

HUMAN RIGHTS RISK IDENTIFICATION & MANAGEMENT

PT Petrokimia Gresik (Persero)

2026

Table of Contents

Table of Contents

1. Definition
2. Method
3. Scope of Assessment
4. Risk Assessment Process
5. Development of Mitigation Strategies and Action Plans
6. Human Rights Mitigation and Remediation
7. Risk Appetite Statement
8. Monitoring and Evaluation
9. Reports and Communications

1. Definition

Human Rights Risk refers to the possibility that PT Petrokimia Gresik (Persero)'s operations, business decisions, or relationships with third parties may negatively affect the rights and well-being of people connected to its activities. This includes employees, contractors, suppliers, local communities, customers, and other potentially affected groups across the Company's fertilizer, petrochemical, and agro-solution businesses.

In line with the **UN Guiding Principles on Business and Human Rights (UNGPs)**, these risks should be identified and assessed early so that appropriate measures can be taken to prevent or minimize potential impacts. Where adverse impacts have already occurred, the Company should take appropriate steps to address and remedy them, while ensuring compliance with applicable national regulations and internationally recognized human rights standards.

2. Method

Step	Description
1. Understanding the Company and Its Operations	Review relevant information about PT Petrokimia Gresik (Persero), including its organizational structure, business activities, operational areas, value chain, policies, and procedures, to understand where human rights issues may arise.
2. Stakeholder Identification and Engagement	Identify individuals and groups who may be affected by, or have an interest in, the Company's activities. This may include employees, contractors, suppliers, local communities, customers, government institutions, and other relevant stakeholders. Engagement with these groups is carried out through the Company's existing stakeholder channels; engagement specific to human rights is planned as part of the formal assessment.
3. Human Rights Due Diligence	Identify individuals and groups who may be affected by, or have an interest in, the Company's activities. This may include employees, contractors, suppliers, local communities, customers, government institutions, and other relevant stakeholders. Engagement with these groups is carried out through the Company's existing stakeholder channels; engagement specific to human rights is planned as part of the formal assessment.
4. Risk Assessment and Prioritization	Assess identified risks based on their likelihood and severity of impact. The results are mapped using a Human Rights Risk Heat Map to determine which risks require greater attention and priority.
5. Mitigation and Remediation Planning	Develop appropriate actions to prevent or reduce identified human rights risks. Where adverse impacts have already occurred, corrective and remediation measures are identified to address the impacts and prevent recurrence.
6. Monitoring and Evaluation	Monitor the implementation of mitigation and remediation measures and periodically evaluate their effectiveness. The results are used to identify gaps, track progress, and support continuous improvement.
7. Reporting and Communication	Document the assessment process, key findings, stakeholder input, actions taken, and progress achieved. Relevant information is communicated internally and, where appropriate, externally to support transparency and accountability.

3. Scope of Assessment

The scope of Human Rights Risk encompasses factors that may affect the fulfillment and protection of human rights across PT Petrokimia Gresik (Persero)'s operational activities, value chain, products, and services, as summarized below.

Stakeholder	Category	Scope
Employee	Operational	Human rights risks in daily operations include employee well-being, working conditions, occupational health and safety, discrimination and harassment, labor relations, and diversity, equity, and inclusion (DEI).
Local Community	Local Stakeholders & Vulnerable Groups	Human rights risks for local communities and vulnerable groups include impacts on a healthy environment, community well-being, and public safety, particularly from operational emissions, waste, noise, ineffective community programs, and potential chemical or fire emergencies.
Business Partner Contractor Supplier	Supply Chain	Human rights risks concerning the well-being of workers employed by contractors, raw-material suppliers, and logistics/distribution partners, as well as fair business practices across the upstream and downstream value chain.
Customer	Products and Services	Human rights risks related to product safety and security, accuracy of product information, and ethical standards in delivering fertilizer, petrochemical, and agro-input products and services to farmers and distributors.
New Business Relationships (M&A / Joint Ventures)	Corporate Development	Human rights risks associated with new subsidiaries, mergers, acquisitions, or joint ventures entered into by the Company.

4. Risk Assessment Process

4.1 Understanding the Company and Its Operations

Name	PT Petrokimia Gresik (Persero)
Number of Operating Locations	1 Country (Indonesia)
Ownership	Subsidiary of PT Pupuk Indonesia (Persero), a State-Owned Enterprise (BUMN).
Business Sector	Fertilizer and Petrochemical Manufacturing - Agro-Industry Solutions.
Business Activities	1. Industry 2. Trade 3. Other Services 4. Strategic Support Activities

1) Industry

Processing raw materials into basic materials and finished products for the petrochemical, agrochemical, agro-industrial, and other chemical sectors, as well as processing these materials into various types of fertilizers and other chemical products along with their derivatives, including:

1. Inorganic fertilizers, including Urea, ZA, SP-36, various NPK compound fertilizer formulations, DAP, phosphate fertilizers, agricultural lime, and agricultural gypsum;
2. Organic fertilizers;
3. Biofertilizers; and
4. Production of liquid fertilizers, biopesticides, and plant growth regulators in the form of formulated hormones and enzymes.

