on biodiversity every six months, based on short-term, medium-term, and long-term work plans. As a demonstration of its conservation commitment, the Company has also designated an 11.1-hectare area as a biodiversity preservation zone within the vicinity of its operational site. [GRI 304-2]

## Conservation Area and Operational Concession Size

| | |
|---|---|
| Location | **Karawang Plant** |
| Operations | **Production** |
| Conservation Area | **11.10 ha** |
| Concession Area | **17.48 ha** |
| Percentage of Total Concession Area | **64%** |

As of 2024, the green open space within BMJ's operational area is home to approximately 75 teak trees over 10 years old and 93 rain trees over 20 years old. As part of its environmental conservation commitment, the Company has also carried out a reforestation program on a 5-hectare area along the banks of the Citarum River. In the vicinity of the operational area, various fauna have been observed, including monitor lizards, cobras, and several bird species such as the sooty-headed bulbul, zebra dove, and spotted dove. [GRI 304-3]

However, to date, the Company has not yet conducted direct biodiversity monitoring or species identification based on the International Union for Conservation of Nature (IUCN) Red List. Moving forward, the Company plans to implement species monitoring and identification activities as part of a more systematic and measurable approach to biodiversity management. [GRI 304-4]

BMJ

Eureka Everyday!

# Social Performance

Sustainability Report 2024

BMJ is committed to maintaining a balance between business interests and social responsibilities through an approach that prioritizes employee well-being, community development, and customer responsibility. This approach reflects the Company's commitment to supporting sustainable social development and ensuring that business growth aligns with comprehensive social sustainability values. This commitment is articulated in the Company's Social Responsibility Statement Policy.

In managing its human resources, BMJ upholds the principles of diversity, equal opportunity, competency development, and the implementation of occupational health and safety standards. This strategy is designed to foster an inclusive, safe, and productive work environment. On the other hand, the Company also demonstrates its commitment to the community through active engagement in its operations and the implementation of corporate social responsibility (CSR) programs. In addition, the Company upholds its responsibility to customers by ensuring product quality, safety of use, and transparency of information, key efforts in fostering long-term relationships built on trust and customer satisfaction.

# Sustainable Employment Practices

BMJ views the management of employment practices as a critical foundation for ensuring business continuity and achieving long-term performance. Human resources play a role not only in supporting operations but also as a key element in shaping a business that is aligned with sustainability values. The Company's approach to managing employment matters is guided by the core pillars of the SDGs, namely the 5Ps (People, Planet, Prosperity, Peace, and Partnership). This policy serves as a strategic step to foster synergy between business growth and the fulfillment of employee rights and well-being.

As part of its commitment, the Company has established a set of employment policies that support the creation of a safe, inclusive, and sustainable work environment. These policies include the BMJ Business Conduct, Diversity Policy, Human Rights & Working Conditions Policy, Career Management Policies, and the Quality, Occupational Health and Safety, Environmental, and Energy Policy. Collectively, these policies serve as a reference for integrating sustainability principles into the management of employment practices. [GRI 3-3]

The human resource management function is carried out by the Human Resources and Organization Development (HR & OD) Department, which ensures that all initiatives are aligned with the Company's sustainability agenda, including talent development, inclusion, and occupational health and safety. In addition, HR & OD plays a key role in fostering harmonious and transparent industrial relations. To measure the achievement of its ESG program targets, BMJ has identified key employment aspects as part of its social sustainability commitments, including: [GRI 3-3]

## Employment Aspects in Social Sustainability

- Human Rights
- Employee Benefits
- Working Condition
- Diversity and Inclusion
- Health and Safety
- Impact on Local Communities

## Employee Engagement and Constructive Industrial Relations

In pursuing long-term-oriented operations, BMJ regards industrial relations as a key element in ensuring business continuity. Through a transparent and collaborative communication approach, the Company strives to foster a work environment that supports both employee performance and well-being. One form of employee engagement is the development of interest-based communities, such as sports and arts activities, which are designed to enhance work enthusiasm, strengthen relationships among employees, and cultivate a positive corporate culture. [GRI 3-3]

In accordance with the BMJ Business Conduct, the Company upholds employees' rights to freely associate and engage in collective bargaining without discrimination. BMJ is also committed to fostering constructive collaboration with labor unions as official dialogue partners in conveying aspirations and addressing employment-related matters. In addition, labor unions contribute to the negotiation process concerning wages, working conditions, and employee welfare, as stipulated in the Collective Labor Agreement (CLA). All employees (100%) are members of the labor union and are covered by the CLA, which serves as the foundation for regulating employment rights and obligations. To ensure effective industrial relations, management holds regular meetings with the labor union at least once a month. [GRI 2-25, 2-30]

The Company has also established a Bipartite Cooperation Institution (LKS Bipartit), consisting of representatives from both management and the labor union. LKS Bipartit functions as a consultative forum for resolving employment issues through deliberation and mediation outside of regular meetings when necessary, and is tasked with minimizing potential risks that may arise. In addition, the Company regularly conducts employee engagement surveys through the Human Resources (HR) Division to evaluate the effectiveness of existing communication channels and grievance mechanisms. [GRI 3-3, 2-25]

Employee engagement is also a core principle in every operational change that directly affects the workforce. Any significant change is first discussed with employees and labor unions through a consultation process, reflecting the Company's respect for employee perspectives in decision-making. The Company has established that notification of such operational changes must be provided no later than 1 (one) month prior to implementation, as a form of protection and respect for employee rights. [GRI 402-1]

## Commitment to Human Rights

BMJ is committed to respecting and protecting human rights across all its operational activities and supply chain, in accordance with applicable laws and regulations, including labor law principles and the United Nations Universal Declaration of Human Rights. This commitment applies to all employees and third parties involved in the Company's activities. Human rights principles are integrated through the BMJ Business Conduct, dedicated human rights policies, and the Collective Labor Agreement (CLA), all of which mandate compliance with regulations and prohibit discriminatory practices, harassment, and labor exploitation. In addition, the Company actively conducts training and awareness programs to promote human rights across the entire workplace. [GRI 3-3, 2-27]

BMJ's commitment to protecting human rights is reflected in its firm stance against all forms of violations, including discrimination and harassment. All operational units are required to incorporate human rights considerations into every business activity, in line with the Company's policies. Throughout 2024, there were no reported or identified incidents of human rights violations within the Company's operations. This achievement reflects the effectiveness of the implementation of the BMJ Business Conduct, dedicated human rights policies, and the CLA. [GRI 412-1]

To foster collective awareness of human rights, the Company regularly disseminates the BMJ Business Conduct and related corporate policies to all employees and partners. These awareness initiatives are delivered through easily accessible digital platforms. The dissemination is carried out through easily accessible digital platforms. This initiative aims to ensure that all parties understand and consistently apply human rights principles in every operational activity. [GRI 412-2, 412-3]

## Contribution to the Elimination of Child and Forced Labor

As part of its compliance with applicable national labor laws and ILO Conventions on labor practices and human rights, BMJ has set a minimum recruitment age of 18 years. This provision is outlined in the BMJ Business Conduct, Human Rights & Working Conditions Policy, and the CLA, and applies to all employees and third parties within the Company's operations. Additionally, it is enforced during the supplier selection process to ensure that no underage labor is involved across the entire supply chain. [GRI 3-3, 2-27, 408-1]

BMJ also firmly rejects all forms of forced labor and modern slavery. Every employment relationship must be based on voluntary agreement without coercion, covering the entire employment cycle from recruitment to termination. The implementation of this principle is evaluated regularly through a biennial review of the CLA. Throughout the reporting period, there were no findings of child labor or forced labor, either within the Company's internal operations or across its supply chain, reflecting the Company's compliance with fair labor principles and its strong commitment to upholding human rights. [GRI 3-3, 409-1]

# Human Resource Management

## Diversity and Equal Opportunity

BMJ integrates the principles of diversity and equal opportunity into its human resource management. The implementation of these principles is believed to foster innovation, broaden perspectives, and enhance organizational performance and competitiveness. Through its ESG Program, the Company is committed to creating an inclusive, fair, and equitable work environment by providing equal opportunities for all employees to grow and contribute to their fullest potential. [GRI 3-3]

### Human Resource Management Targets under the ESG Program

**Diversity and Inclusion**
Promoting the accelerated empowerment of company's high-performing human resources.

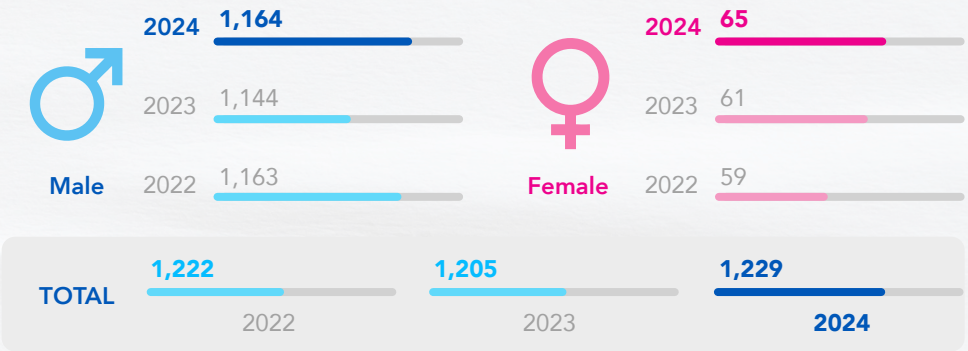
**Empowering Our Employees and Communities**

- Maintaining the availability of skilled personnel for both current and future needs.
- Prioritizing employee health and well-being, and taking proactive measures to provide support through collaboration with surrounding communities when needed.

This commitment is outlined in the Diversity Policy, which affirms that diversity encompasses attributes such as gender, age, ethnicity, and cultural background. The Company does not tolerate any form of discrimination, whether toward employees, prospective employees, customers, or business partners. This principle is reinforced in the BMJ Business Conduct, which explicitly prohibits discriminatory actions based on gender, religion, race, ethnicity, nationality, age, marital status, disability, or political views. [GRI 3-3]

The principles of diversity and equal opportunity are applied comprehensively throughout the entire employment cycle, from recruitment and training and development to career management, as well as remuneration and employee welfare systems. These provisions are also stipulated in the CLA in accordance with prevailing regulations on the elimination of discriminatory practices. In addition, the Company continues to promote a workplace culture that values differences and recognizes the uniqueness of each individual as a valuable strength. Throughout 2024, there were no reported incidents of discrimination across the Company's operations. This achievement reflects the Company's consistent and ongoing implementation of diversity and equal opportunity policies. The composition of employees reflecting the implementation of these principles is presented in the following section, based on ERP HR data. [GRI 2-7,405-1, 406-1]

**Employee Composition by Gender** (People)



**Employee Composition by Employment Status and Gender** (People)

| Employment Status | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female |
| Permanent Employees | 1,059 | 60 | 1,089 | 58 | 1,096 | 56 |
| Contract Employees | 105 | 5 | 55 | 3 | 67 | 3 |
| **Total** | **1,164** | **65** | **1,144** | **61** | **1,163** | **59** |

**Employee Composition by Position Level** (People)

| Position Level | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female |
| Board of Directors | 4 | 0 | 4 | 0 | 4 | 0 |
| General Manager/Regional Manager | 2 | 0 | 3 | 0 | 3 | 0 |
| Manager | 47 | 3 | 48 | 3 | 50 | 3 |
| Staff | 505 | 51 | 104 | 41 | 134 | 43 |
| Non-staff | 606 | 11 | 985 | 17 | 972 | 13 |
| **Total** | **1,164** | **65** | **1,144** | **61** | **1,163** | **59** |

**Employee Composition by Age Group** (People)

| Age Group | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female |
| 18–30 Years | 205 | 27 | 195 | 21 | 260 | 21 |
| 31–40 Years | 456 | 19 | 459 | 21 | 460 | 21 |
| 41–50 Years | 397 | 22 | 382 | 17 | 355 | 14 |
| >50 Years | 106 | 2 | 108 | 2 | 108 | 3 |
| **Total** | **1,164** | **65** | **1,144** | **61** | **923** | **38** |

