

PEDOMAN ETIKA USAHA DAN ETIKA KERJA
(CODE OF CONDUCT)

CODE OF CONDUCT
PT Kusuma Kemindo Sentosa Tbk.

2022

PT. KUSUMA KEMINDO SENTOSA
"THE RIGHT PARTNER FOR RAW MATERIALS"

DECREE

No : 080/KKS/IV/2022



**Concerning
Code Of Conduct**

- Considering** : 1. That in the framework of harmonizing business ethics and work ethics with company vision and mission and Good Corporate Governance of PT Kusuma Kemindo Sentosa Tbk and Subsidiaries, it is deemed necessary to develop guidelines for business ethics and work ethics (code of conduct) to be used as a reference by the board of commissioners, board of directors and all workers of PT Kusuma Kemindo Sentosa Tbk in carrying out their business activities and in relation to stakeholders.
2. The abovementioned Code of Conduct needs to be stipulated in a Decree of the Board of Directors.
- In view of** : 1. Law No. 40 of 2007 concerning Limited Liability Companies.
2. Law No. 13 of 2003 concerning Manpower.
3. Company Regulation (CR) or Collective Labor Agreement (CLA) of PT Kusuma Kemindo Sentosa Tbk.
4. Decree of the Board of Directors No. 080/KKS/IV/2022 concerning Code Of Conduct.
5. Decree of the Board of Directors No. 079/KKS/IV/2022 concerning Good Corporate Governance Policy.

DECIDED

- To stipulate** :
- FIRST** : To apply the Code of Conduct as attached to this Decree the Board of Directors.
- SECOND** : The Code of Conduct is a code that must be followed by the Board of Commissioners, Board of Directors and all employees of PT Kusuma Kemindo Sentosa Tbk.
- THIRD** : This Decree the Board of Directors shall come into force as from the date of stipulation.

Stipulated in : Jakarta
Date : 1st April, 2022



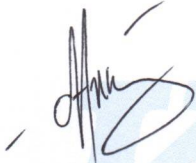

PT KUSUMA KEMINDO SENTOSA
JAKARTA

Kiki Rusmin Sadrach
President Director

VALIDITY SHEET

Validated in : Jakarta
Date : 1st April, 2022

Prepared by:

 <u>Melly Elita</u> Corporate Secretary	 <u>Lamhot Hutabarat</u> HR & IR Manager
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BOARD OF DIRECTORS



 <u>Melly Elita</u> CFO	 <u>Kiki Rusmin Sadrach</u> CEO
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CHAPTER I
INTRODUCTION

Background

The Code of Conduct is a form of commitment and concrete steps of all parties, including the Board of Commissioners, Board of Directors and all employees of PT. Kusuma Kemindo Sentosa Tbk. in describing and implementing the Values (Integrity, Innovative, Rewarding People), the Top 3 Priorities (One KKS, Customer Focus, Performance Delivery) and the Commitments to Stakeholders (Customers, Our People, Communities, Shareholders, Regulators) into business behaviors and daily work behaviors.

The Code of Conduct is developed to be a behavior reference for the board of commissioners, board of directors and all employees of PT Kusuma Kemindo Sentosa Tbk in managing the company to achieve maximum results in accordance with the company's vision and mission.

Purposes

The purposes of developing this Code of Conduct are as follows:

1. Standardizing behavioral ethics and describing values that are in line with the company's vision and mission.
2. Describing the Values, Top 3 Priorities, commitments to Stakeholders and GCG principles as a foundation of behavioral ethics that must be adhered to and implemented by the board of commissioners, board of directors and all employees of PT Kusuma Kemindo Sentosa Tbk in carrying out their duties in accordance with their respective authorities and responsibilities and their interactions with all stakeholders.