2) Trade

Conducting domestic and export distribution and trading activities for fertilizer, petrochemical, agrochemical, agro-industrial, and related chemical products, including import activities that support the Company's supply chain.

3) Other Services

The Company provides research, development, design, engineering, technical consulting, education and training, construction, packaging, repair/service, and maintenance services for the fertilizer, petrochemical, agrochemical, agro-industrial, and other chemical industries. These activities include efforts to enhance production capabilities and product innovation.

4) Strategic Support Activities

The Company also conducts strategic support activities to ensure the smooth operation and optimization of industrial estate assets, including:

1. Transportation;
2. Agriculture and plantation;
3. Optimization of resource utilization within the industrial estate, as well as other supporting activities to ensure the smooth implementation of business operations;

4. Carrying out assignments related to the distribution of subsidized fertilizer in accordance with corporate principles and applicable laws and regulations;
5. Development of Petroganik across Indonesia in collaboration with local investors (Petroganik Partners).

4.2 Stakeholder and Engagement Identification

PT Petrokimia Gresik (Persero) identifies stakeholders through a thorough analysis of parties affected by its operations, in order to understand their needs, interests, and the impacts arising from the Company's fertilizer, petrochemical, and agro-input activities.

Stakeholder	Engagement Method	Frequency
Shareholders	Annual and Extraordinary General Meeting of Shareholders (GMS); transparency of public information	Every quarter; at least once a year
Employee	Labor union formation and tripartite/bipartite meetings; collective labor agreement (CLA) discussions; occupational health services; education and training	At least once a year; CLA review every two years
Business Partners / Suppliers	Procurement and tender meetings; contract negotiation in accordance with each work schedule	More than one meeting recorded per year
Contractors	Pre-project safety briefings; contract signing; progress and issue-resolution meetings	Incidental, at least once a year; weekly during active projects
Local Community	Social and community-empowerment programs; CSR activities; community consultation forums	At least once a year, or as needed
Customers (Farmers, Distributors, Cooperatives)	Distributor coordination meetings; farmer education and outreach; product-information channels	As needed, and during each planting season
Regulators	Meetings between regulators and the Company to discuss compliance with applicable regulations	At least once a year
Mass Media	Press releases and media briefings	As required

4.3 Human Rights Due Diligence Process

PT Petrokimia Gresik (Persero) is building its human rights due diligence on its enterprise risk management process. At this stage, human rights-relevant risks are identified from the corporate risk profile, which is maintained by risk owners across functions, with the aim of identifying issues before they occur. This goes beyond reactive channels such as whistleblowing, but it is not yet a dedicated human rights impact assessment (see Section 4.5). The approach is designed to align progressively with the UN Guiding Principles on Business and Human Rights.

4.3.1 Scope of Risk Identification

- **Own Operations:** Human rights risks are identified from the corporate risk profile, which covers production units, offices, and supporting functions throughout the Company.
- **Value Chain :** The Identification also covers contractors, raw-material suppliers, logistics and distribution partners, as well as distributors and retailers.
- **New Business Relationships:** Human rights considerations are included in the review of new mergers, acquisitions, joint ventures, subsidiaries, and other business arrangements.
- **Periodic Review :** Human rights-relevant risks are reviewed as part of the periodic update of the corporate risk profile. A dedicated review cycle for human rights risk mapping will be defined as part of the formal assessment.

4.3.2 Human Rights Issues Covered

At minimum, the Company's due diligence process covers the following human rights issues:

- Forced labor
- Human trafficking
- Child labor
- Freedom of association and collective bargaining
- Discrimination (gender, ethnicity, religion, disability)
- Occupational health and safety
- Wages, working hours, and fair treatment
- Data Privacy

4.3.3 Vulnerable Groups Considered

The following groups at heightened risk of harm or marginalization are considered in the Company's risk identification:

- Own employees
- Women
- Children
- Local communities surrounding operational sites
- Third-party and contractor workers
- Persons with disabilities

4.4 Human Rights Risk Identification

Based on the scope defined above, PT Petrokimia Gresik (Persero) identifies the following human rights risks by stakeholder group.

