

# **CODE OF CONDUCT**

## **PT Astra Graphia Tbk**



## Astragraphia Code of Conduct

### I. Guideline on Business Ethics and Work Ethics

#### 1. Business Ethics

Business Ethics is a system of values upheld by the Company as a guidance to interact with its surrounding, internally and externally.

##### 1.1 Customers

Definition:

Parties who are the purchasers or users of the products or services produced and/or marketed by the Company.

Principles in interacting with the customers:

- a. The Company respects the rights of the customers in accordance with applicable laws and regulations
- b. The Company is committed to price, quality, delivery time, after-sales service and product warranties in accordance with applicable standards
- c. The Company (including Commissioners, Directors and Employees) is not allowed to give to or accept from the customers (substantial) gifts which may influence decision-making
- d. The Company maintains the confidential information of the customers
- e. The Company adheres to the advertising ethics and applicable laws and regulations

##### 1.2. Business Partners

Definition:

Parties that have business relationship with the Company, such as principals, distributors, dealers and suppliers.

Principles in cooperating with business partners:

- a. Common interests, equality and mutual trust based on fairness and social responsibility regardless of ethnic, religious beliefs, race and social groups
- b. Complies with applicable laws and regulations
- c. Commissioners, Directors and Employees of the Company must avoid conflict of interest
- d. All agreements must be made in writing in good faith and based on mutual benefit
- e. Selection of the business partners is based on professionalism and in line with QCDSM (Quality, Cost, Delivery, Safety, Norale) values
- f. Strive to empower small and medium scale business partners
- g. The Company (including Commissioners, Directors and Employees) is not allowed to give to or accept from business partners (substantial) gifts which may influence decision-making

##### 1.3. Competitors

Definition:

Other parties that produce or market similar products and/or services or substitutes to the products and/or services produced or marketed by the Company.

Principles in dealing with the competitors:

- a. The Company supports fair and healthy competition in accordance with applicable laws and regulations
- b. The Company is not allowed to develop cooperation with competitors, which could be detrimental to the customers and/or leads to monopolistic practices
- c. The Company is not allowed to discredit competitors in its marketing, promotion and advertising activities
- d. Commissioners, Directors and Employees of the Company are not allowed taking part in the management and/or to own shares of a competitor, either directly or indirectly

## 1.4 Employees

### Definition:

Individuals who work at the Company and receive salary based on an employment relationship.

### Principles in conducting an employment relationship with the Employees:

- a. The Company honors the universal principle of human rights as well as the rights and obligations of Employees based on applicable laws and regulations
- b. The Company provides equal opportunities regardless of seniority, gender, ethnicity, religion, race and social groups, with due observance to their competence and performance
- c. The Company treats the Employees as valuable assets, therefore they need to be respected and their competence and character must be enhanced
- d. The Company builds an atmosphere of openness and two-way communication with the Employees
- e. The Company rewards its outstanding Employees

## 1.5 Shareholders

### Definition:

Individuals or institutions that are registered in the Shareholder Register of the Company.

### Principles in interacting with the shareholders:

- a. The Company treats its shareholders in a fair manner; including in providing accurate and timely information, in accordance with the Articles of Association of the Company and applicable laws and regulations
- b. The Company endeavors to deliver optimal performance and maintain a good corporate image to increase shareholders value

## 1.6 Potential Investors

### Definition:

Individuals or institutions that have the potential or intend to participate in the Company's shares ownership, including investment supporting institutions.

### Principles in interacting with potential investors:

- a. The Company provides actual and accurate information in accordance with applicable laws and regulations
- b. The Company discloses required information in a fair manner

## 1.7 Affiliated Companies

### Definition:

Companies that have an ownership relation with major shareholder of the Company, either directly or indirectly.

### Principles in interacting with affiliated companies:

Together with and among affiliated companies, the Company develops a cooperation to achieve synergy in its various business and social activities both at the head office or at branch office level in accordance with applicable laws and regulations, including competition laws.

## 1.8 State Institutions

### Definition:

State institutions, which include the legislative, executive, judiciary and other institutions, both at the national or regional levels, and their officers.

### Principles in interacting with state institutions:

- a. The Company establishes harmonious, constructive and respectful relationships with due observance to applicable laws and regulations
- b. The Company supports national and regional programs, particularly in education, socio-economic, health, and environment

## 1.9 Community

### Definition:

A group of people who live together in a certain location and having direct or indirect relationship with the Company's activities.