References

1. Law No. 40 of 2007 concerning Limited Liability Companies.
2. Law No. 13 of 2003 concerning Manpower.
3. Company Regulation (CR) or Collective Labor Agreement (CLA) of PT Kusuma Kemindo Sentosa Tbk.
4. Decree of the Board of Directors No. 079/KKS/IV/2022 concerning Good Corporate Governance Policy.
5. Decree of the Board of Directors No. 080/KKS/IV/2022 concerning Code of Conduct.

General Provisions

1. PT Kusuma Kemindo Sentosa Tbk. is a Limited Liability Company established based on the deed of establishment no. 78 dated November 9, 1990 under the Decree of the Ministry of Law and Human Rights No. 02.1076.HT.01.01-Th'92 dated February 4, 1992 within the company group.
2. Limited Liability Company, hereinafter referred to as the Company, is a legal entity which is a capital partnership, established under an agreement, conducts business activities with authorized capital entirely divided into shares, and meets the requirements stipulated in Law No. 40 of 2007 and its implementing regulations.
3. Good Corporate Governance is the basic principles underlying all the organs of the company, workers and related stakeholders in running the company in accordance with the prevailing laws and regulations.
4. Business ethics are a system of values or norms that serve as a reference for the company, its management and workers in dealing with their environment or other parties, both internally and externally.
5. Work ethics are values or norms that serve as a reference for all workers in carrying out their daily work in accordance with their respective authorities and responsibilities.
6. Conflict of Interest is the occurrence of a conflict or contradiction between the economic interests of the company and the personal economic interests of shareholders, board of commissioners, board of directors and all workers of the company.
7. Prizes (gratuities) are gifts and/or receipts in a broad sense, in the form of providing additional fees, money including honoraria, goods, rebates (discounts), travel tickets, lodging facilities, travel and other facilities.
8. Company secrets are all information either in the form of data, documents, images, videos or others that can cause material or immaterial harm to the company.
9. Political activities are all activities related to and carried out by workers in the management of political parties, campaigners, legislative candidates, candidates for state officials (Mayors, Deputy Mayors, Governors and Deputy Governors).
10. Kinship is a family relationship that occurs because of the same genealogy and/or due to legal ties or other ties limited to: biological parents, spouses' parents, siblings, in-laws.

CHAPTER II

VISION, MISSION, CORPORATE VALUES AND GOOD CORPORATE GOVERNANCE PRINCIPLES

I. Company Vision

To Be the leading company in distribution & logistic of chemicals & raw materials in Indonesia and Southeast Asia.

II. Company Mission

- Prioritizing shared interests for all related parties.
- Providing the best services.
- Improving supply chain management and product innovation on an ongoing basis.
- Concern for the environment and society.
- Optimizing human resources.

III. Corporate Values

➤ Values

1. Integrity

Acting consistently in accordance with the organization's values and policies and the professional code of ethics, even in difficult circumstances.

2. Innovative

Always thinking innovatively to improve the way we work, making it easier, better, and faster.

3. Rewarding people

Rewards to valued actions, actions taken to strengthen agreed behaviors.

➤ Top 3 Priorities

1. One KKS

Collaborating as a solid and leading team by instilling a "One KKS" mindset to make the best contribution through creativity, ideas or brilliant thinking, and creating quality human resources.

2. Customer Focus

Putting customers at the "heart" of each business unit to produce positive impacts on the company and create customer loyalty.

3. Performance Delivery

Continuously and consistently improving performance in each business unit, running businesses with no flaws, developing good performance culture through **appreciation, recognition, and serving** each other.

➤ **Commitment to Stakeholders**

1. Customers
Committed to exceeding customer expectations.
2. Our People
Investing in human resources and to learn and grow in making a difference.
3. Communities
Responsible and committed to the communities.
4. Shareholders
Providing superior and profitable performance, and improving sustainable business.
5. Regulators
Becoming an example in corporate governance and ethical standards in doing business.