1) Employee

Risk	Vulnerable Group Included	Description	Potential Impact on People
Occupational health and safety	Own employees	Occurrence of occupational accidents (MTI/RDI/Fatality) and failure to achieve the Zero Lost Time Injury (LTI) target	Injury, illness, or loss of life among employees, with effects on their families.
Discrimination (gender, ethnicity, religion, disability)	Own employees, Women, Persons with disabilities	Potential failure to achieve a work environment free from discrimination, violence, and verbal/non-verbal harassment (Respectful Workplace Policy / RWP)	Unequal treatment, harassment, or exclusion of employees, particularly women and persons with disabilities.
Freedom of association & collective bargaining	Own employees	Risk of failure to reach an agreement on a new Collective Labor Agreement (PKB) with the Employee Union, as well as potential strikes/protests	Uncertainty over terms of employment and strained industrial relations that may limit employees' ability to bargain collectively.
Wages, working hours, and fair treatment	Own employees	Administrative risks/inaccuracies in the processing of regular salary and benefit payments, as well as the employee health insurance scheme	Delayed or incorrect pay and benefits, including health insurance, affecting employees' and their families' income and access to care.
Employee Data Privacy & Protection	Own employees	Potential cybersecurity incidents or suboptimal implementation of the Personal Data Protection Law (UU PDP) that may lead to personal data breaches	Exposure of employees' identity, health, or financial data, with risk of misuse and loss of privacy.

2) Business Partners & Suppliers

Risk	Vulnerable Group Included	Description	Potential Impact on People
Occupational health and safety	Local communities surrounding operational sites, Children, Women, Persons with disabilities	Fatal occupational accidents (LTIFR/Fatality) involving contractor workers carrying out projects during the construction period. Non-compliance with occupational health and safety standards	Injury, illness, or loss of life among contractor workers; effects on nearby communities in the event of a major incident.
Wages, working hours, and fair treatment	Third-party and contractor workers	Risk of an increase in the minimum wage of contractors that may affect the budget, as well as limited worker competency certification	Contractor workers' pay and conditions may come under cost pressure; limited competency certification may affect their employability and safe working.
Forced labor / Child labor / Human trafficking	Third-party and contractor workers, children Women	Potential risk of violations of decent work practices in the supply chain (early screening through vendor prequalification and the Integrity Pact	Exploitation of vulnerable workers, including women and children, in the supply chain.

Risk	Vulnerable Group Included	Description	Potential Impact on People
Freedom of association & Industrial Relations	Third-party and contractor workers	Risk of disruptions to the logistics supply chain due to strikes or protests by outsourced workers/hazardous materials (B3) transporters	Outsourced workers, including B3 transporters, may lack effective channels to raise concerns, increasing the likelihood of disputes.
Fair Treatment & Anti-Corruption	Third-party and contractor workers	Risk of unreasonable offers from contractors or non-compliance with business ethics in partnership projects	Unfair or non-transparent treatment of contractors and their workers where business ethics are breached.

3) Local Community

Risk	Vulnerable Group Included	Description	Potential Impact on People
Adverse Environmental Impacts	Local communities surrounding operational sites, Children, Women, Persons with disabilities	Complaints from Ring-1 communities due to the impacts of factory operations (emissions, noise, waste), as well as exposure to emergency situations (fires/B3 leaks) requiring coordination through the Emergency Response Plan and Community Awareness	Health effects and nuisance from emissions, noise, or waste, and physical danger from fire or hazardous-material leaks; children, women, and persons with disabilities may be more vulnerable.
Lack of Community Involvement	Local communities surrounding operational sites, Children, Women, Persons with disabilities	TJSL programs that do not align with the needs of local communities and insufficient program outreach to the community, resulting in lower levels of participation	Community needs may not be reflected in company programs, limiting communities' voice in decisions that affect local well-being.

4) Customers

Risk	Vulnerable Group Included	Description	Potential Impact on People
Fair treatment / Product Safety	Local Communities	Customer complaints regarding the physical quality of product packaging or delays in the delivery of corporate/subsidized fertilizers. These are carried over from the corporate risk profile as service-quality risks; product safety and safe-use information for farmers is the human rights-relevant element.	Farmers' livelihoods may be affected by delayed delivery of subsidized fertilizer or product quality issues.
Customer Data Privacy	Local Communities	Risk of customer transaction data breaches or cybersecurity disruptions affecting digital marketing platforms	Exposure of customers' transaction data, with risk of misuse and loss of privacy.

4.5 Human Rights Assessment

The table below presents the results of the Company's initial identification of human rights-related risks. The percentages measure coverage by the Company's enterprise risk management process (SIMAR, ISO 31000), in which human rights-relevant risks are identified as part of the corporate risk profile.

Category	Denominator Basis	A: % Assessed	B: % of A Identified with Risk	C: % of B with Mitigation Action
Own Operations	Total employees across all production units & corporate facilities	100%	100%	100%

These figures reflect desk-based identification only. They do not represent site-level fieldwork or engagement with rights-holders, which have not yet been conducted. The Company intends to build on this baseline with a structured assessment covering its own operations, contractors and suppliers, and joint ventures, including severity-based prioritization for affected people, mitigation planning, monitoring, and periodic review.