### Principles in interacting with the community:

- a. The Company participates in maintaining a clean and healthy environment in the surrounding area of the Company
- b. Wherever it is located, the Company builds and fosters congenial and harmonious relations and endeavors to provide benefits through empowerment programs, particularly to communities in the surrounding area of the Company
- c. The Company respects the social, culture, tradition, modesty, beliefs and religions

## 1.10 Mass Media

### Definition:

Institutions which include printed, electronic and online media providing information, education, promotion, social control and entertainment.

### Principles in interacting with the mass media:

- a. The Company adheres to the truth and disclosure of information in an accountable manner in accordance with the journalistic code of ethics and applicable laws and regulations
- b. The Company positions the mass media as equal partner, therefore it is necessary to build a positive and mutual respective cooperation

## 2. Work Ethics

Work Ethics is a system of values upheld by the employees of the Company that govern their conduct, behavior and relationship with parties within the Company. The Work Ethics guideline applies to Commissioners, Directors, and employees Of the Company.

Work Ethics principles cover:

- a. Employees' conduct in the Company:
  - To be a good member of the Company by complying with internal policies/rules of the Company, the Company Regulations and applicable laws and regulations
  - To apply and develop their maximum potentials for the benefit of the Company
  - To participate in creating a conducive working environment and jointly develop a good working culture
- b. Employees' conduct in the use of authority and position in the Company:
  - To responsibly use their authority and position for the interests of the Company, and not to serve for their own or others interests
  - To maintain and utilize all data, information, assets and facilities of the Company for the benefit of the Company, and not to serve for their own or others interests
  - To keep the Company's good reputation by minding their conduct and behavior, both outside and inside the Company
- c. Employees' conduct towards the Company's Confidential Information:

The Company's Confidential Information are strategic documents and/or information that are formulated or acquired by the Company which may not be disclosed and conveyed to external parties, with the following considerations:

  - To maintain the Company's competitive advantage, and/or
  - To honor agreements or laws or regulations, which requires the Company to maintain the confidentiality of such information

Information included in the Company's Confidential Information category is:

- Financial statements and/or material transactions that have not been disclosed to the public
- Strategic corporate plan
- Information bound by confidentiality agreement
- Products of the Company that are still in the development stage Uniqueness of technology
- Material Information which is not yet available to the public, and
- Other information that is considered confidential

Material Information is important and relevant information that may affect the securities price of the Company/decision of the investor to purchase or sell securities of the Company.

All Employees are responsible for maintaining the confidentiality of the Confidential Information of the Company and prohibited from abusing such information.

The Confidential Information of the Company obtained by Employees shall remain confidential even though their employment at the Company has been terminated.

- d. Employees' relations as superior/subordinate in the Company:
  - Superior acts as role model, leader and mentor for their subordinates
  - Subordinates proactively develop and express their potentials under the direction and guidance of their superior
  - To mutually accept, respect and foster a good cooperation in an atmosphere of openness based on sincerity and good faith
- e. Relationship among Employees:
  - To mutually respect, encourage and foster a good cooperation in carrying out their respective duties and responsibilities
  - To reinforce integrity and foster transparency and abundance mentality in a harmonious relationship as members of the Company

## II. Corporate Secretary

The Corporate Secretary is a function that is established to assist the Board of Directors in ensuring compliance of the Company with applicable laws and regulations and administering the decisions of the Company are in compliance with the good corporate government as well as communicating with the capital market authorities and the public.

The Corporate Secretary is responsible to the Board of Directors and has among others the following tasks:

- a. To provide advice to the Board of Directors and Board of Commissioners relating to capital market laws and regulations
- b. To ensure that the meetings of the Board of Directors and Board of Commissioners are conducted properly and on determined schedule and the meeting's decisions are properly documented and archived
- c. To ensure that the General Meeting of Shareholders is conducted properly and in timely manner
- d. To support the socialization and implementation of the Corporate Philosophy, Corporate Values, Systems, and Corporate Culture
- e. In coordination with related divisions to socialize implement, monitor and review the implementation of Astra Code of Conduct
- f. To provide input to the Strategic Corporate Planning of the Company
- g. To act as a liaison or contact person between the Company and Indonesia Financial Services Authority (Otoritas Jasa Keuangan), the stock exchange, where the securities of the Company are listed, and the public
- h. To ensure that the administration, registration, and reporting to the Financial Services Authority (Otoritas Jasa Keuangan) and the stock exchange where the securities of the Company are listed, are implemented properly and in a timely manner
- i. To make disclosure to the public (including to provide information in the Company's website} in accordance with applicable laws and regulations
- j. To establish good relationship with stakeholders to foster trust in the ability of the management to run the Company and create long-term value for the stakeholders
- k. To conduct orientation program for new member(s) of the Board of Directors and/or the Board of Commissioners, and
- l. To keep pace with developments in the capital markets, particularly applicable laws and regulations and international practices on good corporate governance

