PRESS RELEASE



STARTING PLANTING SEASON, PETROKIMIA GRESIK IMPROVE SUPERVISION OF SUBSIDIZED FERTILIZER DISTRIBUTION THROUGH DIGITAL SYSTEMS & APPLICATIONS

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Ahead of the April – September 2022 planting season, <u>Petrokimia Gresik</u>, an Agroindustry Solutions company as well as member <u>Pupuk Indonesia</u> holding continues to improve the supervision of the distribution of subsidized fertilizers through the implementation of several digital systems and applications such as the *Warehouse Management System* (WMS), *Sistem Scheduling Truk Online* (SISTRO) or Online Truck Scheduling System and Petrokimia Gresik PortInformation Systems (Petroport).

Director of Operations & Production of Petrokimia Gresik, Digna Jatiningsih stated that this digital application system was built to strengthen supervision throughout the distribution network which is the responsibility of Petrokimia Gresik. Starting from the factory (Line I) to warehouses at the provincial level (Line II), then to warehouses at the Regency level (Line III), then forwarded to distributor warehouses at the sub-district level, until the distributors send to official kiosks at the village level (Line-IV).

"We want to ensure that the distribution process in all lines that are the responsibility of Petrokimia Gresik goes well and according to procedures," said Digna.

This is in line with the Pupuk Indonesia holding program, which is currently increasing the digitization of the distribution process for subsidized fertilizers through the Distribution Planning and Control System (DPCS). Besides that, Pupuk Indonesia recently is carrying out the online fertilizer redemption trial using the Retail Management System (RMS) application.

Digna further explained, WMS is a digital application based on mobile apps and web for warehousing management at the Petrokimia Gresik Line 1 Warehouse. WMS is equipped with hardware forms of tablets, monopods, and action cam, so that all activities in the warehouse can be monitored and systemized properly.

In addition, WMS also has a feature that is directly connected to Google Maps and is integrated with Online Truck Scheduling System (SISTRO) which will automatically manage truck queues to minimize queue buildup.

"All activities and data on trucks transporting fertilizers will be recorded in the WMS application, both before and after the loading process," added Digna.

To ensure that the inputted data correspond to the real conditions in the field, the warehouse officer is required to attach a photo of the condition of the truck. Then the handover between the officer and driver is carried out after the loading process is complete and marked with an official report equipped with a digital signature. After the fertilizer collection is complete, the data will be directly connected to the System Application and Product in Data Processing (SAP).

"Thus, we can capture stock conditions in real-time in all areas from line I to line IV, both indoor and outdoor (on the way)," said Digna.

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Not only in the warehouse area, but the digitization of distribution supervision is also implemented at the port through the Petrokimia Gresik Port Information System (Petroport) system. Petroport has the functions of monitoring, recording and reporting, as well as determining decision recommendations digitally and automatically (automatic decision systems), so as to eliminate the potential demurrage or fines due to delays in the loading and unloading process.

"With an integrated digitalization system, it is hoped that it will minimize the potential for irregularities in the Petrokimia Gresik distribution network. So that the distribution of subsidized fertilizers is more effective and efficient, both in terms of time and cost," said Digna.

Finally, Digna added that supervision over the distribution and use of subsidized fertilizers in each region is carried out by the Fertilizer and Pesticide Supervision Commission (KP3) which consists of elements from related agencies and law enforcement officers. This KP3 has the right to recommend the revocation of the distributor's license through the regional office in charge of trade if it is proven to have deviated from the distribution of subsidized fertilizer.

"In principle, Petrokimia Gresik is ready to carry out the duties and responsibilities mandated by the government, namely producing fertilizer according to the assignment and ensuring its distribution to official kiosks (line IV). We will also not hesitate to take firm action against distributors if they are proven to have violated the distribution of subsidized fertilizers according to the recommendations of KP3 and the local office," concluded Digna.

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