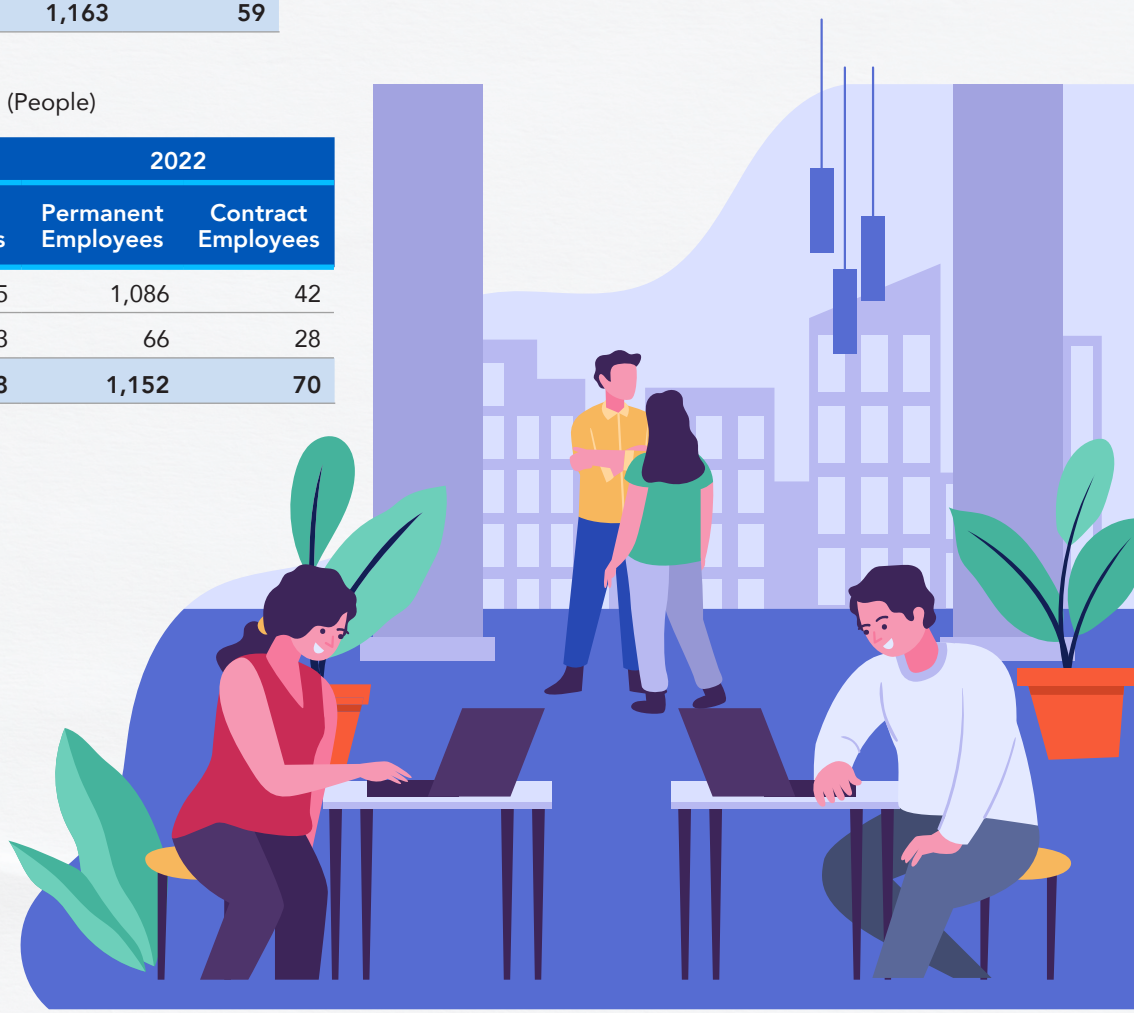
**Employee Composition by Work Location and Gender** (People)

| Work Location | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female |
| Karawang | 1,036 | 57 | 1,054 | 56 | 1,075 | 53 |
| Kudus | 128 | 8 | 90 | 5 | 88 | 6 |
| **Total** | **1,164** | **65** | **1,144** | **61** | **1,163** | **59** |

**Employee Composition by Work Location and Employment Status** (People)

| Work Location | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| | Permanent Employees | Contract Employees | Permanent Employees | Contract Employees | Permanent Employees | Contract Employees |
| Karawang | 1,044 | 49 | 1,075 | 35 | 1,086 | 42 |
| Kudus | 75 | 61 | 72 | 23 | 66 | 28 |
| **Total** | **1,119** | **110** | **1,147** | **58** | **1,152** | **70** |

The data in the table indicates that the number of BMJ employees in 2024 remained relatively stable compared to the previous year. Although the proportion of female employees remains lower, the Company remains committed to upholding the principles of diversity and equal opportunity, ensuring fair treatment regardless of gender within an inclusive work environment. All employees classified as BMJ personnel work on a full-time basis, either under permanent or contractual status. In addition to formally recorded employees, the Company also engages external professionals to support specific operational functions; however, their number is not significant. [GRI 2-8, 405-1]



## Employee Remuneration

BMJ is committed to providing fair and equitable remuneration as a form of recognition for employee contributions. The principle of fairness in the provision of wages, benefits, and other forms of compensation is upheld without discrimination based on gender or individual background. In addition, compensation is determined based on objective and transparent evaluation criteria. This policy reflects the Company's commitment to ensuring every employee's right to fair and equal treatment within the remuneration system. [GRI 3-3]

The Company also ensures there is no disparity in remuneration ratios between male and female employees holding equivalent positions and job functions. Compensation and employee benefits are provided in accordance with the policies outlined in the CLA, which serves as the primary reference for defining employment rights and obligations for both permanent and contract employees. The benefits granted are adjusted according to each employee's employment status. [GRI 401-2, 405-2]

**Employee Benefits by Employment Status**

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

As part of compliance with prevailing labor regulations, the Company ensures that its remuneration system meets the minimum standards set by national law, derivative provisions, or the CLA, referring to the highest nominal value among the three. This approach not only reflects regulatory compliance but also demonstrates the Company's commitment to promoting employee welfare and ensuring a proportional wage structure, including the ratio of entry-level wages to the minimum wage in each operational region. [GRI 202-1]

**Ratio of Entry-Level Employee Wages to Minimum Wage by Work Location** [GRI 202-1]

**Karawang**

| | |
|---|---|
| 2024 | 113% |
| 2023 | 124% |
| 2022 | 114% |

**Kudus**

| | |
|---|---|
| 2024 | 104% |
| 2023 | 108% |
| 2022 | 108% |

## Maternity Leave

BMJ upholds employees' rights to maternity leave in accordance with applicable labor laws and the Collective Labor Agreement (CLA). This entitlement is granted to female employees giving birth and male employees accompanying their spouses during childbirth. By providing a medical certificate, employees are entitled to leave to adequately prepare for the childbirth process. This policy reflects the Company's commitment to supporting employee well-being, particularly during significant family milestones. [GRI 3-3]

Female employees are entitled to maternity leave of 1.5 months before and 1.5 months after childbirth, without affecting their annual leave entitlement. In addition, the Company grants an additional 1.5 months of leave to female employees who experience a miscarriage, based on a medical certificate issued by a doctor or midwife. Under certain conditions that may pose a health risk to the employee, maternity leave may be extended up to three months and categorized as medical leave based on a doctor's recommendation. Upon the conclusion of the leave period, female employees are entitled to return to their original position. Meanwhile, male employees are granted three days of leave to accompany their spouse during childbirth. Details of maternity leave entitlements are presented in the following table. [GRI 401-3]

## Summary of Maternity Leave Entitlements

| Gender | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Number of employees eligible for maternity leave** | | | |
| Male | 864 | 926 | 946 |
| Female | 30 | 31 | 29 |
| **Number of employees who took maternity leave** | | | |
| Male | 75 | 86 | 94 |
| Female | 6 | 3 | 9 |
| **Number of employees who returned to work during the reporting period after maternity leave** | | | |
| Male | 75 | 86 | 94 |
| Female | 6 | 3 | 9 |
| **Return-to-Work Rate** | **100%** | **100%** | **100%** |

## Employee Competency Development

BMJ is committed to strengthening employee capabilities and competitiveness through training and education programs aligned with the Company's business strategy and designed to support sustainable career development. These programs are developed as part of the implementation of Career Management Policies, which encourage active employee participation in personal development while ensuring alignment between individual competency growth and the Company's strategic objectives. The program is designed to foster a productive and inclusive work environment and to enhance employee contributions to organizational performance and growth. [GRI 3-3]

Throughout 2024, training and education programs were conducted in a structured manner as part of the annual work plan. These training sessions were primarily focused on enhancing understanding of the implementation of ESG principles. The program was designed to equip employees with strategic insights into the importance of ESG in ensuring business sustainability, while also identifying potential long-term risks associated with inconsistent implementation of these principles. The training was conducted through both online and face-to-face formats and formed an integral part of the Company's efforts to cultivate a work culture that is adaptive, integrity-driven, and focused on sustainability. [GRI 3-3, 404-1, 404-2]

### BMJ Training and Education Program in 2024

### Average Training Hours per Employee by Gender (Hours)

### Average Training Hours per Employee by Position Level (Hours)

| Position Level | 2024 | 2023 | 2022 |
|---|---|---|---|
| Board of Directors | 15.75 | 1 | 59 |
| Senior Manager | 20.27 | 15.68 | 40.35 |
| Manager | 20.67 | 24.15 | 59.11 |
| Staff | 50.97 | 30.84 | 34.78 |
| Non-Staff | 10.90 | 25.74 | 20.27 |

BMJ not only prioritizes the development of employee competencies through training and development programs, but also ensures the continued well-being of its employees through retirement. As part of the Company's Sustainability Program, BMJ implements a two-year pre-retirement program designed to equip employees for the transition period. In addition, the Company provides supplementary benefits such as severance pay, pension fund programs, and long-service awards as a form of appreciation and a demonstration of its commitment to the long-term well-being of its employees. [GRI 404-2]

To support comprehensive human resource management, the Company also implements a regular performance review system conducted in an objective, fair, and transparent manner. This assessment aims to ensure alignment between individual performance and the Company's targets, while also serving as the basis for career development, reward allocation, and capability enhancement. This approach strengthens a productive, performance-oriented work culture and underscores the Company's commitment to the professional growth of all employees. Details of the performance review implementation are presented in the following table. [GRI 404-3]

### Number of Employees Covered in Performance Reviews

| Description | 2024 | 2023 | 2022 |
|---|---|---|---|
| Board of Directors | 3 | 4 | 4 |
| Senior Manager | 16 | 14 | 14 |
| Manager | 37 | 40 | 40 |
| Staff | 163 | 160 | 162 |
| Non-Staff | 977 | 963 | 941 |
| Number of Employees Evaluated | 1,196 | 1,181 | 1,122 |
| Total Number of Employees | 1,229 | 1,205 | 1,222 |
| Percentage | 97.31% | 98.01% | 91.82% |

As part of sustainable human resource management, performance evaluations serve as a foundation for reviewing employee progress and assessing the effectiveness of development programs. Through this process, BMJ not only evaluates individual achievements in relation to career growth but also measures the extent to which training and education programs contribute to enhanced competencies and productivity. The results of these reviews provide strategic feedback for the Company to refine its human resource management approach and ensure that all development initiatives are aligned with the Company's business objectives.

## Employee Recruitment

BMJ conducts an open and equitable recruitment process for all individuals, regardless of gender, religion, ethnicity, race, or other backgrounds. This process is carried out based on non-discriminatory principles as outlined in the BMJ Business Conduct and Diversity Policy, and in accordance with applicable labor regulations. Candidate selection is conducted objectively and based on competencies to ensure the recruitment of human resources that meet the Company's needs and standards. [GRI 3-3]

As part of its commitment to community empowerment and the promotion of diversity, the Company actively encourages the participation of local communities, particularly those residing near its operational areas, in the recruitment process. This reflects the Company's commitment to the principle of inclusivity as outlined in its Diversity Policy and aligns with the social sustainability practices under the ESG Program. In 2024, the Company did not have senior management personnel from the local community; however, this remains a consideration for future planning. All employment-related decisions, including recruitment, training, compensation, and promotion are based on performance and professional qualifications, in accordance with the merit-based principles set forth in the Company's internal policies. [GRI 3-3, 202-2]

The Company also tracks employee turnover as part of its human resource management. Contributing factors include retirement, contract completion, and voluntary resignation. The Company ensures that the rights of employees who leave the organization are fulfilled in accordance with labor regulations and the provisions of the CLA, including the provision of appropriate compensation. Recruitment and turnover data for the past three years are presented in the following table. [GRI 3-3, 401-1]

### Composition of New Hires and Employee Turnover by Gender

| Gender | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| | New Hires | Employee Turnover | New Hires | Employee Turnover | New Hires | Employee Turnover |
| Male | 71 | 0 | 34 | 4 | 60 | 26 |
| Female | 5 | 0 | 3 | 1 | 6 | 0 |
| **Total** | **76** | **0** | **37** | **5** | **66** | **26** |

### Composition of New Hires and Employee Turnover by Work Location

| Work Location | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| | New Hires | Employee Turnover | New Hires | Employee Turnover | New Hires | Employee Turnover |
| Karawang | 32 | 0 | 30 | 5 | 54 | 16 |
| Kudus | 44 | 0 | 7 | 0 | 12 | 10 |
| **Total** | **76** | **0** | **37** | **5** | **66** | **26** |

### Composition of New Hires and Employee Turnover by Age Group

| Work Location | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| | New Hires | Employee Turnover | New Hires | Employee Turnover | New Hires | Employee Turnover |
| 18–30 Years | 59 | 0 | 28 | 3 | 55 | 25 |
| 31–40 Years | 10 | 0 | 4 | 2 | 5 | 1 |
| 41–50 Years | 2 | 0 | 1 | 0 | 1 | 0 |
| >50 Years | 5 | 0 | 4 | 0 | 5 | 0 |
| **Total** | **76** | **0** | **37** | **5** | **66** | **26** |

# Occupational Health and Safety

## OHS Management System

Occupational Health and Safety (OHS) protection is a fundamental commitment of BMJ to safeguard employee rights and support the continuity of responsible business practices, as stipulated in the CLA. Under the supervision of the OHSE Department, the Company strives to create a safe and healthy work environment for all employees, including contractor workers. This commitment is realized through the consistent implementation of OHS principles, internal policies such as the Quality, Occupational Health and Safety, Environment, and Energy Policy, as well as the Business Conduct Guidelines, with a target of achieving zero workplace accidents. [GRI 3-3]

As part of the Company's management system, BMJ implements an integrated and continuous Occupational Health and Safety Management System (OHSMS). The implementation of the OHSMS refers to Government Regulation No. 50 of 2012 and the international standard ISO 45001. This system is designed to ensure that all operational processes adhere to safety principles and effectively manage occupational risks. The policy encompasses accident prevention, hazard reduction, and the promotion of active employee participation in maintaining workplace safety. [GRI 3-3, 403-1]

The Company regularly evaluates the implementation of the OHSMS through annual management reviews and both internal and external audits conducted at least once a year. This process aims to ensure compliance with applicable regulations and to enhance the overall effectiveness of the system. This initiative is part of the Company's sustainable approach to cultivating a safe, healthy, and resilient work culture that is responsive to operational risks. [GRI 3-3, 403-1]

As part of the OHSMS implementation, the Company adopts the Hazard Identification Assessment of Risk and Opportunities (HIARO) method, based on ISO 45001 standards. Each work unit is responsible for conducting regular risk identification and assessment, which is subsequently verified by the OHSE Department. The Company's OHSMS covers all employees (100%), activities, and operational areas, including contractor employees and other business partners. Through this approach, the Company reinforces that compliance with OHS principles is a shared responsibility among all parties involved in its operational activities. [GRI 3-3, 403-1, 403-8]

## Number of Employees Covered by the OHSMS

| Description | 2024 | 2023 | 2022 |
|---|---|---|---|
| Number of Company Employees | 1,341 | 1,205 | 1,222 |
| Number of Contractor Employees | 449 | 441 | 350 |
| **Total** | **1,790** | **1,646** | **1,572** |

## Hazard Identification and Risk Assessment

BMJ considers hazard identification and risk assessment as a critical first step in ensuring the effectiveness of its OHS management system. This process aims to identify potential hazards and evaluate the level of risk that may arise from all operational activities. Through this approach, the Company is able to determine appropriate control measures to prevent workplace accidents and occupational illnesses. Hazard identification is carried out in accordance with ISO 45001:2018 and Government Regulation No. 50 of 2012, using the HIARO method as the primary framework. [GRI 403-2]

The HIARO method utilized by the Company covers all activities, including routine, non-routine, short-term, long-term, and emergency situations. The process takes into account potential hazards arising from equipment, infrastructure, work materials, and the overall working environment. In addition, the Company identifies risks across all stages—design, development, production, testing, service distribution, maintenance, and disposal. This approach reflects the Company's commitment, as outlined in its Quality, HSE, and Energy Policy to proactively manage potential risks and foster a safe and healthy workplace. [GRI 403-2, 403-7]

In addition to serving as a risk mitigation measure, the hazard identification and risk assessment process also forms the basis for identifying opportunities to continuously improve OHS performance. Evaluations of existing practices are used to formulate more effective corrective and preventive actions, as well as to foster innovation in occupational safety management. This approach strengthens an adaptive OHS management system that is responsive to operational dynamics and aligned with sustainability principles.