### **III. Audit and Risk Management**

As a part of the implementation of Astra Good Corporate Governance, Astra conforms its management control tools in line with the regulations applicable to audit and risk management comprising:

- Audit Committee
- Internal Audit
- Risk Management
- External Auditor

1. Audit Committee

The Audit Committee is a committee established by and responsible to the Board of Commissioners. The primary function of the Audit Committee is to assist the Board of Commissioners in carrying out its oversight function on reporting of financial statements, audit, risk management and compliance with applicable laws and regulations.

2. Internal Audit

Internal audit is an activity associated with providing independent and objective assurance and consultations, with the aim to increase the values and improve operations of the Company through systematic approach, by way of evaluating and increasing internal control effectiveness.

Internal Audit Unit is a Company's Internal Audit function unit and chaired by a Head of Internal Audit.

3. Risk Management

Risk management is a structured process for aligning strategy, process, people, technology and knowledge within an enterprise organization, with the aim to evaluate and mitigate the adverse effects of a potential condition.

Risk Management unit assists the Board of Directors in identifying the risk exposures of the Company, the current control measures, and to explore other possible alternative solutions to further reduce the risk.

4. External Auditor

As one of the accountabilities of the Board of Directors in operating and managing the Company, the Board of Directors periodically submits financial statements in accordance with the accounting principles and practices that are generally accepted in Indonesia. The Board of Directors is responsible in implementing good general accounting policies to establish and maintain the internal control in recording, processing, summarizing and reporting of transactions that are within the authority and control of the Board of Directors.

In order to provide reasonable assurance that the financial statements of the Company have been presented fairly in all material respects, the Company appoints external auditor to audit the financial statements of the Company.

#### **IV. Guideline on Conflicts of Interest**

1. General Guideline

Any transaction carried out between the Company and its subsidiaries shall be conducted in accordance with capital market laws and regulations to ensure that the transaction is carried out in the interest of the Company.

Said transaction may be subject to various requirements under prevailing laws and regulations and as such should be reviewed closely.

2. Matters that should be observed

2.1 Each proposed transaction between the Company or its subsidiaries (including its renewal and/or amendments) shall firstly be reviewed by the Corporate Legal of the Company to ensure compliance with the prevailing laws and regulations.

The Corporate Legal of the Company shall subsequently report such proposed transaction to the Corporate Legal of major shareholder of the Company.

2.2 For the following particular transaction:

- a. between the Company and a Director/Commissioner/Major Shareholder of the Company or its subsidiaries, or
- b. where there is a difference between the economic interests of the Company with the personal economic interests of the Director/Commissioner/Major Shareholder of the Company ("Conflict of Interest Transaction"), such proposed transaction shall be firstly reviewed by the Corporate Legal of major shareholder of the Company to ensure compliance with the applicable laws and regulations.

2.3 If according to the laws and regulations, a Conflict of Interest Transaction requires approval from independent shareholders of the Company, such proposed transaction shall require prior approval from the Board of Commissioners of the Company.

2.4 Every Conflict of Interest Transaction shall be carried out under customary terms and at a fair price, and not detrimental to the Company. Appropriate internal control procedures shall be carried out to support such requirements.

2.5 If an Employee (including executive) has a conflict of interest with the Company or its subsidiaries, or if a transaction involving an Employee is deemed by other relevant party as a conflict of interest transaction with the Company or its subsidiaries, the Employee shall immediately disclose such transaction in writing to the Board of Directors of the Company.

2.6 Each Director, Commissioner, and Employee of the Company or its subsidiaries who has a conflict of interest with the Company or its subsidiaries must not be involved in the decision making process related to such conflict of interest.



## **V. Whistleblowing System Mechanism Policy**

Through the units that are actively carrying out oversight duties, especially. Internal Audit Department, the Company has a working mechanism to convene periodic audits process and/or receive the violations of code of conduct of the Company reports, among others fraud. Reports of violations can also be submitted through the employees suggestion box in the Company's intranet web portal which is under the management of Human Capital Management.

The Company shall reviews all reports and takes necessary and appropriate action. In addition, the Company takes corrective action as necessary to prevent violations of the similar acts.

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