IV. Good Corporate Governance Principles

➤ **Transparency**

Basic Principles

To maintain objectivity in carrying out business activities, the company must provide information that is easily accessible and understood by stakeholders. The company must be active in disclosing not only the problems required by the laws and regulations, but also significant matters in decision making and policy by shareholders and other stakeholders.

Implementation Guidelines

- a. The company provides information in a timely, accurate and clear and easily accessible manner to stakeholders in accordance with their rights.
- b. Information that must be disclosed includes vision, mission, business objectives, corporate strategy, financial condition, structure and management of the company, shareholding by members of the Board of Directors and members of the Board of Commissioners, risk management system, supervision system and internal control, implementation and supervision of Good Corporate Governance (GCG) and other significant events that principally can affect the condition of the company.
- c. The transparency principle adopted by the company does not reduce obligation to comply with the company's confidentiality requirements according to the laws and regulations, position secrets, and personal rights.

➤ **Accountability**

Basic Principles

The company must be able to account for all forms of business activities in a transparent and fair manner. Consequently, the company must be managed properly, measurably and in accordance with the interests of the company while taking into account the interests of shareholders and other stakeholders.

Implementation Guidelines

- a. The company must specify details of duties and responsibilities of its respective organs and all workers clearly as well as the company vision and mission, corporate values and company strategy.
- b. The company must be sure that all the company's organs and all workers have the ability according to their respective duties, responsibilities, and roles in the company.
- c. The company must ensure a control system and effective internal supervision are in place in managing the company.
- d. The company must have clear performance measures for all levels of the company with the company's business target, and has a reward and punishment system in place.
- e. Each organ of the company and all workers must adhere to the agreed code of conduct.

➤ **Responsibility**

Basic Principles

The company must adhere to and carry out its business activities in accordance with the applicable laws and regulations and perform its responsibilities to the communities and environment.

Implementation Guidelines

- a. The company's organs must adhere to the principle of prudence and ensure compliance with laws and regulations, articles of association and company regulation.
- b. The company must carry out social responsibilities, among others, by its concern for the communities and environment, especially around those the company by developing adequate programs.

➤ **Independency**

Basic Principles

The company must be managed independently so as to avoid any organ of the company to dominate each other and to prevent intervention by any other parties.

Implementation Guidelines

- a. Each organ of the company must try to avoid domination by any party, not be affected by certain interests, and be free from conflict of interest for decision and policy making to be carried out objectively.
- b. Each organ of the company must carry out its functions and duties in accordance with the articles of association and the applicable laws and regulations, so as avoid dominating each other and or passing the buck.

➤ **Fairness**

Basic Principles

In carrying out its business activities, the company must always pay attention to the interests of shareholders and other stakeholders based on the principle of fairness and equality.

Implementation Guidelines

- a. The company must provide equal and reasonable treatment to stakeholders in accordance with the benefits and contributions given to the company.
- b. The company must provide equal opportunities in employee recruitment, career development and carrying out their duties professionally, regardless of ethnicity, religion, race, class, gender, and physical condition.

CHAPTER III
BUSINESS ETHICS

I. Corporate Ethics with Workers

The company protects workers' interests based on rights and obligations proportionally and in accordance with the laws and regulations. The company considers workers as a valuable asset or investment in achieving the optimal goals or results of the company as expected by supporting the achievement of the company vision and mission and the application of corporate values.

Ethical behaviors in relation to workers include:

1. Ensuring the basic rights of workers/ laborers and ensuring equal opportunities and treatment without discrimination on any basis to realize the welfare of workers/ laborers and their families while paying attention to the progress of the business world.
2. Providing sufficient opportunities for workers/ laborers to perform worship required by their respective religion.
3. Creating a working environment that is safe, conducive and free from all forms of pressure and intimidation.
4. Consistently implementing the Company Regulation (CR) or Collective Labor Agreement (CLA) and/or applicable laws and regulations.