In managing identified risks, the Company applies the hierarchy of controls principle, which includes hazard elimination, substitution of materials or processes, engineering controls, administrative controls, and the use of personal protective equipment (PPE). To ensure effective and consistent implementation, the Company conducts regular inspections and audits, both internal and external. All employees, including contractor personnel, receive OHS training and certification as part of the Company's efforts to strengthen competencies and foster a safety-oriented work culture. [GRI 403-2, 403-9, 403-10]

As part of its OHSMS implementation, BMJ has integrated a digital reporting system through the HSE Patrol application to facilitate real-time hazard detection in the workplace. This application is designed to accelerate the reporting process, strengthen rapid response mechanisms, and foster a culture of transparency and awareness in OHS. BMJ ensures protection for whistleblowers, including the confidentiality of their identity and protection from any form of retaliation. In addition, employees are granted the right to stop work they deem hazardous and report the situation to their supervisor or the OHSE Department. [GRI 403-2]

The implementation of the OHSMS also includes a systematic investigation procedure to address workplace incidents occurring within the Company's operational areas. This procedure involves certified personnel to identify the root causes of incidents and formulate appropriate corrective actions. All investigation results are formally documented and used as a reference for evaluation to strengthen the risk control system. This approach reflects BMJ's commitment to building a responsive, data-driven OHS management system and continuously advancing workplace safety protection. [GRI 403-2]

## Occupational Health Service Facilities

BMJ demonstrates its commitment to occupational health and safety by providing accessible, high-quality health service facilities. One key initiative is the establishment of an on-site company clinic that operates 24 hours a day, staffed by certified medical professionals specializing in Occupational Hygiene, Ergonomics, and OHS. This facility is available to all employees and workers as part of the Company's preventive and responsive measures to address health needs in the workplace. [GRI 403-3]

The presence of the Company clinic plays a strategic role in supporting the monitoring and maintenance of employees' physical and mental well-being. Beyond serving as a medical service center, the clinic also contributes to risk prevention through early detection programs, first aid for workplace accidents, and occupational health promotion initiatives. Through these efforts, BMJ reinforces a work culture that prioritizes health and safety as a core aspect of its operational practices.

### Health Service Program

- Annual health examinations based on risk factors that may lead to occupational illnesses.
- Follow-up actions based on health examination results.
- Measurement and control of hazardous factors, including physical, chemical, biological, ergonomic, and psychological risks.
- Analysis of potential occupational illness cases using data from internal and external clinic visits.
- Campaigns to promote a culture of occupational health and safety.

In addition to providing on-site health services, BMJ extends health protection to employees' families. This initiative is realized through strategic partnerships with reputable hospitals and clinics that offer a range of services, including outpatient care, inpatient treatment, maternity services, dental care, and other medical facilities. These services cover both general medical needs and work-related health concerns, and are available beyond regular working hours. This initiative reflects the Company's holistic commitment to employee well-being, not only in the workplace, but also in their personal and family lives. [GRI 403-6]

## OHS Communication, Participation, and Consultation

BMJ continuously strengthens the implementation of its OHSMS by fostering a participatory OHS culture across all operational areas. To support this effort, the Company encourages active employee involvement through structured communication, consultation, and participation mechanisms to ensure well-informed decision-making on OHS matters. To that end, BMJ has established the Occupational Safety and Health Committee (P2K3), a formal body comprising representatives from both management and employees.

### Duties of P2K3

1. **Provide input on the implementation of the OHSMS in the workplace**
2. **Discuss and evaluate critical issues related to the implementation of OHSMS in the workplace**
3. **Recommend corrective actions to improve the implementation of OHSMS in the workplace**

P2K3 plays a strategic role in ensuring the effective implementation of OHS policies and fostering open, constructive communication between management and employees. The P2K3 forum is held regularly on a monthly basis and serves as a platform for employees to actively participate in risk identification, control evaluation, and the formulation of corrective actions and improvement initiatives. Through this mechanism, employees can also directly voice complaints, provide suggestions, or request consultations on OHS-related issues. This participatory approach supports a more adaptive and responsive implementation of the OHSMS, while also strengthening overall occupational health and safety performance. [GRI 403-4]

### OHS Participation and Consultation Channels

- Monthly P2K3 meetings
- HIARO review and evaluation
- Morning Briefings / Tool Box Meeting (TBM)
- Monthly bipartite meetings between management and labor union
- Reporting of Near Misses, Unsafe Actions, and Unsafe Conditions

### OHS Communication Media

- Pre-work meetings
- Training
- OHS policy framework displays
- OHS policy cards
- OHS policies posted in all meeting rooms
- Bulletin boards
- Leaflets
- Banners
- Email
- Intranet Usage
- Internal social media
- Suggestion boxes
- Other information channels.

## OHS Training and Induction

BMJ consistently conducts training on OHS for all employees, both at the head office and plant facilities. These training programs are designed to strengthen the implementation of the OHSMS while fostering a sustainable safety culture in the workplace. The training materials are developed based on the competency requirements of each work unit and are aligned with applicable laws and regulations, ensuring relevance to the level of risk and job responsibilities. In 2024, BMJ conducted fire suppression training, emergency response drills, and other OHS-related training programs. In addition, BMJ ensures that personnel responsible for OHS functions hold official certifications from authorized institutions to guarantee technical competency and compliance with occupational safety standards. [GRI 403-5]

As a preventive measure mandated by the OHSMS, basic knowledge of workplace safety is required for all individuals entering BMJ's operational areas, including new employees, guests, and business partners through an OHS induction program. Up-to-date information on OHS aspects and the implementation of the OHSMS is also regularly communicated through various internal channels, such as the Company's website, information boards, email, and other media. [GRI 403-7]

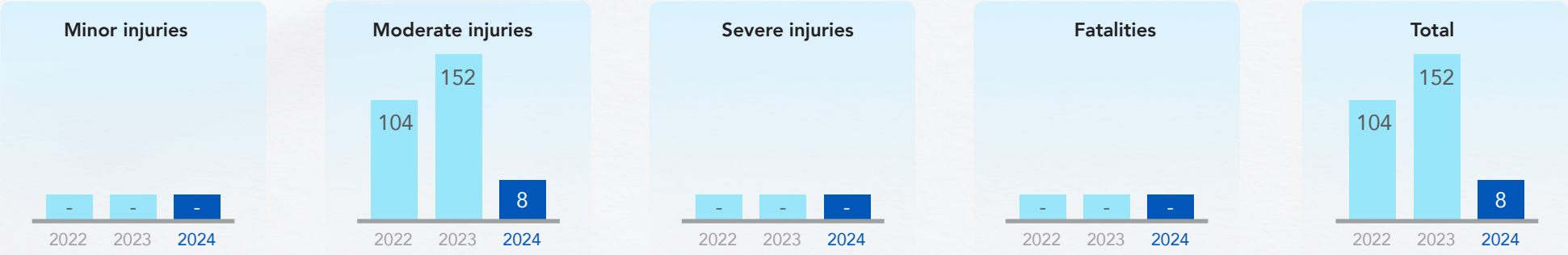
## OHS Performance

The disciplined implementation of the OHSMS remains a top priority for BMJ in ensuring workplace safety. This commitment is reflected in the absence of major workplace accidents or fatalities over the past three years across all operational areas, including incidents involving both employees and contractors. This achievement highlights the effectiveness of BMJ's consistently applied safety management system across all operational units.

Nevertheless, given the high-risk nature of its operational activities, the potential for workplace incidents remains. To address this, BMJ continues to reinforce the strict and measurable implementation of OHS procedures to minimize any resulting impact. This commitment is reflected in the monitoring of lost time injury (LTI) figures, which serve as key indicators for evaluating and improving workplace safety performance during the reporting period. The following is a detailed overview of the Company's OHS performance related to workplace accident incidents. [GRI 403-9]

## Number of Workplace Accident Cases

## Number of Lost Work Hours Due to Workplace Accidents (Hours)




BMJ continues to strive for optimal OHS management; however, workplace accidents still occur in certain operational areas. Each incident is followed up with a systematic investigation process to identify root causes and determine appropriate corrective actions. Regular evaluations are conducted to assess the effectiveness of risk controls and to prevent similar incidents from recurring.

As a follow-up to incidents that occurred throughout 2024, BMJ intensified efforts to raise OHS awareness across all levels of the organization. Internal campaigns were carried out to emphasize the importance of adherence to workplace safety principles, along with regular reminders on the implementation of OHS procedures. In addition, operational oversight has been enhanced through the use of the Safety Patrol application on Android-based smartphones, enabling real-time reporting of potential hazards. This initiative is further supported by the ongoing dissemination and implementation of risk mitigation procedures aimed at reducing the likelihood of incidents, particularly in high-risk work areas. [GRI 403-9]

## Types of Hazards and Mitigation Measures for High-Potential Work Accidents

| Types of High-Consequence Hazards | Mitigation Measures |
|---|---|
| Explosion and fire hazards | • Supervision and work permits for hot work<br>• Strict prohibition of smoking in unauthorized areas<br>• Establishment of an Emergency Response Team (ERT)<br>• Installation of both active and passive fire protection systems |
| Entanglement in rotating machinery | • Automatic safeguards against contact with rotating machinery |
| Falls from height | • Work-at-height permit requirements |
| Struck by lifted objects | • Operator's License (SIO)<br>• Inspection and testing of work equipment |
| Exposure to hazardous and toxic substances (hts) and waste | • Training on the handling of hazardous and toxic substances and waste<br>• Placement of Material Safety Data Sheets (MSDS) |
| Electric shock | • Installation of safety labels and warning signs<br>• Certification of electrical safety officers and electrical OHS experts |

BMJ consistently maintains a healthy and safe work environment, as evidenced by the absence of occupational illness cases over the past three years. To sustain this achievement, the Company continuously identifies and evaluates health-related risks, including ergonomic factors and the potential spread of illnesses. Preventive measures are carried out through regular health check-ups, provision and monitoring of personal protective equipment (PPE) usage, installation of safety warnings in high-risk work areas, and ongoing education on chemical hazards, exposure to physical agents, and occupational illness prevention. This approach forms an integral part of the Company's OHS management system in supporting responsible and sustainable operations. [GRI 403-10]

# Product Stewardship

As an industrial player with large-scale production capacity serving widespread public consumption, BMJ holds a responsibility to ensure that its products are safe for public health and safety. This commitment is realized through strict compliance with industry-specific regulations and the regular implementation of risk assessments on both production processes and final products. These measures are part of the Company's ongoing efforts to uphold quality standards, strengthen consumer trust, and maintain customer loyalty as key foundations for supporting long-term business sustainability. [GRI 3-3]

## Product Safety and Innovation

To support its vision of becoming a leading partner in the paper industry, BMJ is committed to maintaining product quality in accordance with both national and international standards. The Company ensures that all production processes are carried out with strict adherence to regulations related to product health and safety. In this regard, BMJ complies with the following standards: [GRI 3-3]

1. ISO 9001 – Quality Management System
2. Indonesian National Standard (SNI) 3755:2019 – Cigarette Paper Specification
3. SVLK and PEFC – Chain of Custody Certification for Forest-Based Products
4. Halal Product Assurance System – Specifically applied in the offset production area

In addition to ensuring compliance with product quality standards and regulations, the Company also enforces strict chemical control measures throughout the product life cycle to minimize potential risks to human health and the environment. The handling of chemical and hazardous waste is carried out in coordination with OHS personnel and waste management officers, supported by the implementation of safe work procedures in all operational areas. The management of hazardous and toxic materials (B3) is governed by the Materials, Chemicals & Waste Policy and the Hazardous Materials Control Procedure along with the Material Safety Data Sheets (MSDS), which provide technical guidelines for the safe handling, storage, and disposal of chemical waste in compliance with applicable regulations. The following section outlines the Company's approach to product safety and impact management.

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

The MSDS contains information on specific materials categorized as hazardous and toxic substances. 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 properly labeled and stored in appropriate containers.

### Hazardous waste disposal

To prevent safety risks to employees and the surrounding environment, hazardous waste is collected and handed over to licensed third parties and transported to authorized facilities. This process ensures that hazardous waste is properly managed in accordance with applicable regulations.

### Stockpiling and storage of hazardous waste

In this process, the team is required to comply with several specified guidelines, including:

1. Using personal protective equipment;
2. Storing hazardous waste within or near the laboratory where it is generated;
3. Collecting only similar types of waste in the same container;
4. Ensuring all chemical/hazardous waste is placed in tightly sealed, leak-proof containers that remain closed except when adding waste; and
5. Avoiding storage of containers in areas where a spill could result in environmental contamination.

