

SUPPLIER/VENDOR SELECTION POLICY

PT Astra Graphia Tbk



Supplier/Vendor Selection Policy

I. Introduction

PT Astra Graphia Tbk (the "Company") always committed to implementing Good Corporate Governance consistently and sustainably. The Company recognizes that Suppliers/Vendors play an important role in the Company's operations and business sustainability. The good ability of the Supplier/Vendor to meet the needs of the goods and/or services required by the Company will affect the quality of the Company's output. This Supplier/Vendor Selection Policy aims to enable the Company to obtain the best Suppliers/Vendors as needed, as well as to ensure that the Company's selection and evaluation process for the procurement of goods and/or services is carried out effectively, efficiently, competitively, fairly, transparently, and in a manner that can be held accountable.

II. Legal Basis

1. Financial Services Authority Regulation No.51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies.
2. Circular Letter of the Financial Services Authority of the Republic of Indonesia No.16/SEOJK.04/2021 concerning the Form and Content of the Annual Report of Issuers or Public Companies.
3. Code of Conduct of the Company.

III. Definiton

1. Supplier/Vendor is a party that provides goods and/or services in accordance with the Purchase Order issued by the Company, excluding other principals handled by the Marketing Division.
2. Employees are individuals who work for the Company who receive wages based on the employment relationship.
Vendor List is a list of Suppliers/Vendors that provide goods and/or services to the Company that has been approved and have been partners of the Company.

IV. Supplier/Vendor Selection Requirements & Criteria

Suppliers/vendors involved in the Company's procurement of goods and/or services must meet the following requirements and criteria:

1. Preferably is a legal entity and fulfills the legality aspect based on the field of business that is carried out in accordance with the provisions of the applicable laws and regulations.
2. Possess expertise, experience, technical and non-technical capabilities, as well as management skills appropriate to the field of business being conducted.
3. Possess the necessary resources for the procurement of goods and/or services required by the Company, both in terms of quality and quantity.
4. Capable of providing good service in fulfilling orders as determined by the Company at competitive prices.
5. Possess a proven track record and reputation for providing high-quality products and timely service.
6. Other requirements determined in accordance with the type of procurement of goods and/or services.

V. Supplier/Vendor Selection Mechanisms or Procedures

The Company has a policy that all purchases of goods and/or services to meet the Company's needs should go through a selection process. This selection procedure may be carried out through open or closed qualification selection and/or direct appointment, as stipulated in the Company's Standard Operating Procedure (SOP).

The Company performs the following in relation to the selection:

1. Examine the Vendor List. If the required goods and/or services could be met by a Supplier/Vendor on the Vendor List, the Company may organize a direct appointment with the Supplier/Vendor who best meets its needs.
2. If the required goods and/or services couldn't be fulfilled by the Suppliers/Vendors listed in the Vendor List, the Company will conduct an assessment of new prospective Suppliers/Vendors, as technically regulated in the Company's Standard Operating Procedures (SOP).

VI. Supplier/Vendor Capability Improvement

To ensure consistency in the quality of goods and/or services supplied, transparency, and to encourage the improvement of the capacity of the Suppliers/Vendors, the Company will conduct periodic evaluations of the Suppliers/Vendors who are the Company's partners, as technically regulated in the Company's Standard Operating Procedure (SOP). This aims to ensure quality, transparency, and continuous improvement in the Suppliers/Vendors' relationship with the Company.

VII. Employee and Company Relations with Suppliers/Vendors

In building relationships with Suppliers/Vendors, Employees must always apply the principles of equality, partnership, and fair business competition through the following actions:

1. To maintain and prioritize the interests of the Company.
2. To uphold integrity, independence, and objectivity in conducting transactions with Suppliers/Vendors.
3. To build honest and effective communication for continuous performance improvement.
4. To not allowed to accept gifts/rewards from potential Suppliers/Vendors that may influence the Supplier/Vendor selection decision and result in potential losses for the Company.
5. To provide accurate information to Suppliers/Vendors through transparency and clarity while maintaining information security.
6. To build and develop a work culture of mutual trust through performance evaluation efforts for continuous improvement, objectively assessing the Supplier/Vendor, and imposing sanctions if the Supplier/Vendor fails to meet the Company's provisions.

The selected supplier/vendor has no conflict of interest with the Company and/or the Company's employees.

VIII. Violations and Sanctions

In the event that the Supplier/Vendor does not provide services in accordance with the agreed agreement, the Company will impose sanctions on the Supplier/Vendor and the Company has the right to the Supplier/Vendor to participate in procurement in the Company and its subsidiaries.

IX. Person in Charge

Chief of Human Capital Management and Services, as well as the Chief of Supply Chain Management, are responsible for regulating and ensuring that the Company's Supplier/Vendor Selection Policy is carried out properly and correctly.

X. Others

This Supplier/Vendor Selection Policy should be complied with by all Company Employees, Suppliers/Vendors, and potential Suppliers/Vendors.

This Supplier/Vendor selection policy shall be adjusted periodically to suit the business needs of the Company and the prevailing laws and regulations.