4.6 Assessment of Human Rights Risk Impact

PT Petrokimia Gresik (Persero) evaluates human rights risks based on two primary parameters: the likelihood of occurrence and the severity of impact. Likelihood considers the frequency with which a risk has occurred or is expected to occur within the Company's operations; impact considers the potential severity of harm to the parties affected, including its scope and remediability. Using these two parameters, the Company applies a 5x5 Heat Map to determine and prioritize risk levels.

Likelihood Criteria

Parameter	1 – Very Rare	2 – Rare	3 – Moderate	4 – Likely	5 – Almost Certain
Likelihood of Occurrence	Almost impossible to occur	Unlikely to occur	May or may not occur	Likely to occur	Almost certain to occur
Indicative Probability Range	< 20%	20%–40%	>40%–60%	>60%–80%	>80%–100%

Impact Criteria

Parameter	1 – Very Low	2 – Low	3 – Moderate	4 – High	5 – Very High
Operational Continuity of RTU/RO	Damage, loss, or reduction of less than 20% of the Risk Limit value.	Damage, loss, or reduction of 20%–40% of the Risk Limit value.	Damage, loss, or reduction of 40%–60% of the Risk Limit value.	Damage, loss, or reduction of 60%–80% of the Risk Limit value.	Damage, loss, or reduction exceeding 80% of the Risk Limit value.
Achievement of RTU/RO Targets	No impact on the achievement of RTU/RO targets.	Minor impact on the achievement of RTU/RO targets.	Moderate impact on the achievement of RTU/RO targets.	Major impact on the achievement of RTU/RO targets.	Extreme impact on the achievement of RTU/RO targets.
Financial Impact	Financial loss resulting from the risk is Current Ratio >1 – 1,31 Debt Service Coverage Ratio (DSCR) > 2,21	Financial loss resulting from the risk is Current Ratio = 1,31 Debt Service Coverage Ratio (DSCR) = 2,21	Financial loss resulting from the risk is 1,31 > Current Ratio > 1,15 2,21 > Debt Service Coverage Ratio (DSCR) > 1,60	Financial loss resulting from the risk is Current Ratio = 1,15 1,60 ≥ Debt Service Coverage Ratio (DSCR) > 1,20	Financial loss resulting from the risk is Current Ratio < 1,15 Debt Service Coverage Ratio (DSCR) = 1,20 Debt to EBITDA > 4,55

Parameter	1 – Very Low	2 – Low	3 – Moderate	4 – High	5 – Very High
	Debt to EBITDA < 2,66	Debt to EBITDA = 2,66	3,60 > Debt to EBITDA > 2,66	4,55 > Debt to EBITDA ≥ 3,60	Debt to Equity Ratio (DER) > 0,49
	Debt to Equity Ratio (DER) < 0,39	Debt to Equity Ratio (DER) = 0,39	0,44 > Debt to Equity Ratio (DER) > 0,39	0,49 > Debt to Equity Ratio (DER) ≥ 0,44	

Risk Heat Map

Likelihood	5 — Almost Certain	7 Low to Moderate	12 Moderate	17 Moderate to High	22 High	25 High
	4 — Very Likely	4 Low	9 Low to Moderate	14 Moderate	19 Moderate to High	24 High
	3 — Possible	3 Low	8 Low to Moderate	13 Moderate	18 Moderate to High	23 High
	2 — Unlikely	2 Low	6 Low to Moderate	11 Low to Moderate	16 Moderate to High	21 High
	1 — Very Unlikely	1 Low	5 Low	10 Low to Moderate	15 Moderate	20 High
		1 – Very Low	2 – Low	3 – Moderate	4 – High	5 – Very High
Impact						

