



## **ANTI – BRIBERY AND CORRUPTION POLICY** **(the “Policy”)**

### **1. Purpose**

This Anti-Bribery and Corruption Policy (the Policy) sets out the requirements and standards of behavior required across PT. Wirakarya Sakti (herein after will be stated as the “Company”) related to bribery and corruption.

This Policy provides a framework, but cannot describe every situation, law or policy that may apply. Where the Policy sets higher standards of behavior than local laws, rules, customs or norms, the higher standards are applied. Employee need to exercise good judgement, justify each action, and try to prevent any potential breach to this policy and applicable laws, rules, or standards.

### **2. Scope**

This Policy applies to all business operation and activities pertaining to the Company, which also expected to be adhered by business partners and other relevant stakeholders.

### **3. Terms and Definition**

For the purpose of this policy, the following terms and definition apply.

- 3.1. Bribery** – the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting anything of value, whether directly or indirectly, to induce or influence an action or decision, which interferes with the Company’s value, policies, and procedure, and/or the applicable laws, rules, or regulation.
- 3.2. Anything of Value** – refers to cash, gifts to family members, debt write-off, loans, personal favors, sexual favors, rebates, kickbacks, insider information, entertainment, meals and travel, political, social and charitable contributions, business or employment opportunities, and medical care, among other items. Items of value that are given in compliance with the requirements of this policy and the applicable Anti-Corruption Laws, and which are not given with the intent to secure any undue or improper advantage, will not be considered as bribes.
- 3.3. Corruption** – is dishonest or illegal act performed to gain anything of value by abusing power or authority.



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- 3.4. Kickback** – arise when the third parties or business partners pay part of their fees to the Company’s employees who give them a contract or some other business advantage.
- 3.5. Bid-Rigging** – a form of collusion by which the vendor, generally with the help of a dishonest employee, illegally obtains a contract that was supposed to involve competitive bidding.
- 3.6. Facilitation Payment** – bribes or unofficial payments given to or by the Company’s employee intended to speed up routine transactions to which the payer is already entitled.
- 3.7. Employee** – an individual who works part-time or full-time under a contract of employment with the Company, whether oral or written, express or implied, and has recognized rights and duties.
- 3.8. Third Parties or Counterparties** – in the context of this Policy, a third party or counterparty refers to any individual, organization, or entity that our Company meets and works with. It includes but not limited to buyers, customers, suppliers, vendors, partners, contractors, sub-contractors, agents, representatives, intermediaries, consultants, advisers, government and public bodies – this includes their advisors, representatives and officials, politicians, and public parties, and other business partners.
- 3.9. Government or Public Officials** – (i) an officer, agent or employee of a government, government-owned enterprise (or any agency, department or instrumentality thereof) or political party, or public international organization established under an international treaty (ii) an agent, officer, or employee of any entity owned by a government. Retired employees, officers, employees, or any person who are not currently or at the time of the relevant conduct acting in any capacity for or on behalf of either a government, its departments, agencies, instrumentalities, or quasi- or partially-government controlled or owned entities; any public international organization established under an international treaty to which Indonesia is a signatory; or a political party in Indonesia, are not considered to constitute “Government Officials.”
- 3.10. Gifts and Entertainment** – this refers to any form of a gift, entertainment, hospitality, reward, benefit, or other incentives that are received or offered.



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- 3.11. Conflict of Interest** – conflict of interest means every activity and situation that would constitute an actual or apparent conflict between personal interests and the interests of the Company. Conflicts of interest may arise when an employee places his or her interests before the interests of the Company and where such personal interests unduly influence that employee's business judgments, decisions, or actions.
- 3.12. Detrimental treatment** – any dismissal, disciplinary action, treats, or unfavorable treatment as a result of the concern the individual raised.
- 3.13. Anti-Bribery and Corruption System** – an interrelated and intercorrelated elements, including controls, policies and procedures, in achieving the objective concerning bribery and corruption risks.
- 3.14. Due Diligence** – a process to further assess the nature or extent of bribery and corruption risk to help the Company make a decision in relation to transactions, projects, activities, third parties, and employees.
- 3.15. Management** – is made up of senior-level executives at the highest level in the Company.
- 3.16. Compliance Function** – responsible to ensure the adequacy of the design of policy & procedure related to anti-bribery & corruption, including its operating effectiveness. In the context of this Policy, the compliance function of anti-bribery and corruption in the Company is the Ethics and Compliance function.
- 3.17. Documented Information** – information required to be controlled and maintained by the Company.
- 3.18. Monitoring** – an activity or process performed to analyze, review, and determine a status of a system, a process, or an activity.
- 3.19. Audit** – systematic and independent and documented evaluation process performed to obtain sufficient evidence to determine the fulfillment of certain criteria.