II. Corporate Ethics with Government

Establishing a good and harmonious relationship with relevant government agencies at the central and regional levels in several ways, including:

1. Meeting all business and licensing requirements in a professional manner in accordance with the principles of obedience to and compliance with applicable laws.
2. Communicating with state policy makers as an effort to develop a healthy, competitive business climate and have economic competitiveness both nationally and internationally.

III. Corporate Ethics with Communities

The company in carrying out its activities must pay attention to the interests of the surrounding communities, including empowering them in these activities or in other social programs that are also in line with government programs, such as in the fields of education, health, social economy and etc., and not discriminating people by ethnicity, religion, race and class.

IV. Corporate Ethics with Shareholders

The company is committed to providing and increasing added value for shareholders and protecting the rights of shareholders in accordance with the applicable laws and regulations. Ethical behaviors expected in relation to shareholders are as follows:

1. Shareholders must be obedient to and comply with the articles of association of the company and all resolutions adopted legally at General Meeting of Shareholders (GMS).
2. Providing information to shareholders in a complete, accurate, timely and easily accessible manner.
3. Providing fair treatment to shareholders in accordance with the number and type of shares held, to be able to use their rights in accordance with the company's articles of association and applicable laws and regulations.

V. Corporate Ethics with Customers (Principals, Agents, Shops, Consumers)

Based on existing corporate values, the company is expected to be able to:

1. Put customers at the "heart" of each business unit to produce positive impacts on the company and create customer loyalty.
2. Provide service of excellence, courtesy and professionalism in customer relations.
3. Take an active role to find out problems or expectations based on needs in the field.

VI. Corporate Ethics with Goods or Services Providers

The procurement and supply of goods and or services must be based on competitive, transparent, fair and accountable principles. Therefore, the expected ethical behaviors in relation to goods or services providers include:

1. Selection of goods or services providers must refer to the quality of products, after-sales services, warranties and achievements while prioritizing the interests of the company.
2. Respecting the rights and obligations in accordance with agreements and applicable laws and regulations.
3. Upholding the principle of transparency from the beginning of the process to fulfillment of all parties' rights and obligations.
4. Evaluating all processes of goods or services providers, including reprimanding those behaving unethically.

VII. Corporate Ethics with Creditors

With a number of considerations, the company can receive loan funds from creditors while taking into account the interests of the company and in an effort to add value to the company. For this reason, the company is expected to have ethical behaviors, including:

1. Selection of creditors is primarily for the benefit of the company by considering the benefits, costs and risks.
2. Respecting the rights and obligations in accordance with agreements and applicable laws and regulations. This includes information to creditors regarding the use of funds.

KKS
Partner For Life

**CHAPTER IV
WORK ETHICS**

I. Workers' Commitments

All employees of the company must use their best efforts to achieve the company's goals optimally. All workers must have a commitment to the company, among others:

1. Carrying out duties with full responsibility as per their respective job descriptions.
2. Attempting to continue to improve themselves according to job demands.
3. Complying with and implementing all company regulations and/or applicable laws and regulations.
4. Working professionally, effectively and efficiently in order to achieve optimal performance.
5. Always making innovations or changes that provide added value to the company.
6. Exercising rights and obligations in a balanced manner.
7. Implementing values that exist and are agreed upon in the company.
8. Giving precedence to the interests of the company and maintaining the good name of the company.

II. Obedience to and Compliance with Laws and Regulations

All employees of the company are committed to obeying and complying with all applicable laws and regulations and all internal company regulations in the form of Company Regulation, SOPs, Internal Memos, Decrees, etc.

III. Conflict of Interest

The board of commissioners, board of directors, including all workers must avoid any situation that could lead to a conflict of personal economic interests with the economic interests of the company.

1. Not having any businesses that are similar or directly related to the company's business activities, including those belonging to their husbands/ wives and children.
2. Not having shares/ interests in any business entities that are partners or competitors of the company in such number that can affect decision making, including those belonging to their husbands/ wives and children.