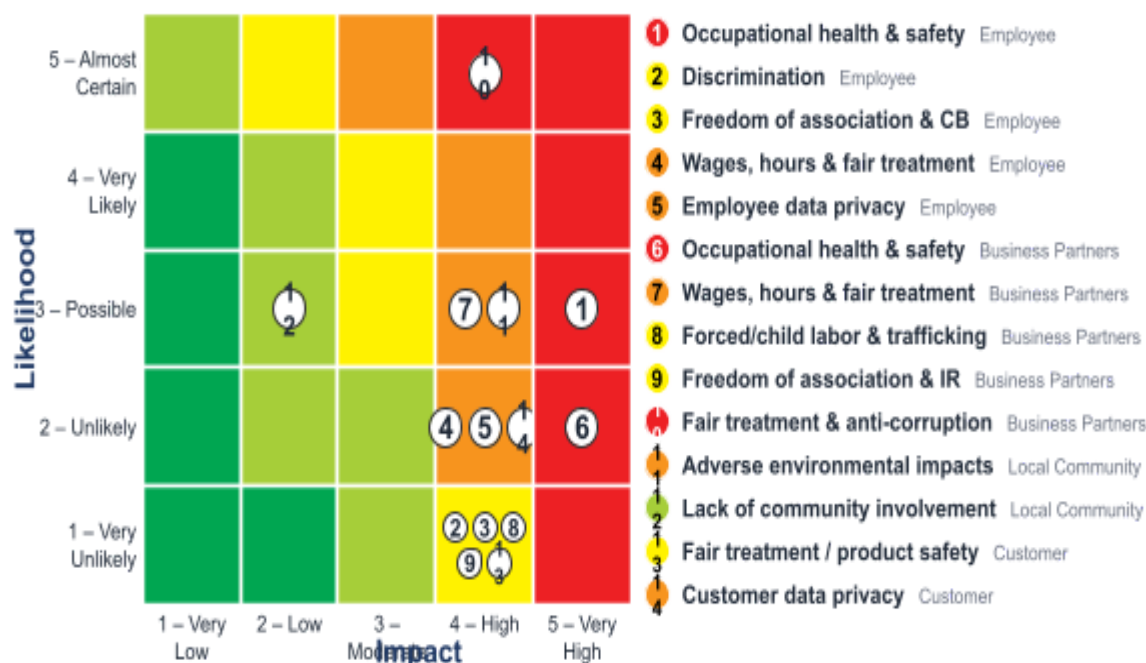
Low (1–5)	Low to Moderate (6–11)	Moderate (12–15)	Moderate to High (16–19)	High (20–25)
-----------	------------------------	------------------	--------------------------	--------------

4.7 Human Rights Risk Priorities

Applying the Heat Map methodology described above, the following risk register presents the likelihood, impact, resulting score, and risk level for each identified human rights risk.

No	Stakeholder	Risk	Impact	Likelihood	Score	Risk Level
1	Employee	Occupational health and safety	5 (Very High)	3 (Moderate)	23	High
2		Discrimination (gender, ethnicity, religion, disability)	4 (High)	1 (Very Unlikely)	15	Moderate
3		Freedom of association & collective bargaining	4 (High)	1 (Very Unlikely)	15	Moderate
4		Wages, working hours, and fair treatment	4 (High)	2 (Unlikely)	16	Moderate to High
5		Employee Data Privacy & Protection	4 (High)	2 (Unlikely)	16	Moderate to High
6	Business Partners, Contractors & Suppliers	Occupational health and safety	5 (Very High)	2 (Unlikely)	21	High
7		Wages, working hours, and fair treatment	4 (High)	3 (Moderate)	18	Moderate to High
8		Forced labor / Child labor / Human trafficking	4 (High)	1 (Very Unlikely)	15	Moderate
9		Freedom of association & Industrial Relations	4 (High)	1 (Very Unlikely)	15	Moderate
10		Fair Treatment & Anti-Corruption	4 (High)	5 (Almost Certain)	22	High
11	Local Community	Adverse Environmental Impacts	4 (High)	3 (Moderate)	18	Moderate to High
12		Lack of Community Involvement	2 (Low)	3 (Moderate)	8	Low to Moderate
13	Customer	Fair treatment / Product Safety	4 (High)	1 (Very Unlikely)	15	Moderate

No	Stakeholder	Risk	Impact	Likelihood	Score	Risk Level
14		Customer Data Privacy	4 (High)	2 (Unlikely)	16	Moderate to High



Based on this evaluation, and reflecting the Company's judgment on materiality and stakeholder salience, PT Petrokimia Gresik (Persero) designates the following as priority human rights risks requiring focused mitigation:

Occupational Health and Safety		Fair Treatment & Anti-Corruption		Wages, working hours, and fair treatment	
Employee	Business Partners, Contractors & Suppliers	Business Partners, Contractors & Suppliers		Employee	Business Partners, Contractors & Suppliers
Data Privacy & Protection			Adverse Environmental Impacts		
Employee	Customer	Local Community			

5. Development of Mitigation Strategies and Action Plans

To prevent potential human rights impacts, PT Petrokimia Gresik (Persero) has designed a holistic and proactive mitigation strategy for each priority risk identified in Section 4.7. These efforts focus on early identification, prevention, and reduction of negative impacts across the Company's operations.

1. Occupational Health and Safety

To minimize occupational health and safety risks, the Company implements the following mitigation measures (Reduce/Mitigate) for employees:

- Improve systems and work procedures in line with SMK3, ISO 45001:2018, and other relevant standards, and implement and comply with applicable K3 laws and regulations.
- Monitor unsafe actions, unsafe conditions, and housekeeping, and conduct routine K3 observations and inspections.
- Apply Behaviour Based Safety (BBS) and periodically assess the K3 culture level.
- Conduct HAZOPs, PSSR, Management of Change (MOC), and Process Safety Management (PSM) based on OSHA 3132 and its 14 elements
- Provide coaching and training for employees and contractors based on a K3 Training Need Analysis (TNA), and promote and campaign K3 through interactive media.
- Healthy Lifestyle Program, health counseling, company occupational health services, health seminars, periodic medical check-ups, and health evaluations to ensure fitness for the workload and regulations.
- Inspection, testing, repair, and replacement of fire-protection facilities. Also fire-fighting training for employees and contractors, Search and Rescue team training, and emergency-response drills and community awareness.