### Chemical waste disposal

The Company ensures that the disposal of chemical and hazardous waste is carried out promptly and with utmost care, in accordance with applicable regulations and internal policies, both technical and administrative. This process is designed to prevent any negative impact on the environment and public health.

**Storage and inventory of chemical and hazardous materials**
An up-to-date written inventory of hazardous chemicals must be maintained at each location where such materials are stored or used. Additionally, arrangements for the disposal of outdated, expired, or soon-to-expire chemicals must be made during the inventory process.

BMJ implements a Product Knowledge Education Program and Product Handling Training to enhance employees' understanding of all stages of product management, starting from identifying product characteristics and receiving and storing raw materials to distributing products to customers. The procedure is formalized in the General Product Handling Guidelines, which serve as the Company's operational reference. As part of the training, employees are also provided with an understanding of the CoC–PEFC Policy, which reinforces the Company's commitment to using raw materials sourced from legal and sustainable forests.

To ensure consistent product quality and safety, BMJ regularly reviews Supplier Corrective Action Reports (SCAR) related to product handling processes. This evaluation aims to identify root causes and establish effective corrective actions. The analysis is conducted thoroughly, taking into account human factors, equipment, materials, work methods, environmental conditions, and occupational health and safety (OHS) aspects. All these components are also integrated into employee training, including product handling procedures and understanding of MSDS/SDS documentation.

All products have been assessed as safe for health and safety, as they are made from non-hazardous (non-B3), food-grade materials and comply with applicable standards. The Company ensures that both products and packaging meet national and international standards and pose no risk to end users. During the reporting period, no incidents of non-compliance were identified concerning the health and safety impacts of the products or services provided. [GRI 416-1, 416-2]

## Product Innovation

BMJ develops product innovations in response to energy transition trends, particularly through technology research aimed at reducing water and energy consumption in the production process. One key focus is the development of paper manufacturing technologies that use water more efficiently, supporting improved energy performance and operational sustainability.

**1 Fire-resistant paper**

Fire-resistant paper is specifically used in the production of next-generation non-conventional cigarettes. This material is selected for its ability to withstand combustion up to a certain temperature, enabling it to meet the specific requirements of modern industry.

**2 Colored cigarette paper**

This type of cigarette paper has been modified with the addition of color pigments to meet market demand for cigarette products with a more visually appealing appearance (aesthetic appeal).

**3 Unbleached fiber cigarette paper**

This product is designed to reduce negative impacts on the environment and human health, while also meeting the needs of cigarette manufacturers that market eco-friendly cigarette products.

**4 Anti-stain paper**

This type of paper is resistant to absorbing oily substances or other materials that are typically easily absorbed by conventional paper. It is well-suited for use as packaging for products containing oil or fat.

## Marketing and Labeling

Marketing and labeling are essential aspects of promoting products and services. BMJ recognizes that effective marketing strategies are crucial for reaching target customers and accurately conveying the product's value proposition. Guided by the principle of "socially responsible marketing," BMJ not only aims to meet customer expectations but also strives to create a positive impact on communities surrounding its operational areas. Various channels are used to support the marketing of packaging products, including print media, television, radio, posters, banners, brochures, public service advertisements, and direct promotion through sales personnel. [GRI 3-3]

To support customer satisfaction and safety, BMJ ensures that product labeling is accurate and informative. Labeling policies are implemented to guarantee product conformity with order specifications while minimizing potential risks during delivery. Information regarding the origin and composition of materials is included in the work contract, while aspects related to occupational health, safety, and the environment (HSE) are communicated through the MSDS documentation. BMJ complies with product labeling policies for forestry products in accordance with PEFC CoC standards and the SVLK logo, while labeling for cigarette paper products follows the applicable SNI regulations. Specifically for halal products in the offset area, the Company has implemented the Halal Product Assurance System (SJPH). [GRI 417-1]

As part of the traceability process, each product is equipped with an identification label for tracking production data. Special labeling requests from customers are reviewed in advance to ensure compliance with applicable regulations, including copyright requirements. In some cases, customers also request the inclusion of additional barcodes to enable scanning with their systems. To ensure responsible marketing, particularly to new customers, BMJ implements Know Your Customer (KYC) procedures, refinitive screening, and verification through the Office of Foreign Assets Control (OFAC) to ensure that products are not distributed to sanctioned parties or illegal markets.

In all promotional activities, BMJ upholds the principles of honesty, transparency, and responsibility, while avoiding misleading or discriminatory claims. The Company maintains a strong commitment to complying with marketing regulations, which has been consistently implemented, resulting in zero incidents of non-compliance related to product information disclosure or marketing communications during the reporting year. [GRI 417-2, 417-3]

## Strengthening Customer Relations

BMJ's commitment to customer satisfaction and protection is reflected in a comprehensive policy outlined in the BMJ Business Conduct. This policy covers all aspects of customer interaction, including product quality, contractual terms, delivery and returns, as well as the protection of privacy and personal data. All provisions are designed to comply with applicable regulations and are regularly reviewed to remain relevant in line with technological advancements and evolving market needs. [GRI 3-3]

BMJ enforces a strict privacy policy to ensure that customer information is managed securely and confidentially. Customer data is not shared with third parties unless with customer consent or as required by law. Throughout 2024, the Company received no reports of violations related to this policy. This achievement reflects BMJ's consistent commitment to maintaining customer trust. [GRI 418-1]

The Company also continues to strengthen its data security systems by adopting the latest information protection technologies. The storage infrastructure in use is designed to minimize the risk of data breaches and misuse. System monitoring is conducted regularly to ensure security is consistently maintained. Throughout the reporting year, there were no data security incidents involving customers. [GRI 418-1, 418-2]

On the other hand, BMJ has a responsive and structured customer complaint handling procedure in place to maintain service quality and customer loyalty. This mechanism enables swift and transparent issue resolution. The process is governed by the Customer Complaint and Replacement Procedure, which outlines the following systematic stages for managing complaints: [GRI 3-3]

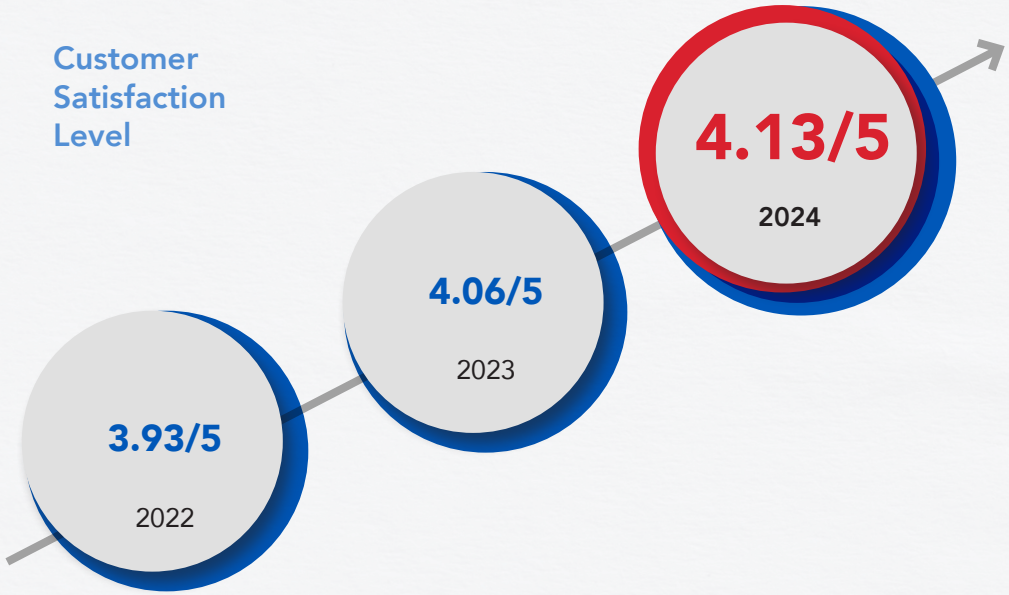
## Customer Complaint and Replacement Procedure

1. Customers submit their complaints to the BMJ Commercial Team by providing product samples and the necessary supporting documents.
2. A representative from the Commercial Team will receive the customer complaint. The team will then prepare a complaint form and conduct a review to validate the complaint.
3. Once the validity of the complaint is confirmed, the necessary documentation and corrective data will be completed, including the required product samples and the issuance of SCAR.
4. The Commercial Team will coordinate the corrective actions and follow-up process until resolution is achieved.

In addition to data protection, BMJ places customer satisfaction as one of its top priorities in stakeholder relationship management. To ensure that its products meet customer expectations and market needs, the Company consistently conducts a series of routine evaluation programs, including monthly performance reviews (insight and dashboard), post-event performance evaluations, and semi-annual market reviews along with feedback received.

To gain more comprehensive feedback, BMJ also regularly conducts customer satisfaction surveys. The survey results serve as a basis for improving product and service quality. In 2024, customer satisfaction levels showed a positive trend compared to the previous two years. This improvement reflects the success of the Company's various initiatives in addressing customer needs and expectations.

### Customer Satisfaction Level



# Community Empowerment and Development

BMJ is strongly committed to improving the quality of life of communities surrounding its operational areas, recognizing that local communities are among the most affected and play a vital role in the sustainability of its business activities. Constructive relationships with the community are fostered through continuous communication and the implementation of corporate social responsibility (CSR) programs aligned with the SDGs. The management of this relationship is part of the responsibility of the Corporate Affairs Division, which plays a key role in maintaining positive interactions between the Company and the community through various initiatives that deliver added value to both parties. [GRI 3-3]

As a concrete manifestation of this commitment, in 2024 BMJ issued a Social Responsibility Statement as a corporate policy to guide the integrated implementation of its social responsibility initiatives. This policy encompasses the promotion of ethical business practices, the protection of employee health and safety, and care for the environment and surrounding communities. To strengthen its implementation, the Company also conducted a gap assessment against ISO 26000 standards, serving as a global reference for CSR practices.

Through its CSR programs, BMJ reaffirms its active role in supporting social development and environmental conservation around its operational areas. These initiatives not only deliver direct benefits through the development of supporting infrastructure but also strengthen harmonious social relations between the Company and the community. BMJ has established priority zones for the implementation of its CSR programs, which include: [GRI 3-3]

CSR Priority Zone

**Ring 1**

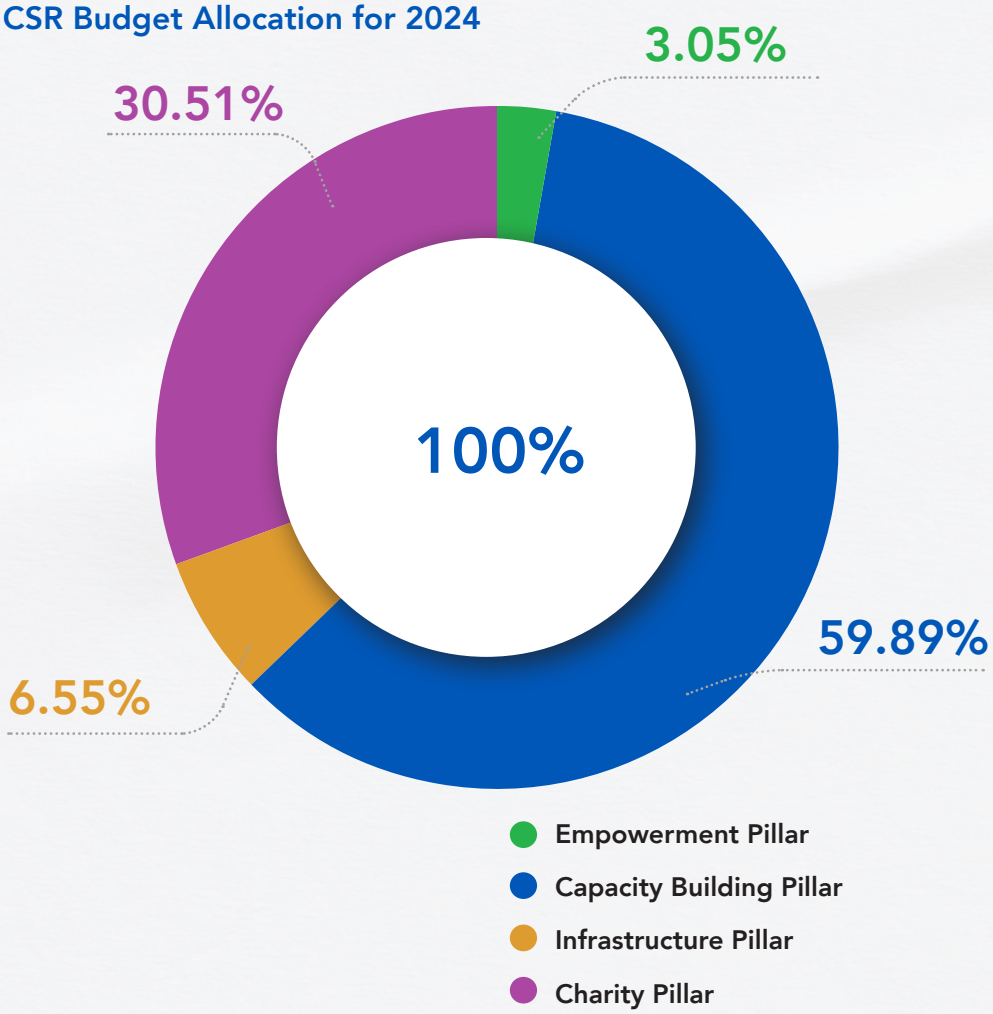
Purwadana Village

**Ring 2**

- Telukjambe Barat District
- Telukjambe Timur District
- Cikampek District
- Karawang Barat District
- Karawang Timur District
- Telagasari District
- Pangkalan District
- Rawamerta District
- Rengasdengklok District

Throughout 2024, BMJ conducted 16 CSR activities as part of its ten flagship CSR programs, with a total funding allocation that increased by 25.84% compared to 2023.