IV. Giving and Receiving Prizes

➤ Giving Gift

Workers are PROHIBITED from giving any gifts either on their own initiatives or upon request, either directly or indirectly to any business partners, unreasonably for any illegal purposes and for personal gains, including soliciting any business partners to do or omit to do something related to cooperation relationship/ business relationship and position in job.

➤ Receiving Gift

Workers are PROHIBITED from receiving or requesting any gifts either directly or indirectly from/ to any business partners for any illegal purposes and for personal gains.

V. Commitment on Maintaining Company Secrets

All workers are committed to maintain any company secrets in the form of data, documents, images, videos or others that can cause harm to the company, both materially and immaterially. The form of such commitment includes the following:

1. Having an adequate security system in place or as established by the company.
2. Avoiding dissemination of all company secrets within their office authorities and responsibilities to other non-interested parties both during employment and after termination of employment.
3. Submitting all the company secrets within their office authorities and responsibilities at termination of employment.

VI. Occupational Safety and Health (OSH) Commitment

All workers are committed to working together to provide protection, with the main that the workers and/or other people within the work environment are always in a safe and healthy state. The form of such commitment includes the following:

1. All workers are active and participate in creating occupational safety and health in the work environment.
2. Providing good and fast responses to all incidents or emergencies caused by security disturbances, occupational accidents, pollution, natural disasters and others.
3. Obligation to know and understand the safe situation in the work environment and comply with the laws and regulations concerning occupational safety and health.

VII. Political Activities

All workers are given the same opportunity to channel their political aspirations, with the following limitations:

1. If a worker decides to engage directly in practical politics such as being a campaigner, political party administrator, legislative candidate, or candidate for state official (mayor, deputy mayor, governor, deputy governor), as long as it does not interfere with his/her jobs or obligations at the company, he/she must obtain permission directly from the **Chief Executive Officer (CEO)**.
2. If his/her activities in practical politics interfere with his/her jobs or obligations at the company, the worker must **resign** from the company.

VIII. Kinship Relations

All workers are not allowed to have kinship relations within one company but are still allowed to have the same within a group of companies and different business units as long as they do not cause conflict of interest.

IX. Misuse of Company Assets

All workers are jointly responsible for managing the company assets. This commitment can be realized by the following behaviors:

1. Workers are obliged to participate in maintaining and safeguarding the company assets and not using them outside the company's interests.
2. Workers must maintain the security of the company assets from harm, damage and loss.
3. Applying saving or efficiency on the use or utilization of the company assets.

CHAPTER V

DISSEMINATION, REPORTING, MONITORING AND EVALUATION OF THE CODE OF CONDUCT

Dissemination

The company is obliged to disseminate the Code of Conduct to all employees of PT Kusuma Kemindo Sentosa Tbk and business units of PT Kusuma Kemindo Sentosa Tbk as well as all relevant stakeholders. This dissemination is the responsibility of its board of directors and all employees of PT Kusuma Kemindo Sentosa Tbk and business units of PT Kusuma Kemindo Sentosa Tbk must be actively involved in the process of communication and dissemination of this policy.

Reporting

The company will prepare special provisions regarding the reporting and supervision mechanism for irregularities in the implementation of this Code of Conduct or in accordance with the prevailing internal company regulations.

Monitoring and Evaluation

The company monitors and evaluates the ongoing implementation of the Code of Conduct by conducting periodic "GCG Assessment". Results of the "GCG Assessment" will be used by the company to make continuous improvements in the implementation of GCG and all company policies including its relationships with all stakeholders involved.

CHAPTER VI
CLOSING

The Code of Conduct is a clear guideline and a form of commitment of the Board of Commissioners, Board of Directors and Workers to implement the Good Corporate Governance (GCG) principles in all its business activities in order to achieve better business management.

Moreover, this is one way to achieve the company's objectives as stated in the company vision and mission, thereby the application and implementation of this GCG is an "absolute necessity" to run.

