



ANTI-BRIBERY AND CORRUPTION PROCEDURES

1.0 GOAL

- 1.1 The goal is to standardize procedures and formats related to anti-bribery and corruption.
- 1.2 To provide clear work guidelines, ensuring consistency, correctness, and timely implementation.
- 1.3 Establish internal controls to mitigate unwanted business risks.
- 1.4 Facilitate and protect the identity of the reporter by ensuring anonymity in the reporting process.

2.0 SCOPE

- 2.1 Applicable to all companies and business units within Asian Agri Sumatra.

3.0 DEFINITION

- 3.1 Anti-Bribery and Corruption (ABC) is an effort to prohibit, oppose, and prevent all forms of fraud through bribery and corruption.
- 3.2 Bribery involves directly or indirectly giving, promising, offering, receiving, agreeing to receive, requesting, or receiving anything of value to corruptly or improperly influence individuals in the performance of their duties, obligations, or to secure or reward an improper advantage.
- 3.3 Corruption is generally understood as the abuse of power for personal gain.
- 3.4 "Anything of Value" is interpreted broadly and includes (but is not limited to) cash and cash equivalents in any amount; gifts and gift cards; food, entertainment and other hospitality; travel and lodging; training; services in kind ; businesses for which there is no reasonable value for services and/or supplies, employment, education or investment opportunities, discounts or credits contractual rights or interest;

commissions, kickbacks, rebates, loans or other compensation; payment of other expenses; and political donations or charitable contributions.

3.5 "Facilitation Payments" are small, informal payments made to secure or expedite routine assignments or services by Government Officials or other individuals or entities to which the individual or company is legally entitled. (such as speeding up visa application processing).

3.6 "Applicable Anti-Bribery and Corruption Laws" refer to any law, rule, regulation, or legally binding act of any jurisdiction related to bribery and corruption applicable to the Company, its Employees, or Business Partners.

4.0 PROCEDURES

All Employees and Business Partners are expressly **PROHIBITED** from engaging in bribery and corruption in any form and must avoid actions that give the impression of such activities.

- 4.1 The main areas of ABC risk that may arise during the Company's business operations include:
- (a) Involvement of Associates and Business Partners
 - (b) Interaction with Government Officials
 - (c) Gifts and Hospitality
 - (d) Sponsorship and Donations
 - (e) Employee Recruitment
 - (f) Facilitation Payments and Security Payments
 - (g) Bookkeeping and Internal Control.

Involvement of Associates and Business Partners:

- 4.1.1 All transactions with Associates and Business Partners must adhere to the highest ethical standards and comply with all Applicable ABC Laws. Employees must not circumvent this Policy or other Company Policies through the use of Business Partners.
- 4.1.2 Making payments to Business Partners known or believed to be involved in bribery is strictly prohibited.
- 4.1.3 The Company must ensure it only engages in business relationships with reputable and qualified Business Partners who comply with this Policy. Documenting the Company's relationship with all Business Partners must be thorough and precise.

Interaction with Government Officials:

- 4.1.4 Extra care must be taken when dealing with Government Officials, as bribery is prohibited under Applicable ABC Laws.
- 4.1.5 Payment of reasonable business expenses to Government Officials is permitted in good faith in certain circumstances. However, such payments may not be made with the intent to influence these Government Officials.

Gifts and Hospitality

- 4.1.6 Exchanging gifts of reasonable nominal value and sharing hospitality (e.g., coffee, dinner, etc.) to establish constructive business relationships is permitted.
- 4.1.7 Employees and Business Partners providing gifts, hospitality, or entertainment exceeding the usual norms should be scrutinized, as such behaviour may be a cover for bribery.
- 4.1.8 Employees and Business Partners are prohibited from offering, giving, or accepting gifts and/or entertainment to influence or appear to influence recipients in making objective business decisions in exchange for preferential treatment.

Sponsorship and Donations

- 4.1.9 The Company prohibits contributions to political parties and/or candidates for political office. Employees or Business Partners are not allowed to make political contributions on behalf of the Company or with statements attributed to the Company.
- 4.1.10 The Company may make charitable donations and provide sponsorship to non-profit organizations and other charities, ensuring such actions are ethical and legal per Applicable ABC Laws. Charitable donations made by the Company (or on its behalf) must be approved in accordance with Applicable Policies.
- 4.1.11 Employees may join political associations or make donations to political parties, provided this is done in their personal capacity and time. It must be explicitly stated that the Company is not associated with such political activities or donations.