## 4. The Company's Standpoint on Bribery and Corruption

The Company has zero-tolerance for all forms of bribery and corruption, including kickback, bid-rigging, and facilitating payment, and prohibits all employees and third parties act on behalf of the Company from engaging in any acts of bribery and corruption with any government or public officials, any individuals, and organizations. In this regard, the following things apply:

### 4.1 Gifts and Entertainment

Gifts or entertainment are only to be offered or received for a legitimate business purpose – that is, if their primary objective is to build a good business relationship, and that relationship is consistent with the business plan of the relevant business unit.

Gifts or entertainment that are reasonably considered to impair effective judgement, improperly influence a decision or create a sense of obligation must not be offered or accepted by any employee.

The following gifts and entertainment (each being a Prohibited Gift and Entertainment) are prohibited in all circumstances:

- a. Cash or gift vouchers.
- b. Gifts or entertainment given or received with the intention of unduly influencing business decisions.
- c. Entertainment of an inappropriate nature or at inappropriate venues.
- d. Gifts or entertainment in exchange for business services or information, loans, cash or product/service discounts not available to all Employees.
- e. Gifts or entertainment serve as facilitation payments, even where allowed under local jurisdictional laws or business practices.

Employee is required to disclose and obtain written approval required upon receiving or arranging to provide any non-prohibited gifts or entertainment in accordance with the Company's Gifts and Entertainment Policy.

### 4.2 Facilitation Payment

Facilitation payment tend to occur involving the low-level officials to securing or speeding up the performance of a certain duty or action. The Company recognizes facilitation payment as a form of bribery that involves expediting or facilitating the performance of a government official for a routine governmental action. The Company does not accept and will not make any form of facilitation payments of any nature.



#### **4.3 Government or Public Officials**

The Company conducts business with government or public officials in all areas of its operation and seeks open and constructive relationships with those governments. Any interactions with governments, regulators and public officials must be in the best interests of the Company and information provided must be accurate and appropriate. The Company prohibits any actions considered as improper and violating the applicable laws or regulation when engaging with government or public officials, such as lobbying practice.

#### **4.4 Political Contributions and Activities**

The Company complies with all applicable rules, laws and regulations in relation to its activities in connection with political parties. The Company does not prohibit employee from involvement in the political activities, but employee must ensure any personal involvement in political activities and business-related involvement in activities organized by a political party has been approved in advance by the Company, and incompliance with the Company's Code of Conduct Policy, and other applicable rules, laws, and regulation.

#### **4.5 Sponsorships and Charitable Donations**

The Company may support local community groups and charities through sponsorships and donations that are legal, ethical and further the interests of the Company. When considering sponsorship and donations, employee must comply with the Company's Code of Conduct Policy and the applicable policies and procedures.

#### **4.6 Conflicts of Interest**

The Company does not tolerate conflict of interest in its business practice. Employee must ensure his/her personal activities and interests do not conflict—or be seen conflict—with his/her responsibilities to the Company. It is important to avoid even the appearance of a conflict of interest. Employee must:

- a. Disclose to his/her Manager and the Ethics & Compliance function any actual or potential conflict of interest that affects him/her.
- b. Avoid any dealings, involvement, or relationships that may create a conflict with his/her obligations to the Company.
- c. Not be involved in any decision-making where the employee may not be able to make an objective decision.
- d. Not be directly involved in the potential or actual employment of a relative, close friend or associate.



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- e. Follow the Company's applicable Conflict of Interest Policy accordingly.

## 5. Dealing with Bribery & Corruption

The Company recognizes that despite our strict policy, extortion sometimes involved in bribery and corruption, especially for facilitating payment, where resistance may not be feasible, and avoidance may put the resistance party and/or his/her family's personal health, safety, and security at risk. Under these circumstances, the following steps must be taken:

- a. Keep any amount to the minimum.
- b. Ask for a receipt, detailing the amount and reason for the payment.
- c. Create a record concerning the payment.
- d. Report this incident to your Manager and/or the Ethics & Compliance function at the earliest opportunity.