To manage OHS risks across third-party operations and the value chain, the Company implements the following mitigation measures (Reduce/Mitigate):

- Apply the Contractor Safety Management System (CSMS) before, during, and after work by partners
- Apply CSMS to both contractors and sub-contractors
- Select only contractors and sub-contractors that have passed OHS prequalification
- Provide OHS training and fire-fighting training for contractors
- Require work safety permits, PPE use, valid certification for lifting equipment and operators, strict K3 supervision, and reward-and-punishment for OHS implementation
- Review hazard and risk identification (IBPR) and socialize it to workers, plus safe-work-method socialization for high- and extreme-risk work

2. Fair Treatment & Anti-Corruption - Business Partners, Contractors & Suppliers

To ensure fair, transparent, and ethical business practices across the supply chain, the Company implements the following risk mitigation measures (*Reduce/Mitigate*):

- Anti-Bribery Management System: Implementing ISO 37001:2016, enforcing zero-gratuity policies, conducting anti-fraud due diligence, and requiring conflict-of-interest declarations from business partners.
- Transparent Procurement: Utilizing digital procurement platforms (ProcureX and SIPS), market-based price evaluations, and transparent tender negotiations to ensure fair competition and prevent unethical practices.

- Business Ethics and Integrity: Requiring suppliers and contractors to sign integrity pacts, comply with business ethics and fair competition policies, and participate in anti-corruption awareness programs.
- Whistleblowing and Legal Compliance: Providing confidential whistleblowing channels to report suspected fraud and corruption, supported by legal reviews and compliance oversight throughout procurement and contracting processes.

3. Wages, working hours, and fair treatment

To mitigate risks related to wages, working hours, and fair treatment of employees, the Company implements the following measures (*Reduce/Mitigate*):

- Workforce Planning and Overtime Management: Conducting workload assessments, workforce planning, and shift adjustments to ensure adequate staffing and prevent excessive overtime.
- Payroll Management and Controls: Implementing multi-level payroll verification and approval processes to ensure accurate and timely compensation, supported by integrated HR information systems (PI SMART and SAP).
- Collective Labor Agreement: Establishing transparent provisions on wages, allowances, working hours, and employee benefits through the Collective Labor Agreement (CLA) with the employees' union.
- Fair Career Development: Implementing competency assessments, job evaluations, and standardized career management procedures to ensure objective and transparent promotion, rotation, and employee development decisions.

To ensure fair wages, reasonable working hours, and equitable treatment of workers across the supply chain, the Company implements the following risk mitigation measures (*Reduce/Mitigate*):

- Working Hours and Workload Management: Project supervisors monitor contractors' working schedules, overtime allocation, and workloads to ensure compliance with labor regulations and prevent excessive working hours. Requiring contractors to deploy additional qualified personnel or providing internal workforce support when project workloads exceed existing capacity.
- Labor Standards and Contractual Compliance: Establishing binding contractual requirements for contractors to comply with minimum wage regulations, BPJS social security coverage, working-hour limits, and applicable labor rights. Enforcing contractual penalties for non-compliance and providing structured dispute resolution mechanisms, including mutual negotiations, arbitration through BANI, or legal proceedings before the District Court, as applicable.
- Vendor Prequalification and Performance Evaluation: Conducting vendor prequalification through digital procurement platforms (ProcureX and SIPS), covering technical qualifications, professional expertise, relevant experience, and financial capability. Performing periodic vendor performance evaluations to assess contractual compliance and determine eligibility for future business engagements.
- Contractor Safety Management and Supervision: Implementing the Contractor Safety Management System (CSMS), covering contractor prequalification, workplace safety assessments, and on-site supervision to ensure safe and healthy working conditions for third-party workers.
- Sustainable Procurement and Business Ethics: Applying ISO 20400 sustainable procurement principles and requiring business partners, contractors, and suppliers to sign commitments to the Anti-Bribery Management System (ISO 37001), anti-gratification policies, and the Company's Code of Business Ethics to promote fair, transparent, and responsible business practices.

