

Compliance With the Code of Ethics

The Code of Conduct applies to all Management (Board of Commissioners and Board of Directors) and employees in carrying out every business activities and interacting with all stakeholders. The statement of compliance with the Code of Conduct at all levels of the organization is officially stated through the Board of Directors' Regulation No.16/PD/CMPD/2015 dated December 31, 2015 on Code of Conduct. The Company requires its personnel to sign a statement of compliance with the Code of Conduct called the Integrity Pact and to apply the Code of Conduct. The successful implementation of the Code of Conduct is the responsibility of all leaders in their respective work units. Therefore, they are required to provide understanding of the Code of Conduct implementation to their employees.

Socialization of the Code of Conduct and the Enforcement Efforts

The Code of Conduct is disseminated to all employees of the Company through **the Digital Room for E-learning Modules (DREAM)** media and a Code of Conduct quiz is provided to determine employee understanding of the Code of Conduct. Commitment to the Code of Conduct implementation is also stated in the Integrity Pact which must be signed by all Directors, Commissioners and Employees of the Company. In addition, the Code of Conduct can also be accessed by all of the Company's Stakeholders through the Company's website.

Efforts To Implement and Enforce The Code of Conduct

The Company provides strict and consistent sanctions against violations of the Code of Conduct. The imposition of sanctions for violations committed by the Board of Commissioners and Directors is based on the Company's Articles of Association and GMS resolutions. While the imposition of sanctions for employees is carried out in accordance with applicable employment regulations. The Company's efforts to implement and enforce the Code of Conduct in 2023 include:

1. Completion and signing of the Integrity Pact by all employees in accordance with the Code of Conduct values;
2. Internalization of the Code of Conduct, Gratification Control and Anti-Bribery Management System (SMAP) to all Employees through Digital Room for E-learning Modules (DREAM);
3. Cooperating with the KPK through the Professional with Integrity (PROFIT) program which includes competent HR to

build integrity in preventing corruption within the Company through participation in training as an Integrity Building Expert (API) and in collaboration campaign with the KPK on preventing corruption through various communication media channels;

4. Implementing the Gratification Control Program in accordance with the established Work Plan and reporting its results to the KPK on a quarterly basis;
5. Managing gratification reports from all work units and reporting them to the KPK in accordance with the provisions;
6. Implementing ISO 37001:2016 Anti-Bribery Management System (SMAP) as a manifestation of Business Ethics and Behavior listed in the Code of Conduct;
7. Implementing the Whistleblowing System (WBS) program;
8. Punishment for employees who violate business ethics.
9. and others.

Type of Sanctions of Code of Conducts

The Company classifies sanctions for each violation of the Code of Conduct in two types, namely:

1. Administrative sanctions

Sanction Category	Types of Sanctions	Types of Sanctions	Construction Period
Light Sanctions	Light Letter A	Verbal warning	3 (three) months
	Light Letter B	Written warning	
	Light Letter C	Statement of dissatisfaction	
Medium Penalty	Medium Letter A	Don't get vacation pay	1 (one) year
	Medium Letter B	Do not get regular salary adjustments	
	Medium Letter B	Person Grade reduction by 1 (one) grade (basic salary adjusted)	
Heavy Sanctions	Letter A Weight	Decreased person grade by a minimum of 2 (two) grades (basic salary adjusted)	2 (two) years
	Letter B Weight	Termination of employment (PHK)	
	Letter B Weight	Termination of employment and reporting to the authorities.	

2. Financial Sanctions

Financial sanctions mean compensating for all financial losses that arise as a result of a disciplinary violation.