## CSR Budget Allocation for 2024




BMJ is committed to actively contributing to social development through well-planned, sustainable, and community needs–based CSR initiatives. Guided by a spirit of care, each program is designed not only to address social challenges but also to enhance community well-being, create new economic opportunities, and deliver tangible benefits through the development of supporting infrastructure that facilitates daily activities in areas surrounding the Company's operations.

To ensure the effectiveness of its programs, BMJ has conducted social mapping in villages surrounding its operational areas. This initiative aims to identify local potential, gain in-depth understanding of community social conditions, and provide a strong data foundation for formulating targeted and sustainable community development strategies. The results of this mapping serve as the basis for BMJ's CSR work plan through 2028, including the flagship 2024 program: the provision of clean water facilities in Purwadana Village. This initiative was analyzed using the Social Return on Investment (SROI) method, yielding a ratio of 1:7.94. [GRI 203-1, 413-1]

The Company also carries out other social initiatives, such as donations and grant funding, as part of its contribution to basic infrastructure development and the strengthening of local community institutions. These activities further affirm BMJ's commitment to creating sustainable social impact and fostering harmonious relationships with surrounding communities.

## BMJ CSR Programs

### Empowerment Pillar

- Joint reforestation activity in the green open space of Bugel Hamlet (Resinda Area).
- Training to enhance knowledge and skills in waste sorting and processing to support productivity in the reforestation sector

### Capacity Building Pillar

- HIV/AIDS prevention training and distribution of 815 supplementary nutrition packages (PMT) for toddlers.
- Komunitas Para Juara Employee Sports Club

### Infrastructure Pillar

- Support for raw water infrastructure development in Gempol Hamlet, Purwadana.
- Assistance for the construction of worship facilities in Jenebin Hamlet, including the building of restrooms and ablution areas.
- Provision of public facilities, including tables and umbrellas, in the sports area of RESINDA RW 9 and RW 10.
- Second-phase construction support for sports facilities in Purwadana Village (building size: 24m x 25m).

### Charity Pillar

- Dengue fever (DBD) fogging to prevent disease transmission in Purwadana Village.
- 2024 employee blood donation activity at PT BMJ.
- School scholarships for orphans.
- Operational support for mosques and prayer rooms, along with donations for the poor and elderly.
- Contributions to partners/institutions/NGOs/Red Cross/floral arrangements.
- Donations for village activities.
- Grants and contributions for village development.
- Holiday allowance (THR) donations for government institutions and community organizations.
- Aid for the underprivileged and elderly

## Empowerment Pillar

BMJ reinforces its commitment to environmental conservation through the Community Capacity Building Program on Waste Sorting and Processing, implemented in Purwadana Village, Karawang. This initiative is part of the Climate Village program in Purwadana, one of BMJ's empowerment CSR pillars aimed at fostering environmentally conscious communities that actively contribute to climate change mitigation. The program primarily targets members of the Cerdas Membahana Waste Bank group, family welfare empowerment cadres, and the residents of Purwadana Village.

The training activities covered waste sorting education, kitchen waste processing, as well as maggot cultivation and composting, as part of a circular economy-based organic waste management initiative. The program was further supported by the distribution of 76 operational tools, including waste bank equipment, maggot farming kits, and composting facilities. This initiative not only promotes the development of a sustainable integrated waste management system but also strengthens local institutional capacity and creates new environmentally based economic opportunities.

As part of the 2024 COMDEV CSR Program, BMJ also collaborated with the Environmental and Sanitation Agency (DLHK) of Karawang Regency to organize training on organic waste processing using the biodecomposer method. This initiative aimed to build the capacity of park maintenance staff and managers of public green spaces, such as those at Kahati Green Open Space (RTH) and DLHK Karawang park supervisors, to support sustainable organic waste management in public areas. Through active community involvement, the program is expected to strengthen collective awareness toward more sustainable environmental management.

In addition, BMJ implemented a greening program in Bugel Hamlet (Resinda Area) by planting productive and shade trees in areas experiencing environmental stress. This initiative is part of the Company's conservation efforts aimed at revitalizing vegetation, improving air quality, and stabilizing the surrounding ecosystem. By involving the community in both planting and maintenance activities, the program not only supports environmental restoration but also strengthens public participation and awareness in preserving nature.

## Capacity Building Pillar

Throughout 2024, BMJ demonstrated a strong commitment to improving public health through various CSR activities under the Capacity Building pillar, focusing on vulnerable groups. One of the key efforts was the distribution of 815 supplementary nutrition packages (PMT) to health cadres and toddlers in Purwadana Village. This program aims to support early childhood nutritional needs while contributing to the national agenda on stunting prevention.

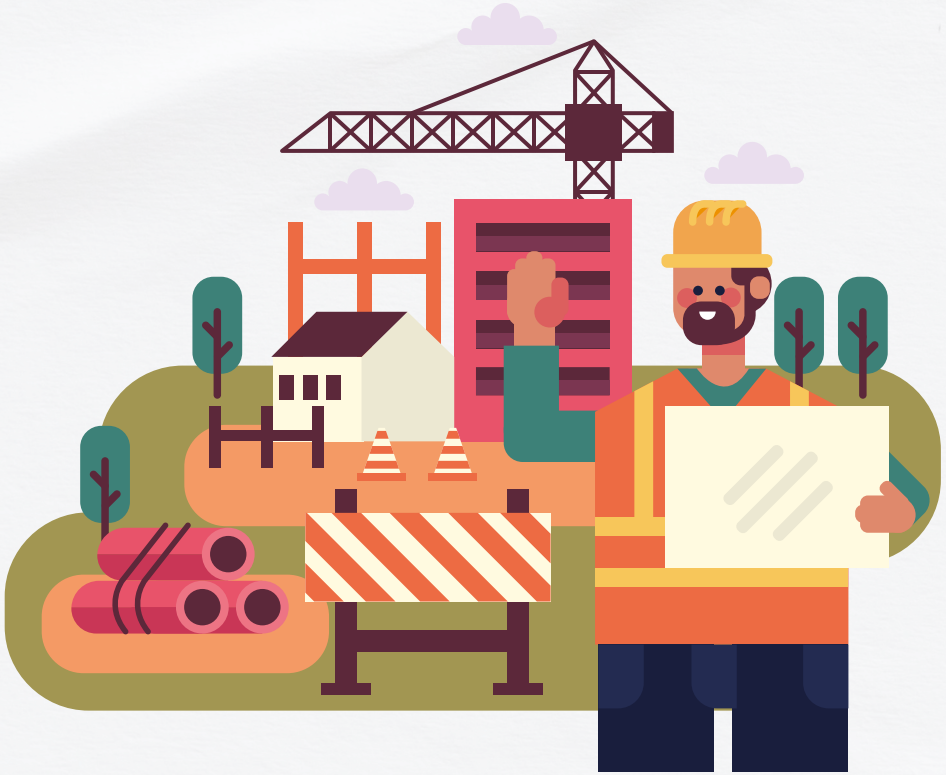
In addition to nutrition support, BMJ also organized training sessions to raise awareness and understanding of HIV/AIDS prevention and response. These activities were designed to foster comprehensive knowledge of transmission risks, preventive measures, and the importance of fostering openness and inclusivity toward people living with HIV.

As part of its efforts to strengthen individual and community capacity, BMJ also developed the Komunitas Para Juara Employee Sports Club program. This initiative not only promotes an active and healthy lifestyle among employees but also serves as a platform for building connections with surrounding communities through inclusive sports activities involving various stakeholders. The program contributes to strengthening social ties and fostering a healthier and more inclusive environment.

## Infrastructure Pillar

Through its Infrastructure pillar, BMJ is committed to strengthening public facilities that improve the quality of life for communities around its operational areas. This commitment is realized through the Komunitas Para Juara Program, which in 2023–2024 focused on the second phase of constructing a 24 m × 25 m multipurpose sports field in Purwadana Village. The construction was carried out in stages using a collaborative approach that encouraged active community involvement at every step. In addition, BMJ provided public facilities such as tables and umbrellas in the Resinda sports area to enhance comfort and improve access to quality open spaces.

In 2024, BMJ also developed clean water infrastructure in Gempol Hamlet, Purwadana Village, by building a water reservoir and pump well. The facility directly benefits around 70 households by helping to address limited access to clean water. In line with these efforts, BMJ constructed restrooms and ablution facilities at a place of worship in Jenebin Hamlet, also in Purwadana Village, to improve comfort for congregants during religious activities. These initiatives reflect BMJ's commitment to creating inclusive and sustainable social value for surrounding communities.



## Charity Pillar

BMJ implements a range of CSR programs in health, education, and social welfare as part of its commitment to the Charity pillar, which focuses on directly addressing basic community needs. In the health sector, BMJ carried out fogging activities in Purwadana Village to prevent the spread of dengue fever (DBD). This initiative aimed to reduce the risk of disease transmission, particularly in densely populated areas and locations prone to the breeding of Aedes aegypti mosquitoes. In addition, BMJ consistently organizes an annual blood donation program in collaboration with the Indonesian Red Cross (PMI) of Karawang Regency. This program involves the active participation of employees as a form of solidarity and contribution to the community's blood supply needs.

In the education sector, BMJ provides scholarships to orphans living in the Company's operational areas. In 2024, a total of 175 students benefited from this program. The assistance not only helps expand access to quality education but also serves as part of the Company's social investment in building a resilient and competitive younger generation.

BMJ also actively supports village development initiatives by contributing grants, development fees, and logistical assistance. All programs are carried out using a participatory approach that involves local stakeholders, fostering a supportive and harmonious relationship between the Company and the community. These initiatives reflect BMJ's role as a consistent, adaptive, and responsible partner in social development.

## Impact and Evaluation of CSR Programs [GRI 203-2, 413-1]

Improving the effectiveness of CSR programs is closely linked to a thorough and systematic evaluation process. BMJ views monitoring and evaluation as a strategic step to assess the relevance and achievements of each activity. Through this approach, the Company gains comprehensive insights into the changes that occur before and after program implementation. Evaluation also serves to review the alignment of programs with the established work plan and to identify potential areas for improvement in the future.

To comprehensively assess program effectiveness, BMJ has adopted the Social Return on Investment (SROI) method to measure the scale of social impact generated. The calculation is conducted independently by the General Services Department, which has received technical training from an independent consultant. Through this approach, the Company can evaluate the extent to which stakeholders benefit from the programs and compare the social value created against the investment made. This model strengthens strategic decision-making to ensure that every CSR program delivers tangible value for both the community and the Company.

Measurement results using the SROI method indicate that BMJ's CSR programs provide significant value to the community. One example is the domestic raw water facility program in Purwadana Village, which recorded an SROI ratio of 1:7.94 in 2024. This means that every Rp1 invested generated a social benefit of Rp7.94 for stakeholders. This achievement reflects the effectiveness of the Company's empowerment strategy and its tangible contribution to supporting community well-being

Going forward, BMJ is committed to developing CSR programs that are more measurable and adaptive by enhancing implementation quality, strengthening data-driven evaluations, and expanding program reach to other potential areas. These efforts aim to ensure that each initiative delivers tangible and sustainable impacts for both the community and the Company.

## Impact of CSR Programs on the Community

### Empowerment Pillar

- Increased community awareness of environmentally friendly waste management.
- Promoted a circular economy through household and community-level recycling activities.
- Reduced the volume of household waste sent to final disposal sites.
- Improved local vegetation conditions and ecosystems.
- Fostered community concern for environmental conservation.

### Capacity Building Pillar

- Strengthened the capacity of health cadres and local volunteers in delivering health education.
- Supported the nutritional needs of toddlers to promote optimal growth and development.
- Increased public understanding of HIV/AIDS transmission risks and the importance of early prevention.
- Encouraged the development of inclusive and empathetic mindsets toward people living with HIV/AIDS.
- Enhancing social interaction and fostering harmonious relationships between employees and the surrounding communities.

### Infrastructure Pillar

- Supported the development of basic infrastructure in communities surrounding the Company.
- Improved access to clean water for daily household needs.
- Facilitated religious activities by providing proper restroom and ablution facilities.
- Provided space for physical activity and sports to support public health.
- Added public facilities that can be shared and used by various community groups.

### Charity Pillar

- Reduced the risk of dengue fever transmission.
- Helped meet local blood supply needs through active employee participation.
- Provided better access to education for orphans.
- Supported religious activities and assisted vulnerable groups such as the elderly and the underprivileged.
- Contributed to village development through grants and community contributions.