4. Data Privacy & Protection

To protect employees' personal and sensitive information from unauthorized access, misuse, and cyber threats, the Company implements the following risk mitigation measures (*Reduce/Mitigate*):

- Data Privacy Governance and Regulatory Compliance: Ensuring compliance with Indonesia's Personal Data Protection Law (UU PDP), maintaining ISO 27001 certification through surveillance and recertification audits, and strengthening the Data Governance Office (DGO) and Single Source of Truth (SSOT) framework.
- Cybersecurity Infrastructure and Monitoring: Strengthening the Security Operations Center (SOC), firewalls, and Intrusion Detection and Prevention Systems (IDS/IPS) to proactively detect and mitigate cybersecurity threats affecting employee information systems.
- Access Control and Authentication: Implementing Multi-Factor Authentication (MFA), Privileged Access Management (PAM), and Role-Based Access Control (RBAC) to restrict access to employee personal data to authorized personnel.
- Security Assessments and Vulnerability Management: Conducting periodic vulnerability assessments and penetration testing on critical information systems, supported by cybersecurity maturity assessments (IKAS) in collaboration with the National Cyber and Crypto Agency (BSSN).
- Employee Awareness and Data Protection Accountability: Conducting regular security awareness training, phishing simulations, and personal data protection training and certification for responsible personnel, supported by integrity commitments and disciplinary measures for data breaches or misuse.

To protect customers' personal data from unauthorized access, cyberattacks, and data breaches, the Company implements the following risk mitigation measures (*Reduce/Mitigate*):

- Cybersecurity Monitoring and Threat Detection: Strengthening the Security Operations Center (SOC) to enable real-time monitoring, early threat detection, and incident response across customer service applications and digital platforms.
- Vulnerability Assessment and Penetration Testing: Conducting periodic vulnerability assessments and penetration testing on customer-facing applications, including marketing and digital service platforms, to identify and remediate security vulnerabilities.
- Data Protection and Recovery: Implementing encryption for sensitive customer information, automated data backups, and periodic restoration testing to safeguard data confidentiality, integrity, and availability.
- Information Security Governance and Compliance: Maintaining ISO 27001 and ISO 20000 certifications through periodic surveillance and recertification audits, ensuring compliance with Indonesia's Personal Data Protection Law (UU PDP), and strengthening data governance through the Data Governance Office (DGO) and Single Source of Truth (SSOT) principles.
- Access Control and Data Protection Accountability: Implementing Privileged Access Management (PAM) and Role-Based Access Control (RBAC) to restrict unauthorized access, supported by employee integrity commitments, sanctions for data misuse, and security awareness training.

5. Adverse Environmental Impacts

To minimize adverse environmental impacts on surrounding communities and safeguard their right to a healthy environment, the Company implements the following risk mitigation measures (*Reduce/Mitigate*):

1. Emission Control and Pollution Prevention: Conducting regular ammonia concentration monitoring around production facilities, optimizing ammonia venting operations, and improving scrubbing systems to minimize air pollution and community exposure to hazardous emissions.
2. Continuous Environmental Monitoring: Implementing and optimizing Continuous Emission Monitoring Systems (CEMS) and CAMS to monitor stack emissions and relevant environmental parameters, alongside wastewater quality monitoring, to support early detection of potential environmental impacts.
3. Environmental Management and Resource Efficiency: Implementing ISO 14001:2015 Environmental Management Systems, Green Industry Standards (SIH), and the Si-Jeli application for environmental impact identification, supported by resource efficiency, waste utilization, and carbon emission reduction initiatives.
4. Community Impact Assessment and Development: Conducting social mapping every three years, with annual updates, to identify community needs and potential socioeconomic impacts. Implementing community development programs and Environmental Satisfaction Surveys (SKL) to evaluate environmental conditions and community perceptions.
5. Community Engagement and Grievance Management: Conducting regular environmental awareness and operational information sessions, maintaining dialogue with surrounding communities (Ring 1), and establishing responsive grievance-handling mechanisms to address environmental concerns and complaints.

6. Human Rights Mitigation and Remediation

Beyond the mitigation actions described in Section 5, PT Petrokimia Gresik (Persero) provides the following disclosure on the concrete programs implemented to reduce the likelihood of human rights impacts, and the remediation available where impacts have occurred.

6.1 Processes Implemented to Mitigate Human Rights Risks

- Occupational Health & Safety Management System (SMK3) covering all production units, including chemical-specific hazard protocols.
- Respectful Workplace Policy (RWP) and Code of Business Ethics applicable to employees, and the Integrity Pact signed by suppliers and contractors.
- Contractor and supplier OHS and labor-standard requirements, embedded in procurement and vendor-evaluation criteria.
- Regular communication with community leaders and village authorities, planning of TJSL/Community Development programs, as well as coordination procedures and risk/legal assessments in land leasing processes and the utilization of the Company's assets.
- Environmental approvals and RKL-RPL, environmental impact identification (ASDAM/Si-Jeli), CEMS and wastewater monitoring, WWTP management, PROPER compliance, and response to potential air or water pollution incidents.
- ISO 27001 (ISMS) certification, strengthened Data Governance Office (DGO), Security Operations Center (SOC), Privileged Access Management (PAM), Multi-Factor Authentication (MFA), and employee cybersecurity awareness training.
- An accessible grievance mechanism through the Whistleblowing System (WBS) for employees, contractors, and community members.
- Reward-and-punishment mechanisms and sanctions for violations of procedures, codes of conduct, and workplace policies, as accountability measures.