## 6. Reporting and Queries

All employees and external parties are encouraged to raise concerns in good faith about bribery and corruption concerning the Company. Employee must inform his/her line manager and/or the Company whenever faced with the below situation.

- a. Uncertain about whether a certain action or behavior can be considered bribery and corruption.
- b. Found any weakness to the Company's anti-bribery and corruption system.
- c. Suspect that there is an instance of bribery and corruption activities concerning to the Company or violation to this Policy.
- d. Offered or asked for a bribe by anyone.
- e. Being subject to unjust treatment as a result of concern raised and refusal to accept or offer a bribe.

The Company applies **no retaliation policy** of report raises in good faith. The Company ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to the potential act of bribery or corruption. Employees and external parties may use the Company's whistleblower channel—Integrated Call Center—to make a report or raise concern about bribery and corruption.



## **7. Investigation and Disciplinary Action**

Any reports of bribery and corruption concerning the Company and alleged violation to this Policy or the Company's anti-bribery and corruption system will be reviewed and may subject to further investigation in accordance with the Company Investigation Policy.

Any employees found guilty breaches this Policy will face disciplinary action and could face dismissal for gross misconduct. The Company must have the right to terminate a contractual relationship; with an employee if he/she breach this Policy. Any non-employees engaged by the Company and third parties who breaches this Policy may have their contract terminated with an immediate effect.

A report of bribery and corruption incident to the relevant authorized has to be conducted as appropriate and required by the applicable laws or regulation.

## **8. Anti-Bribery and Corruption Management System**

In managing the bribery and corruption risk, the Company has established and put in place an adequate and effective anti-bribery and corruption system. The following activities and controls are implemented as part of the Company's anti-bribery and corruption management system.

### **8.1 Bribery & Corruption Risk Assessment**

A bribery and corruption risk assessment are performed to identify, assess, evaluate, and mitigate the bribery and corruption risk to the Company. The bribery and corruption risk assessment are to be conducted in regular manner with the objectives to:

- a. Identify the nature of bribery and corruption risk concerning to the Company and the potential of occurrence.
- b. Analyze or assess the implication of identified risk to the Company and determines risk prioritization.
- c. Evaluate the Company's existing control to mitigate the risk to the accepted residual level.

### **8.2 Due Diligence**

Due diligence must be performed for transactions, projects, activities, third parties, and employees poses more than low bribery and corruption risk based on the risk assessment conducted to further evaluate the bribery and corruption risk.

Before entering into or continuing a commercial relationship with a third party on behalf of the Company, appropriate due diligence must be conducted in accordance with the Company's Due Diligence Policy and all contracts must be approved in compliance with the Company's



procedures. Due diligence must also be conducted on employees before employment, transfer, and promotion.

### **8.3 Financial Control**

The Company complies with all applicable rules, laws and regulations governing business reporting. All information created and maintained as a result of the Company's business activities must accurately reflect the underlying transactions and events and follow the applicable reporting policies and procedures.

Financial Officers and others responsible for the accuracy of financial reporting have an additional responsibility to ensure that adequate internal controls exist to achieve truthful, accurate, complete, consistent, timely and understandable financial and management reports that are prepared in accordance with relevant laws, accounting standards, policies and procedures.

### **8.4 Non-Financial Control**

Non-financial control must be implemented as necessary to mitigate and control the bribery and corruption risk in the non-financial aspects, such as procurement, commercial and operational processes, and ensure that the risk is properly managed. The non-financial control to be implemented includes, but not limited to:

- a. Due diligence undergone to third parties and employees.
- b. Segregation of duty in procurement, between initiator, negotiator, and approver.
- c. Restriction over sensitive information.
- d. Bonus, target, and incentives review to ensure it does not encourage bribery and corruption in any ways.

### **8.5 Implementation of Anti-Bribery and Corruption System by Third Parties**

The Company aims to have effective business relationships with third parties and encourage the third parties to adopt similar business principles, practices and procedures to those of the Company, including the Company's stand on bribery and corruption.





## 9. Responsibility in the Anti-Bribery and Corruption System

All employees are responsible and contributes to the effectiveness of anti-bribery and corruption system establishment. All employees must read, understand, and comply with this Policy and other procedures, laws, and regulation applicable. Additional responsibilities are applicable for the Management, Function/Unit Head, and Ethics & Compliance function in regard to this policy and the Company's anti-bribery and corruption system.