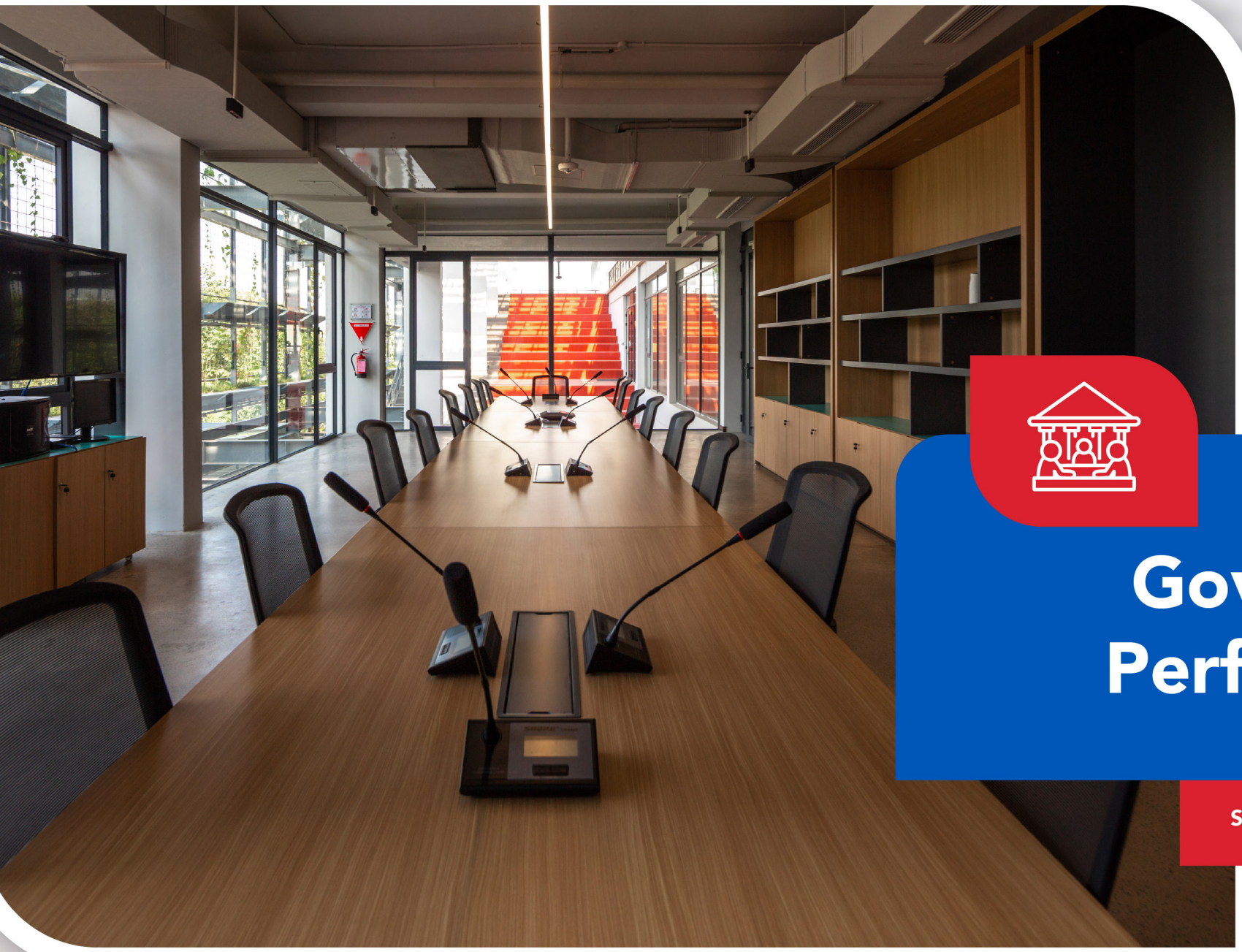
## Community Relationship Management

BMJ upholds transparent communication with all stakeholders, including surrounding communities. The Company provides a grievance channel through the General Services Department for members of the community to report concerns related to operational activities. All incoming complaints are followed up in accordance with established handling guidelines and predetermined priority levels. The General Services Department coordinates with the relevant units to respond to complaints appropriately. The resolution outcomes are reported to the Board of Directors and communicated back to the complainant. [GRI 3-3, 413-1]

Currently, BMJ has not yet implemented a formal evaluation of social and environmental impacts that involves direct participation from local communities, such as through consultative committees, working boards, or occupational health and safety committees. Nevertheless, this aspect has been included in the Company's strategic agenda as a future development opportunity to strengthen community involvement in operational activities that have a direct impact on them.

Nevertheless, BMJ has conducted an initial identification of potential business activity risks to the community. One of the activities under close monitoring is the operation of coal-fired boilers, which carry the potential to generate dust emissions. To address this, BMJ has implemented a range of preventive measures that have proven to be effective. To date, no significant impacts have been identified that disrupt the comfort or cause harm to communities surrounding the operational areas, reflecting the Company's commitment to responsible environmental impact management. Key initiatives undertaken include: [GRI 413-1, 413-2]

- Use of fly ash control systems such as bag house filters and electrostatic precipitators (ESP).
- Operation of boilers by certified operators.
- Utilization of low-sulfur coal (0.75%).



BMJ

Eureka Everyday!

# Governance Performance

Sustainability Report 2024t

As a company that places sustainability at the core of its business strategy, BMJ is firmly committed to establishing a governance system that is ethical, transparent, and accountable. Good corporate governancce is not merely a normative obligation, but a fundamental foundation for ensuring business continuity, creating long-term value, and strengthening the trust of all stakeholders. In its operations, BMJ consistently complies with applicable laws and regulations, maintains a balance between economic, social, and environmental interests, and ensures that the principles of good corporate governance (GCG) are thoroughly implemented across all levels of the organization.

Through the strengthening of its organizational structure, internal policies, and the establishment of a dedicated ESG committee, BMJ demonstrates a clear commitment to sustainable governance practices. All personnel are encouraged to internalize ethical values and compliance as part of their daily work culture. The absence of sanctions or violations during the reporting period reflects the effective implementation of the Company's governance system. BMJ remains committed to continuously enhancing the capacity and competence of decision-makers, ensuring inclusive and accountable processes, and fostering strategic collaboration with stakeholders to address increasingly complex challenges and opportunities in the era of sustainability.

# Integrity and Sustainability in Governance

Compliance with applicable laws and regulations is an essential element of BMJ's operational activities. We regard this principle as the foundation for establishing a responsible and credible working system. All personnel, including partners and stakeholders engaged with BMJ, are encouraged to uphold these compliance values in all business activities. During the reporting period, this commitment to compliance was clearly reflected in the absence of administrative sanctions, fines, or other legal actions from regulatory bodies and relevant authorities. [GRI 2-27]

As a company committed to long-term sustainability, BMJ continues to strengthen its GCG structure and culture. The Company believes that robust governance practices serve as the foundation for building business resilience and creating added value for all stakeholders. Every policy and procedure we implement is designed to maintain a balance between economic, social, and environmental interests, while supporting the achievement of the Sustainable Development Goals (SDGs).

Amid an increasingly complex business landscape, BMJ recognizes that sustainability is not merely a normative commitment, but a continuous process that demands concrete actions, innovation, and objective performance measurement. The Company regularly review and refine our internal policies to ensure that integrity, transparency, and accountability are consistently embedded in all BMJ business processes. This initiative is part of our efforts to build an adaptive, resilient Company capable of addressing future challenges.

As part of building a holistic sustainability strategy, BMJ integrates environmental, social, and governance principles into every strategic decision. BMJ fosters close collaboration with a wide range of stakeholders, including employees, customers, business partners, and local communities. By encouraging their active participation, BMJ aims to build harmonious relationships, strengthen public trust, and generate broad positive impact. The Company believes that sustainability can only be achieved when all elements of the company work synergistically to preserve natural resources and enhance collective well-being.

# Sustainability Policy [GRI 2-23]

BMJ is committed to supporting sustainability through the implementation of key policies that address ethical, environmental, and social aspects. In terms of ethics, the Company applies good governance practices founded on the principles of transparency and high accountability, while upholding integrity in every decision. In the environmental aspect, BMJ focuses on minimizing negative impacts on nature. In addition, the Company plays an active role in community development by supporting social programs that emphasize education, training, and the well-being of surrounding communities. Through these policies, BMJ continues to strive for long-term positive impact that supports sustainable and responsible economic growth.

## ESG Policy

BMJ conducts its operations with the highest standards of business ethics and professionalism, as a reflection of its responsibility to customers, employees, and the environment. The Company has also implemented an ESG program focused on the most significant issues that have a broad impact on society and all stakeholders, both internal and external to the organization. This initiative forms an integral part of BMJ's commitment to promoting sustainable, ethical business practices that deliver long-term benefit.

## Sustainable Procurement Policy

BMJ is committed to fostering ethical and responsible relationships with all stakeholders, including employees, customers, suppliers, and surrounding communities. The Company actively considers the social impact of every activity and applies sustainability principles throughout its entire operational chain, from raw material selection to procurement processes. In establishing business partnerships, BMJ applies strict quality standards by evaluating suppliers based on their experience, competencies, and adherence to environmental, ethical, human rights, and community empowerment principles. Through this approach, BMJ promotes the development of a responsible and sustainable business ecosystem, while fostering long-term synergy with its business partners.

## Environmental Policy

BMJ reaffirms its commitment to being a company that is mindful of and accountable for environmental sustainability. In every business activity, including across the entire supply chain, BMJ consistently strives to maintain ecosystem balance by applying sustainability principles. This commitment reflects the Company's dedication to supporting environmental preservation in a consistent and sustainable manner.

# Principles of Good Corporate Governance

As part of its commitment to long-term sustainability, BMJ applies the principles of GCG as a fundamental foundation in conducting operations and making decisions. The implementation of GCG not only establishes a transparent and accountable structure but also reinforces the importance of ethical values and integrity as integral parts of the corporate culture. BMJ adheres to the following GCG principles:

**Adoption of International Standards**

BMJ continues to demonstrate its commitment to globally recognized operational practices by adopting various international standards. One of the strategic initiatives currently underway is enhancing energy efficiency through the implementation of ISO 50001. In addition, BMJ has participated in training and conducted a GAP Assessment for ISO 26000 as a reference to strengthen its corporate social responsibility practices.

## 1 Transparency

Information is managed transparently to ensure that all stakeholders receive relevant, material, and useful information in a timely and accurate manner.

## 2 Accountability

Clear definition of roles, execution, and responsibilities is implemented to ensure effective corporate governance, aligned with organizational goals and attentive to the interests of shareholders and other stakeholders.

## 3 Responsibility

Business activities are carried out in compliance with applicable laws and regulations, based on good corporate governance principles while safeguarding public interests.

## 4 Independency

Business activities are conducted independently and professionally, avoiding conflicts of interest and undue influence from any party in violation of prevailing laws and regulations.

## 5 Fairness

Business practices uphold principles of equality and fairness, respecting the rights of all shareholders and other stakeholders.

# Governance Structure [GRI 2-9]

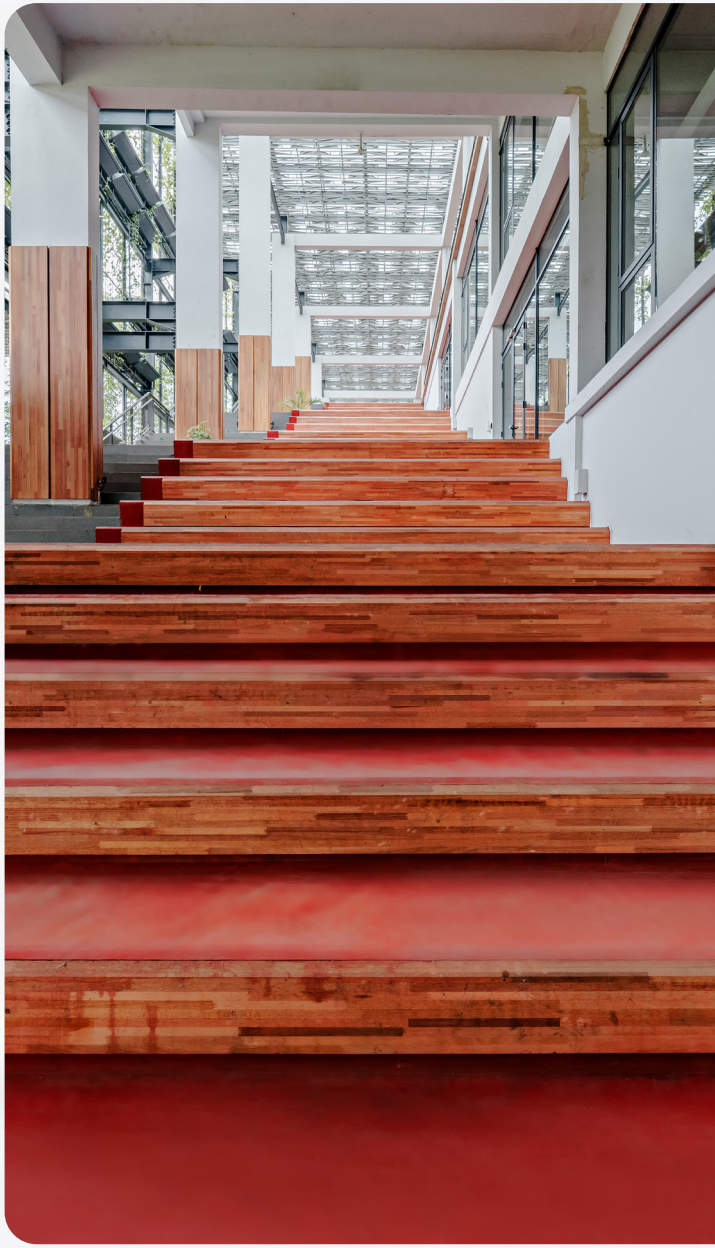
BMJ is committed to applying the principles of GCG across all aspects of its operations. The Company's governance structure is designed to optimize performance, contribution, and corporate value, with the aim of ensuring long-term sustainability in line with stakeholder expectations. This structure serves as the foundation for achieving the Company's vision of growing in a responsible, transparent, and sustainable manner.

BMJ's governance framework is established in accordance with the provisions of Law No. 40 of 2007 concerning Limited Liability Companies, which provides guidance for companies in implementing good corporate governance practices. The Company's governance organization comprises individuals with diverse backgrounds in terms of gender, race, age, education, expertise, and experience. This diversity reflects BMJ's strength in managing differences, which in turn enriches the decision-making process and enhances the quality of the Company's strategies. [GRI 2-9]

In addition, BMJ includes representatives from local communities within its governance structure. This reflects the Company's commitment to inclusion and community participation in every decision-making process. Through community involvement, BMJ ensures that the interests of all stakeholders, both internal and external are appropriately represented. This approach fosters more harmonious relationships between the Company and surrounding communities, while strengthening the foundation for a sustainable and competitive business environment.