6.2 Number of Sites with Mitigation Plans

All PT Petrokimia Gresik (Persero) operational sites are covered by formal human rights and occupational health and safety (OHS) risk mitigation plans. These plans are systematically integrated into the Company's Enterprise Risk Management framework (SIMAR – ISO 31000), Process Safety Management (PSM), ISO 45001-certified OHS management system, ISO 14001-certified environmental management system, and Contractor Safety Management System (CSMS) for third-party workers.

6.3 Remediation Mechanisms Available

The following mechanisms are available to provide remedy where an adverse impact occurs. They are described as available mechanisms for 2025; no confirmed human rights violation caused or contributed to by the Company was identified (Section 6.4).

- Restoration of employees' physical and mental well-being through periodic psychological screening, PetroCare counseling services, medical evacuation, and health insurance coverage for employees and their families.
- Management of OHS incidents and emergencies through the implementation of ERP and BCMS, safe operational shutdowns, accident investigations, and follow-up on corrective recommendations.
- Remediation of environmental and community impacts through emission source control, ammonia and environmental quality monitoring, operational adjustments, and communication with affected communities.
- Grievance mechanisms and whistleblower protection through the WBS, supported by response SLAs, integrity commitments for case handlers, and sanctions for breaches of data confidentiality.
- Resolution of social conflicts and industrial relations issues through persuasive engagement, bipartite dialogue with labor unions, and coordination with relevant stakeholders.
- Corrective actions and disciplinary enforcement through reward and punishment mechanisms and sanctions for violations of procedures, codes of conduct, workplace policies, and compliance obligations.
- Recovery of losses arising from incidents through insurance claim mechanisms for asset damage and force majeure events.

6.4 Public Disclosure of Violation Status

During 2025, PT Petrokimia Gresik (Persero) identified no confirmed instance in which the Company caused or contributed to a human rights violation, based on the findings of its internal grievance mechanism and audit processes. In the event of a grievance, the Company provides accessible grievance and remediation channels, including the Whistleblowing System (WBS).

7. Risk Appetite Statement

In addition to the Heat Map assessment, PT Petrokimia Gresik (Persero)'s acceptance of risk is governed by a Risk Appetite Statement, which defines the Company's risk posture across four conditions.

Posture	Description	Applicable Risk Categories
Zero Tolerance	Highly cautious; prioritizes stability and capital preservation.	Occupational Health & Safety; Reputational Risk (Business Ethics), Regulatory, Compliance Risk (Fraud) & Legal Compliance; Cybersecurity & Personal Data Protection.
Conservative	Cautious in taking controlled risk in order to protect value from significant loss.	Operations (Plant Production, Procurement, Distribution & Marketing); Financial; Credit/Counterparty; Project; Information Technology (Availability & Reliability); Social & Environmental (ESG), including human rights risk.
Moderate	Willing to take risk within defined limits to pursue growth while safeguarding against loss.	Market & Macroeconomic risk.
Strategic	Actively takes on higher risk to pursue innovation and long-term growth.	Business Transformation & Strategic Projects.

Human rights risk is embedded within the Social & Environmental (ESG) category under the Conservative posture: the Company does not accept significant human rights risk exposure and proactively manages and mitigates it. Risks with the most severe and irreversible potential consequences, such as forced labor, child labor, human trafficking, and life-threatening occupational safety incidents, are treated under the Zero-Tolerance posture, consistent with the Company's OHS and Business Ethics commitments.

8. Monitoring and Evaluation

PT Petrokimia Gresik (Persero) monitors human rights-relevant risks through its existing risk management, OHS, environmental, and grievance processes. A dedicated monitoring and evaluation process for human rights will be defined following the formal assessment. Monitoring currently includes:

- Periodic data collection to evaluate the effectiveness of implemented mitigation strategies.
- Verification of compliance with applicable local regulations and international standards.
- Analysis of impacts on stakeholders, informed by grievance and audit findings.

Evaluations are conducted regularly to identify potential new risks and to adjust the Company's strategy so that it remains consistent with human rights principles. Stakeholder feedback and internal audit results serve as key inputs for continuous improvement of human-rights-related processes and policies.

9. Reports and Communications

Human rights-relevant performance, such as occupational health and safety, environmental, and grievance information, is currently reported through the Company's Annual Report and Sustainability Report. A dedicated periodic report on human rights risk management will be prepared once the formal assessment is complete.

The Company communicates with stakeholders through the following channels:

- Annual Report / Sustainability Report
- Company website
- Stakeholder meetings
- Community and farmer forums
- Social media
- Internal and external grievance/whistleblowing channels