**9.1 Management** – is responsible in the overall anti-bribery and corruption system and its implementation. The management will supervise to:

- a. Ensure the anti-bribery and corruption system, including its objectives, policies or procedures, and controls, is in place, adequate, and effective to achieve its objective and mitigate the bribery and corruption risk.
- b. Ensure resources required in the implementation of anti-bribery and corruption system are adequate and/or competent, responsibilities are defined, assigned, and communicated.
- c. Promoting and communicating the Company's anti-bribery and corruption culture.
- d. Ensure the anti-bribery and corruption system subject to regular review or audit for continuous improvement.
- e. Reporting the anti-bribery and corruption system implementation and occurrence of noncompliance or violation to the governing body.

**9.2 Function / Unit Heads** – are responsible to implementing this Policy and the anti-bribery and corruption system requirements in their area of responsibility.

**9.3 Ethics & Compliance Function** – as the compliance function, is responsible to:

- a. Oversee the design sufficiency and implementation effectiveness of anti-bribery and corruption system.
- b. Provide advice and guidance to employees and third parties as necessary about the anti-bribery and corruption system and issues related to bribery and corruption.
- c. Ensure that anti-bribery and corruption system is in compliance with the applicable standards, laws, and regulation.
- d. Report to the management and governing body about the anti-bribery and corruption system implementation as appropriate.



## **10. Training and Communication**

This Policy will be communicated to all employees and business associates or third parties from the outset of business relations, and as appropriate thereafter. Training or other communication activities to raise awareness of bribery and corruption will be provided for employee at a regular basis, as appropriate to employee's role and risk exposure. Awareness and training program to third parties is to be provided as deemed necessary.

## **11. Documentation**

For transparency and accountability purpose, records or documentation concerning to this Policy is needed and will be kept in accordance with the applicable Information & Document Retention procedure. All required documentation must be available for use, when needed. The records or documentation intended includes, but not limited to:

- a. Bribery and corruption risk assessment undergone.
- b. Training provided to employees and third parties, as necessary.
- c. Due diligence or other review activities conducted.
- d. Any approvals and contractual agreement.
- e. Any financial transaction and activities, including gift and entertainment offered or received.
- f. Monitoring and evaluation of the bribery and corruption performance and the sufficiency and effectiveness of anti-bribery and corruption system in place.
- g. Audit performed over the anti-bribery and corruption system.

## **12. Monitoring and Review**

Monitoring and review activities is essential for the effectiveness, suitability, and adequacy of this Policy and the anti-bribery and corruption system in place for continuous improvement. Monitoring and review is conducted through audit, management review, and review by the Ethics & Compliance function as the compliance function.

### **12.1 Internal Audit**

Internal audit must be conducted by an independent function in a planned interval to ensure that the anti-bribery and corruption system is sufficient and effective in achieving its objective's in managing the bribery and corruption risk. The audit program must be conducted as reasonable, in risk-based approach, and in compliance with the Company's Internal Audit Policy and Procedures.



## 12.2 Management Review

Anti-bribery and corruption system review by the management is conducted in planned interval manner to ensure its suitability, adequacy and effectiveness. The review is performed over, but not limited to:

- a. Any changes of internal and external issues relevant to the Company's anti-bribery and corruption system.
- b. Noncompliance occurred and corrective action implementation.
- c. Audit result.
- d. Report of bribery and corruption.
- e. Investigation undertake related to bribery and corruption.
- f. Effectiveness of the existing anti-bribery and corruption system.
- g. Implementation of recommendation for continuous improvement.

## 12.3 The Ethics & Compliance Function Review

Ethics & Compliance function performs continual monitoring and review of anti-bribery and corruption system to ensure its effective implementation. The monitoring and review performed by the Ethics & Compliance function includes, but not limited to the effectiveness of:

- a. The effectiveness of training or communication awareness programs.
- b. The effectiveness of anti-bribery and corruption control in place.
- c. The cause of non-compliance occurred.
- d. The effectiveness of corrective action.

Jambi,

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## REFERENCE

### **REGULATION (LAW)**

Law of the Republic of Indonesia Number 20 Year 2001 concerning Corruption Crime Eradication

### **STANDARD**

The Company's Business Code of Conduct (BCOC)

United Nations Guiding Principles on Business and Human Rights (UNGPs on BHR)

United Nations Global Compact (UNGC)'s 10 Principles

Anti-Bribery Management System ISO 37001:2016