At the top of the Company's governance structure, the President Director holds a central role as the highest governing authority. The President Director is responsible for strategic decision-making and overseeing the economic, social, and environmental impacts resulting from the Company's activities. As the highest authority, the President Director also holds the responsibility to review, approve, and ensure that the information and material topics disclosed in the sustainability report accurately reflect the Company's overall performance and comply with applicable principles of transparency. In this context, the President Director plays an active role in advancing sustainable and responsible governance. [GRI 209, 2-11, 2-14]

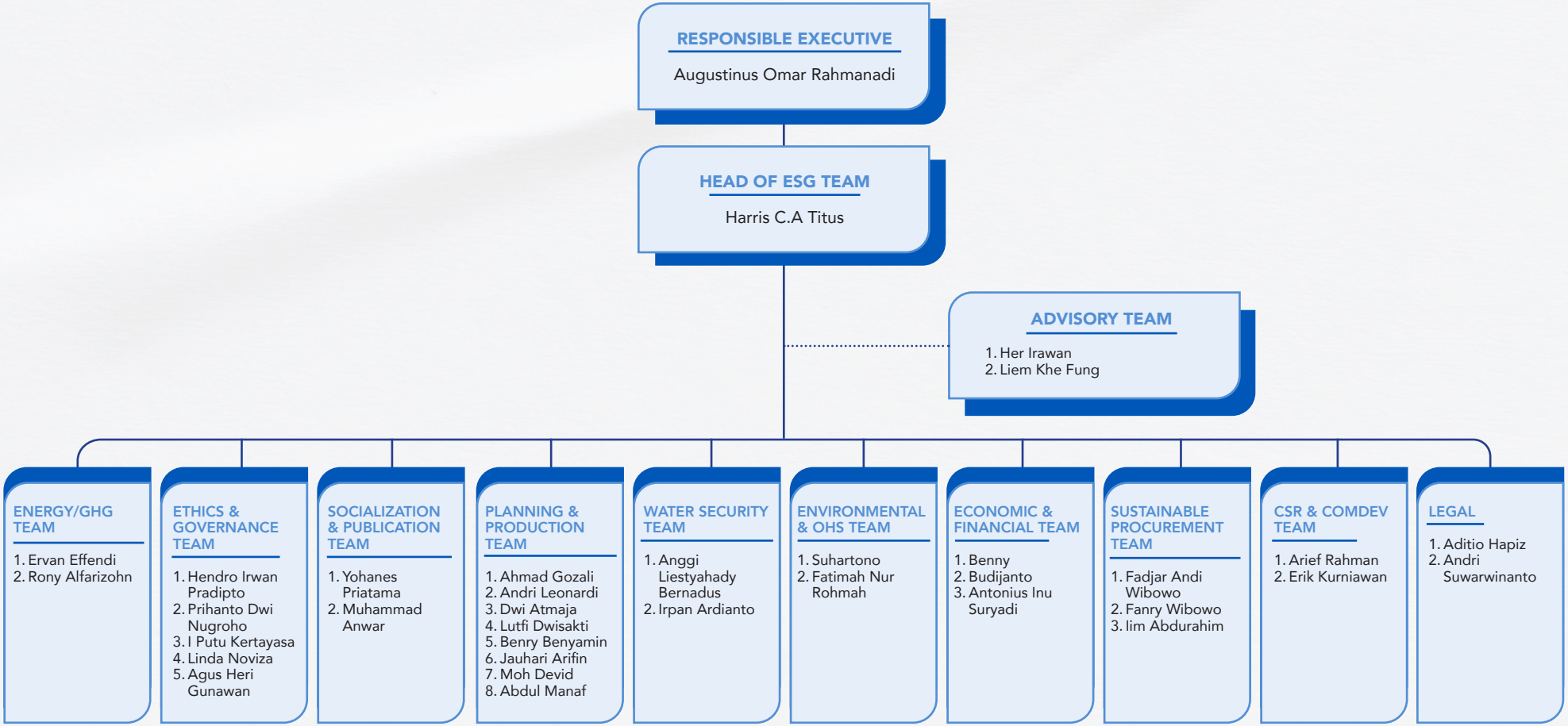
Through the implementation of an inclusive and diverse governance structure, along with the active role of the President Director in oversight and decision-making, BMJ is committed not only to achieving business success but also to ensuring a positive impact on the environment and the communities it serves. The Company believes that sustainability is not solely about financial gain, but about creating long-term value for all stakeholders involved.



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

To realize its commitment to sustainability, BMJ established the Environmental, Social, and Governance (ESG) Committee in 2022. This Committee plays a strategic role in identifying ESG-related risks and opportunities, formulating policies that support sustainability, and ensuring the Company's compliance with applicable ESG standards. The ESG Committee is responsible for formulating sustainable strategies that integrate economic, social, and environmental aspects into the Company's operational activities.

The following is the composition of the ESG Committee in 2024:



# Highest Governance Body

## Composition of the Highest Governance Body

The highest governance body plays a vital role in ensuring the achievement of sustainability goals and sound management across economic, environmental, social, and governance aspects. The composition of BMJ's highest governance body consists of individuals with extensive experience and expertise in various fields, who play a key role in the Company's strategic decision-making.

| Name | Gender | Age | Position |
|---|---|---|---|
| Augustinus Omar Rahmanadi | Male | 44 years old | President Director |
| Harris C.A Titus* | Male | 74 years old | Commercial Director |
| Agustian Tjahjadi | Male | 53 years old | Commercial Director |
| Her Irawan | Male | 56 years old | Manufacturing Director |
| Liem Khe Fung | Male | 62 years old | Technology and Innovation Director |

*) Term of office ends on September 1, 2024

## Nomination and Remuneration of the Highest Governance Body

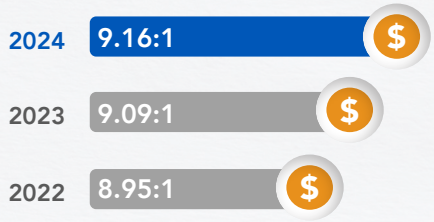
BMJ ensures that the selection and appointment of members of the highest governance body are carried out with due diligence and based on established criteria. Each candidate must meet specific requirements, including relevant experience, tenure, and functional responsibilities or positions. This process aims to ensure that members of the governance body possess the capability to perform their oversight roles with a high degree of independence and can contribute optimally to corporate management, particularly in sustainability and the implementation of ESG aspects. [GRI 2-10]

To encourage optimal performance and motivation, BMJ links the remuneration policy for the Board of Directors to the achievement of key performance indicators (KPIs) that encompass economic, social, and environmental aspects. This policy aims to ensure that strategic decisions are aligned with the Company's sustainability objectives. The remuneration policy is established without the involvement of external consultants and refers to Government Regulation No. 36 of 2021 on Wages. Therefore, BMJ ensures that the remuneration received by the Board of Directors is aligned with sustainability achievements and applicable regulations. [GRI 2-19, 2-20]

As part of its commitment to fostering a fair working environment, BMJ strives to maintain equity in its remuneration system among employees. The Company ensures that there are no significant compensation gaps between executives and other employees, while implementing a competitive and balanced remuneration structure. This remuneration policy is regularly reviewed to ensure its relevance to industry developments and the Company's strategic direction. Through this approach, BMJ aims to maintain high levels of employee loyalty and motivation, ultimately supporting the sustainable achievement of corporate goals.

The following is information regarding the annual total compensation ratio received by executives and employees at BMJ: [GRI 2-21]

**Highest and lowest employee salaries ratio**




| Description | Ratio (%) |
|---|---|
| Percentage ratio of annual compensation increase | 14% |

## Continuous Skill Enhancement [GRI 2-17, 2-18]

BMJ has taken strategic steps to strengthen its sustainability governance bodies by enhancing their competencies in managing ESG aspects. This effort includes organizing training programs, workshops, and benchmarking activities focused on ESG issues, as well as conducting knowledge gap assessments, specialized seminars or training, establishing an ESG Committee, preparing regular reports, and integrating ESG topics as a standing agenda item in all meetings. These initiatives aim to broaden the perspectives and deepen the understanding of decision-makers regarding sustainability challenges and opportunities, while promoting the adoption of best practices in corporate management.

In addition, BMJ regularly evaluates the performance of the Board of Directors in overseeing the Company's impact on ESG aspects, using established KPIs. The results of these evaluations are reviewed and followed up by the relevant parties to ensure the effectiveness of corrective actions. Through this initiative, BMJ reinforces its commitment to creating balanced long-term value and delivering positive contributions to all stakeholders. In 2024, members of the Board of Directors participated in a "Sustainability Culture" training held in Kudus on November 29, 2024. This activity was part of ESG-related competency development for governance enhancement.

# Ethics, Culture and Sustainable Corporate Behavior

## Etika Bisnis [GRI 2-23, 2-24]

In every action and decision, BMJ consistently upholds strong moral principles and core corporate values. The implemented code of business ethics is designed to ensure that all Company activities are carried out with the highest level of integrity and in strict compliance with ethical standards. Guided by these principles, BMJ focuses not only on achieving financial goals but also on ensuring that every step taken aligns with the long-term interests of all stakeholders. The business ethics guidelines cover several key aspects that serve as the foundation for every corporate decision and action, including:

- **Social and ethical conduct;**
- **Health, safety, and well-being;**
- **Environment;**
- **Personal and business integrity;**
- **Company assets; and**
- **National and international trade.**

The application of these ethical values is essential in fostering a positive, responsible, and integrity-driven corporate culture. BMJ ensures that all employees and business partners understand and adhere to this code of ethics through well-structured training and awareness programs. To uphold compliance with established ethical standards, BMJ also provides a secure reporting channel that allows employees to report violations without fear of retaliation. These efforts aim to foster a fair, transparent work environment that supports a healthy and sustainable organizational culture.

## Corporate Culture [GRI 2-23, 2-24]

BMJ fosters a strong and holistic corporate culture as part of its efforts to build an organization rooted in integrity and sustainability. This culture is shaped by core values shared across all members of the organization and is reflected in daily behaviors and practices in the workplace. By adopting these values as shared guiding principles, BMJ establishes a consistent behavioral foundation that supports decision-making, collaboration, and the achievement of shared objectives.

The function of corporate culture is not limited to internal identity, it also serves as an ethical and behavioral guide in conducting all business activities. These values strengthen the spirit of unity, foster a positive and open organizational climate, and promote the creation of a work environment that supports growth and innovation. A well-internalized culture helps build loyalty, a sense of belonging, and commitment to each individual's role.

BMJ ensures that the behavior of every individual within the company consistently aligns with the established core values. This provides clear guidance for all employees to act professionally and responsibly, while also reinforcing the implementation of transparent, ethical, and accountable corporate governance. A strong corporate culture also serves as a vital social asset in navigating change and the evolving dynamics of the business environment.

As part of its commitment to corporate culture, BMJ upholds a set of core values that serve as guiding principles in every aspect of its operations. These values include:

As part of its strong commitment to business ethics, BMJ also prioritizes human resource development that aligns with the Company's core values. The Company places strong emphasis on enhancing employee quality through various training programs that prioritize business ethics and foster a deep understanding of the prevailing corporate culture and code of conduct. To maintain alignment between the Company's vision, mission, and operations, BMJ ensures that every individual understands and adheres to the established core values, thereby laying a strong foundation for responsible decision-making. The orientation program provided to new employees not only introduces them to the Company's profile and culture but also familiarizes them with the rules and ethical standards to be upheld in daily activities.

Through this approach, BMJ emphasizes that every employee plays a vital role in the Company's success. By signing the ethics commitment form, each individual pledges to uphold responsible business practices, enhance integrity, and contribute to optimal performance. This commitment to business ethics ensures that BMJ is not only focused on short-term achievements but also on building long-term relationships founded on trust, social responsibility, and sustainability. In doing so, BMJ strives to create a work environment that is not only productive but also ethical and aligned with broader social values.

**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.

**Learn & Share**
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.

# Risk Control Management

BMJ regards risk management as a key element in maintaining responsible and sustainable business continuity. The Company recognizes that every operational activity carries potential risks that may affect the achievement of strategic objectives. Therefore, BMJ actively identifies, evaluates, and manages various types of risks by applying the principle of prudence across all business processes. Aligned with its commitment to sustainability, the Company also integrates environmentally oriented strategies to minimize the ecological impact of its operations. This holistic approach aims to maintain a balance between business growth and environmental protection.

The role of the Board of Directors as the highest governance body is crucial in ensuring the effectiveness of risk management. They are responsible for formulating strategic policy direction, ensuring the availability of adequate resources, and guiding the continuous evaluation and improvement of the implemented system. Duties and responsibilities are systematically delegated through the establishment of targets and KPIs in each work unit, which are then monitored and reported periodically to ensure consistent achievement. [GRI 2-12, 2-13]

In its implementation, BMJ's risk management prioritizes open communication and cross-unit collaboration. Comprehensive communication, participation, and consultation processes are carried out to ensure that critical risk-related information is effectively conveyed and acted upon in a timely manner. Activities such as awareness campaigns, kaizen forums, Occupational Health, Safety, and Environment (HSE) meetings, near-miss reporting, and hazard identification are integral components of the Company's integrated risk reporting and control system. [GRI 2-16]

BMJ also conducts regular reviews of existing and potential risks arising from changes in external conditions, including market dynamics, regulatory developments, and environmental factors. The results of these reviews are used to formulate adaptive and relevant mitigation strategies, enabling the Company to remain resilient in the face of operational dynamics and other external challenges. This approach demonstrates that BMJ is not only reactive but also proactive in maintaining business stability and continuity.

With strong governance and an integrated risk management approach, BMJ is committed to creating a safe, responsible, and adaptive operational environment. This serves as a critical foundation for enhancing the Company's competitiveness and supporting the achievement of its long-term sustainability vision.

## Conflict Management in Decision Making [GRI 2-15]

The Company recognizes that in the course of managing complex business relationships, potential conflicts of interest may arise among various stakeholders. Therefore, the Company adopts a preventive approach aimed at ensuring that all stakeholderse, specially employees, conduct business activities ethically, with high integrity, and in accordance with the corporate culture, Code of Conduct, and applicable internal regulations.

This approach aims to prevent decisions or actions that may harm the Company as a result of conflicts of interest, whether personal or professional. As part of its preventive strategy, BMJ actively encourages every individual within the organization to uphold business ethics, comply with applicable laws, and refrain from engaging in external activities that may conflict with the Company's interests.

Transparency is a key element in managing this issue. Any indication or potential conflict of interest must be disclosed internally through established mechanisms. The Company then addresses the matter objectively and openly, involving relevant parties to ensure that decisions are made fairly and remain free from undue influence.

Through this policy, BMJ reinforces its commitment to honest, transparent, and professional business practices. Effective management of conflicts of interest not only safeguards operational integrity but also strengthens a culture of accountability, enhances stakeholder trust, and supports the Company's long-term sustainability.