Employee Recruitment

- 4.1.12 Employee recruitment must not be based on the interests of the Company's business transactions or as compensation for anticipated profits. Employees are prohibited from offering employment to gain advantages in any business activity.
- 4.1.13 Government Officials and their relatives may be employed as Employees only if qualified for the position and compensated at fair market value.
- 4.1.14 Employees responsible for recruitment must thoroughly assess all new recruits and ensure proper validation of the selection process before acceptance into Company employment.

Facilitation Payments and Security Payments

- 4.1.15 Facilitation payments may be considered a bribe under Applicable ABC Laws and are strictly prohibited.
- 4.1.16 The Company strictly prohibits providing facilitation payments in the course of its business. If asked to make such a payment on behalf of the Company, it must be reported immediately (in writing) to the Head of BG/BU.
- 4.1.17 Government Officials or individuals claiming to act on their behalf may attempt to request kickbacks/security fees from the Company, employees and/or business partners.
- 4.1.18 If facing extortion, explicit or implicit threats, and realizing serious danger or loss of liberty with no alternatives available, a payment may be made, and details must be recorded in the Company's books. Under such circumstances:
 - (a) You must always record in the Company's books and record the details including the reason for payment, date of payment and identity of the recipient; and
 - (b) You must report extortion payments as quickly as possible to Head Legal and Head SSL to determine what action will be taken.

Bookkeeping and Internal Control

- 4.1.19 The Company creates and archives detailed and accurate bookkeeping/records of all expenditures made by the Company or on its behalf and operates an internal control system to ensure accountability for all Company funds and assets.
- 4.1.20 The Company ensures that all accounting reports are detailed, fair, accurate and honest for all financial transactions and are available for internal and external audit inspection needs.
- 4.1.21 Employees and Business Partners are strictly prohibited from making payments without appropriate supporting documents, including "off the books" payments or fraudulent accounting practices. This includes changing or falsifying books/records, fake payments or fictitious invoices, omission of relevant information, intentionally changing ledger coding, or falsifying expense reports.

4.2 Policy Violations

- 4.2.1 All Employees must ensure they read, understand, and comply with this Policy, avoiding any activity that could lead to or suggest a breach of this Policy. Ignorance is not an excuse for non-compliance.
- 4.2.2 Disguising or hiding bribe payments in accounting records is a criminal offense under Applicable ABC Laws.
- 4.2.3 Applicable ABC laws criminalize bribery and corruption, with serious consequences such as heavy fines and debarment for companies, and fines with prison sentences for individuals.
- 4.2.4 The Applicable ABC Law prohibits acts of bribery and corruption in both the public and private sectors. It is also extraterritorial, applying to Indonesian citizens committing criminal acts outside the Republic of Indonesia.
- 4.2.5 Bribes given/offered by the Company's Employees/Business Partners for the benefit of the Company's business may result in the Company being punished for failing to prevent such bribery, even if the Company is not aware of it, so **violations of this Policy must be prevented at all costs.**
- 4.2.6 Any employee intentionally, negligently, or failing to comply with this Policy will face disciplinary sanctions, including dismissal for permanent employees,

officers, or directors, and termination of contract for contract employees or expatriates. Violation of this Policy constitutes wilful misconduct.

4.2.7 Internal Audit and HR Dept. are responsible for investigating suspected bribery by Employees or Business Partners and taking appropriate steps, such as consulting with external parties or internal parties like the Legal Dept. or SSL Dept.

4.2.8 The Company will inform and cooperate with Relevant Local Authorities regarding cases of bribery or corruption committed by Employees or Business Partners.

4.3 Violation Reports

4.3.1 Every employee aware of or having reason to suspect a potential violation of this Policy must promptly report it to the Head of BG/BU, who will consult with the Head of Legal and/or Head of SSL.

4.3.2 Employees must not ignore suspicious circumstances indicating a possible violation of this Policy. If uncertain about whether an action constitutes a violation of the Applicable ABC Law or have other questions, it must be submitted to the Head of BG/BU.

4.3.3 Violation reports can also be submitted directly to the Head of Legal and/or Head of SSL as an alternative and must comply with the Reporting Corporate Violations Policy.

4.3.4 Once a suspicion or concern is reported, the matter must not be shared with any person/party other than those responsible for investigating it until the information is made public.

4.3.5 The Company guarantees the confidentiality of the reporter's identity, understanding the potential concerns. Whistle-blowers can report violations via the “whistleblowing” telephone line, +62 811 600 9430, or email attention@asianagri.com.

5.0 INFORMATION

If anything in the SOP is unclear, contact the **HR Department** for clarification.