## Grievance and Complaint Resolution Mechanism [GRI 2-25, 2-26]

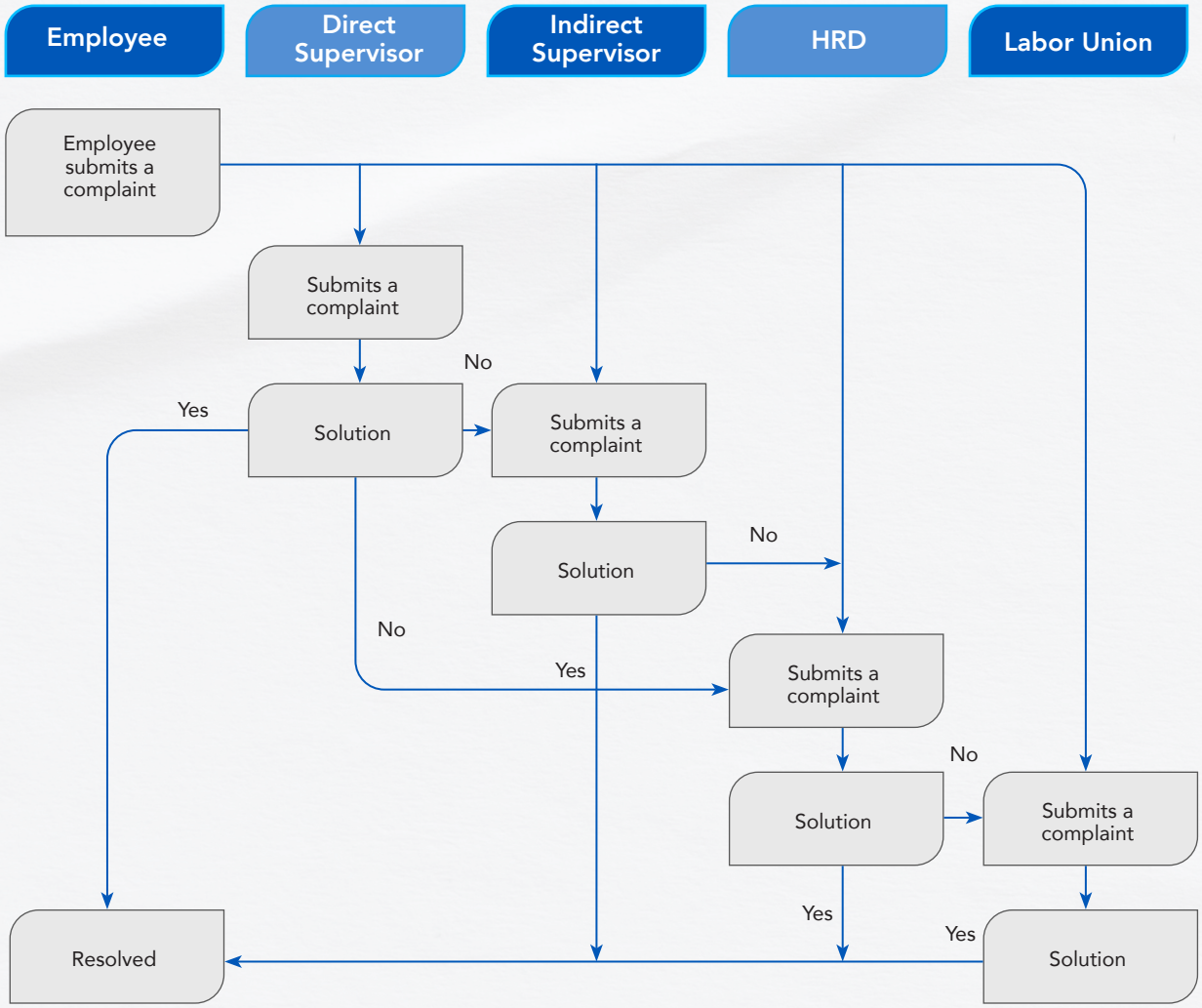
As part of its commitment to good governance principles and social sustainability, BMJ has established a transparent and accountable employee grievance mechanism through the Collective Labor Agreement (CLA) with the BMJ Labor Union. This mechanism is designed to ensure that every employee has the freedom to raise grievances or express dissatisfaction related to violations of company regulations, the CLA, individual employment contracts, or the Company's Code of Conduct.

Issues that can be addressed through this mechanism include equality, employment opportunities, discrimination, and harassment. The Company emphasizes the importance of resolving grievances fairly, promptly, and with dignity, using a deliberative approach to reach mutual consensus.

The grievance handling process is carried out in a structured manner, beginning with the submission and receipt of the complaint, followed by root cause identification, and concluding with recommendations and the search for the best possible solution. If employees feel they have been treated unfairly, they have the right to escalate their grievance through the appropriate chain of command within the company. This approach ensures that every grievance is taken seriously and resolved by upholding the principles of fairness and open dialogue.

BMJ believes that an inclusive and responsive work environment is a fundamental pillar in fostering long-term sustainability and harmonious industrial relations.

### Grievance and Complaint Handling Procedure



# Anti-Corruption Commitment

BMJ is fully committed to upholding the principles of good corporate governance by promoting integrity, transparency, and professionalism across all operational levels. The Company recognizes that corrupt practices can not only damage its reputation but also pose significant threats to long-term business sustainability. Therefore, the Company consistently implements its anti-corruption policy based on the principles outlined in Law No. 20 of 2001 concerning the Eradication of Corruption Crimes. [GRI 3-3]

As part of its strengthened commitment, BMJ has developed and implemented an anti-corruption and anti-bribery policy aimed at preventing all forms of misconduct within its business processes. This policy is not only implemented internally but is also communicated to external parties, including business partners and suppliers. In its implementation, BMJ emphasizes the importance of upholding business ethics and transparency in every interaction. The policy is enforced through various instruments, including evaluation forums and joint communications with labor unions in the formulation and review of the CLA, supplier review processes through the completion of the Vendor Declaration Letter, and the dissemination of business ethics principles outlined in the Company's Code of Conduct. [GRI 3-3]

To strengthen the prevention of corrupt practices, BMJ has conducted a corruption risk assessment as part of its proactive governance management approach This process was carried out through a comprehensive analysis to assess the company's operational vulnerabilities to potential acts of corruption. Through this approach, BMJ gained deeper insights into areas requiring special attention and was able to design targeted preventive measures accordingly. The results of the assessment indicated that no operational areas fell into the medium or high-risk categories. These findings serve as a foundation for the Company to maintain the integrity of its internal control system while ensuring the effectiveness of the mitigation measures already in place. [GRI 205-1]

BMJ has also established an Internal Control Team with expertise in internal audit and risk management. This team plays a strategic role in ensuring compliance with anti-corruption policies and the effectiveness of the internal control system implementation. The team operates under a formal framework approved by the President Director, which includes the management of the whistleblowing system designed to ensure the confidentiality of the reporter's identity and promote a culture of responsible reporting.

In 2024, BMJ conducted Anti-Bribery Management System (ABMS) training based on the ISO 37001:2016 standard for employees and other internal stakeholders. In addition, all employees (100%) have received socialization on company policies, including business ethics and the anti-bribery policy. This initiative aims to enhance awareness and capability in identifying and preventing bribery practices, while also strengthening a culture of integrity in the workplace. [GRI 205-2]

As a result of continuous prevention efforts and strengthened internal controls, no confirmed incidents of corruption were reported across BMJ's operational areas throughout 2024. This achievement reflects the effectiveness of the Company's anti-corruption strategy and underscores BMJ's commitment to fostering an ethical, transparent, and sustainable business ecosystem. [GRI 205-3]

# Independent Assurance Report

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**INDEPENDENT ASSURANCE STATEMENT**

**PT. Bukit Muria Jaya**
**Sustainability Report 2024**
**Statement No: 022/IAS/CBC/VI/2025**
**Type 2, Moderate Level**

**Scope of Engagement in 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 2024 Sustainability Report (the "Report") in relation with accordance 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 2024. **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

| | |
|---|---|
| **Environmental Sustainability Aspects** | |
| Tackling the Impacts of Climate Change | Reducing Waste Accumulation |
| Biodiversity and Greening | Resource Usage |
| **Social Sustainability Aspects** | |
| Occupational Health and Safety | Public Relations |
| Data Privacy and Security | Human Resources and Corporate Culture |
| Human Rights | Business Ethics |
| **Governance Sustainability Aspects** | |
| Anticorruption | Corporate Governance |
| Compliance with Laws and Policies | |
| **Economy Sustainability Aspects** | |
| Economic Performance | |

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**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 **Certified Sustainability Report Assurer (CSRA) or Associate Certified Sustainability Assurance Practitioner (ACSAP) and any other 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.

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**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 2024.
- 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 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.
- 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.

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**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.

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**GRI STANDARDS PRINCIPLES**

The Report has prepared in accordance with GRI Universal Standards, where all disclosure of each subject maters is presented in the Report. The disclosures of management approach for each subject maters in general are 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 2024 provides a fair view of the all the **BMJ** 's programs and performances during 2024. The extent to which the GRI Standards *has been applied in the Report and conclude this report has been prepared in accordance with 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 2024 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 2024, in all material respects, is not prepared in accordance with the applicable criteria.

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**Conclusion & Recommendations**

In 2024, **BMJ** has strengthened its sustainable organizational structure. In this regard, there are a number of recommendations for BMJ management, including:

- Prepare guidelines for the implementation of Focus Group Discussions (FGD) in a structured manner, which includes the formulation of objectives, participant criteria, discussion agendas, and methods for recording discussion results, as part of efforts to update the assessment of material issues carried out annually to remain in line with business developments, regulations, and stakeholder expectations.
- Determine short-term key performance indicators (KPIs) for each sustainability program as a form of the **BMJ**'s response to ESG issues. The determination of these KPIs aims to enable more measurable monitoring, strengthen the evaluation process, and ensure that program implementation has an impact that is in accordance with the **BMJ**'s strategic goals.
- 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.

For and on behalf of:
Jakarta, July 3th, 2025

CBC GLOBAL Indonesia

**Dr. Ari Purwanti, Ak. CA. CSRA CPMA., CRMP., CERA., CIBA**
Engagement Leader

Certified Sustainability Reporting Specialist No. S-SL1-1712-009
Certified Sustainability Reporting Assurer No. A-SL1-1805-012

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| | 306-5 | Waste directed to disposal | 52 | | | |
| | | **Employment** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 60, 68, 71 | | | |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | 71-72 | | | |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 66 | | | |
| | 401-3 | Parental leave | 68 | | | |
| | | **Labor/Management Relations** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 61 | | | |
| GRI 402: Labor/ Management Relations 2016 | 402-1 | Minimum notice periods regarding operational changes | 61 | | | |

| GRI Standard | | Disclosure | Location | Omission | | |
|---|---|---|---|---|---|---|
| | | | | Requirement Omitted | Reason | Explanation |
| **Occupational Health and Safety** | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 73 | | | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 | Occupational health and safety management system | 73 | | | |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | 74 | | | |
| | 403-3 | Occupational health services | 75 | | | |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | 76 | | | |
| | 403-5 | Worker training on occupational health and safety | 77 | | | |
| | 403-6 | Promotion of worker health | 75 | | | |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 74, 77 | | | |
| | 403-8 | Workers covered by an occupational health and safety | 73 | | | |
| | 403-9 | Work-related injuries | 74, 77-78 | | | |
| | 403-10 | Work-related ill health | 74, 79 | | | |
| **Training and Education** | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 69 | | | |

| GRI Standard | | Disclosure | Location | Omission | | |
|---|---|---|---|---|---|---|
| | | | | Requirement Omitted | Reason | Explanation |
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per year per employee | 69-70 | | | |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | 69-70 | | | |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | 70 | | | |
| **Diversity and Equal Opportunity** | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 60, 63 | | | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | 63-65 | | | |
| | 405-2 | Ratio of basic salary and remuneration of women to men | 66 | | | |
| **Non Discrimination** | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 60, 63 | | | |
| GRI 406: Non Discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | 63 | | | |
| **Child Labor** | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 60. 63 | | | |
| GRI 408: Child Labor 2016 | 408-1 | Operations and suppliers at significant risk for incidents of child labor | 62 | | | |
| **Forced or Compulsory Labor** | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 60. 63 | | | |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 62 | | | |

| GRI Standard | | Disclosure | Location | Omission | | |
|---|---|---|---|---|---|---|
| | | | | Requirement Omitted | Reason | Explanation |
| **Human Rights Assessment** | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 62 | | | |
| GRI 412: Human Rights Assessment 2016 | 412-1 | Operations that have been subject to human rights reviews or impact assessments | 62 | | | |
| | 412-2 | Employee training on human rights policies or procedures | 62 | | | |
| | 412-3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | 62 | | | |
| **Local Community** | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 85 | | | |
| GRI 413: Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programs | 86-94 | | | |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | 94 | | | |
| **Customer Health and Safety** | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 80 | | | |
| GRI 416: Customer Health and Safety 2016 | 416-1 | Assessment of the health and safety impacts of product and service categories | 81 | | | |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 81 | | | |
| **Marketing and Labeling** | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 82 | | | |

| GRI Standard | | Disclosure | Location | Omission | | |
|---|---|---|---|---|---|---|
| | | | | Requirement Omitted | Reason | Explanation |
| GRI 417: Marketing and Labeling 2016 | 417-1 | Requirements for product and service information and labeling | 82 | | | |
| | 417-2 | Incidents of non-compliance concerning product and service information and labeling | 82 | | | |
| | 417-3 | Incidents of non-compliance concerning marketing communications | 82 | | | |
| **Customer Privacy** | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | 83 | | | |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 83 | | | |

# FEEDBACK SHEET

The Sustainability Report of PT Bukit Muria Jaya 2024 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
- ☐ Government
- ☐ 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 STM's performance in sustainable development | ☐ | ☐ |
| 4. | Does this report develop your trust toward 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:

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