

Whistleblower Policy

whitsleblower@lippokarawaci.co.id





Overview

To fulfill its obligation as a Good Corporate Citizen, Lippo Karawaci is committed to build a corporate culture that complies with the prevailing laws, have high moral standards and business ethics. In line with this commitment, Lippo Karawaci encourage to all employees, members of the Board of Directors, Board of Commissioners, Committees and all stakeholders of Lippo Karawaci including our customers to speak up for any kind of irregularities, unethical and/or violations of laws committed by our employees, Board of Directors, Board of Commissioners, Committees and/or business partners of Lippo Karawaci which may result in any disgraceful act, jeopardizing professionalism and ethical business practice.

To enhance professionalism and clean business practice, Lippo Karawaci has strengthened its internal control and corporate governance through the Whistleblowing System which serves as a formal tool and standard process that is dedicated to receive any responsible whistleblower report.

This policy must be read in conjunction with other applicable regulations, related policies and the existing Code of Ethics.

We greatly appreciate for any responsible report submitted to our Whistleblowing System, this is to ensure that the clean business climate will remain maintained within the Company and as part of Lippo Karawaci's effort as a Good Corporate Citizen.

REPORTING FLOW OF WHISTLE BLOWER



WHAT IS AVAILABLE UNDER THIS POLICY

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1 GENERAL INFORMATION

1.1. Purpose

This *Whistleblowing policy* is a form of inherent supervision built by the company in carrying out a consistent and continuous internal control.

This policy provides a formal channel for employees and any of external partners of the Company to speak up without fear in raising concerns about disclosable matters. It sets out how to raise a concern about disclosable matters, what is disclosable matters, what protections that shall apply to the reporter or whistleblower and the process of investigation on each of the report that was submitted.

1.2. Objective

This Whistleblowing Policy is established as a form of standard process in conveying any concerns about disclosable matters to assist the Company to increase the work productivity by preventing and/or eradicating all forms of violations and potential violations and also to reduce the Company losses through early prevention from the report received through various Whistleblowing channels.

Lippo Karawaci hope that this policy and system will further enhance the image and reputation of the Company regarding Good Corporate Governance, increase the Company's ability to win competition through a more efficient operational activity within the Company, create a more conducive climate and encourage all employees to participate in reporting any matters that may cause the Company to suffer any financial and non-financial losses, including damaging the Company's values and image, enable Management to deal with all forms of reports of violation and potential violations and protect the confidentiality of the Whistleblower identity and maintain the security of information reported which is managed in a special database.

1.3. Scope

This policy applies to all business units of PT. Lippo Karawaci, Tbk and its subsidiaries ('Lippo Karawaci').

1.4. Important Terms and Definitions

- a. Whistleblower is a term for a person or party who is an employee, former employee, worker, or member of an institution or organization who reports a violation or potential violation as stated in point 1.6.
- b. Whistleblowing is a system that was built to be a means for employees to report violations or potential violations as listed in point 1.6.

1.5. Who is *Whistleblower*?

Whistleblower or Complainant is someone who discloses any Reportable Action set forth in this Policy. Included in the definition of a *Whistleblower* or Complainant are employees, Directors, Board of Commissioners, Committee members, current partners or former employees / members of Directors / Commissioners, suppliers of goods or services to Lippo Karawaci including contractors and consultants. Definitions of Whistleblowers are further described in section 6. Definitions of Eligible Parties.

1.6. What kind of Action that can be Reported?

Actions that can be reported are violations or potential violations supported by any strong reasons and/or evidence that may be suspected and should be followed up by Lippo Karawaci, which are related to the following actions:

- a. Corruption
- b. *Fraud*
- c. Money Laundering
- d. Insider Trading
- e. Any illegal Action (including, theft, use of violence against employees or management, extortion, bribery, usage of any illegal drug, harassment, other criminal acts).
- f. Violation of tax provisions, or other laws and regulations.
- g. Violation of the Company's Code of Conduct or Company Values or violation of the norms of decency in general.
- h. Any action that may endanger work safety and health, or endanger company security.
- i. Any actions that may cause financial and / or non-financial losses to the company or loss to the company's interests.

- j. Any violation of all prevailing company policies, including but not limited to company regulations, company code of ethics, company policies, Standard Operating Procedures (SOPs) and any of its implementation instructions.
- k. Other actions that violate and / or are not in line with the implementation of Good Corporate Governance.

Actions that are excluded from the Reportable Actions category are any action relating to Personal grievances, such as reports on a person's behavior that does not have professional implications and on Lippo Karawaci's business performance in general.

Such as:

- Any internal conflicts between parties that are personal in nature; or
- Any decision regarding transfer or work rotation, promotion, demotion or imposition of disciplinary sanctions or termination of employment in accordance with statutory regulations.

1.7. Monitoring and Implementation of this Policy

The implementation of this Policy shall be monitored periodically by the Board of Directors and the Nomination and Remuneration Committee as a neutral party.

1.8. Access to Policy

This policy is available and accessible on the following web page lippokarawaci.co.id

Potential complainant/whistleblower can read more about the mechanism and process for completing the report set out in this Policy and how disclosure and/or confidentiality will be handled. Should the Reporting Party require any legal advice on the matters that are reported, it should become the responsibility and obligation of the Reporting Party.

2

HOW TO REPORT A WHISTLEBLOWING CASE?

2.1. When Should we Report a Whistleblowing Case?

In this case, time is a very crucial element that can allow the Company to trace and investigate any Whistleblowing Report properly and accurately. Therefore, the Company expects that the Reporting Party to send a Report on every suspected violation as soon as possible and within a maximum period of 2 (two) months after the incident is known to the Whistleblower and specifically for fraud cases no later than 1 (one) month after the incident was discovered by the Whistleblower.

Whistleblower are expected to send their reports within 2 (two) months after the incident occurred and specifically for fraud cases no later than 1 (one) month after the incident occurred.

Time is of the essence, The Whistleblower must have a concern in reporting time, the sooner the Whistleblower submit the report the sooner a follow up and investigation can be carried out, and the longer the report is submitted it will increase the risk of missing evidence once the investigation is carried out.

Before filing the Report, Whistleblower must ensure that the case is based on preliminary evidence and it is reasonable to suspect any illegal and/or unethical activity. In practice, false accusations or reports without adequate facts/data/evidence may result in defamation.

A whistleblower does not need to prove their accusation. In addition, disclosures can still qualify for confidentiality protection even if the disclosures are not true.

2.2. How to report a Whistleblower case?

The Company provides various infrastructures as whistleblowing channel that can make it easier for Whistleblower to immediately submit the report, namely:



Lippo Karawaci recommends that all reporting to be sent through a dedicated email address as follow whistleblower@lippokarawaci.co.id to ensure that all reports can be well documented and followed up.

Report related to any Whistleblowing Committee members can be directly submitted to the President Director and/or Chief Executive Officer.

2.3. What Should Be Included on the Report?

Whistleblower is expected to disclose the report contain with detailed information and supported with any preliminary evidence to help the Committee to further follow up and investigate the report.

Such as:

- The date, time and location of the incident;
- The name of the party being reported and/or related, including the position/unit/division and/or role of the individual;
- The Whistleblower's relationship with the reported parties;
- Actions that become the object of reporting;
- How does the Whistleblower find out about the incident/act;
- Witnesses (if any); and
- Other information that can support the case.

2.4. Should Whistleblower Reveal His/Her Identity?

Whistleblower may choose to make an anonymous report (without revealing his/her identity), and the Report will still be given protection and safety. However, with an anonymous report the protection and safety provided may not be maximized, and it may also complicate the process of tracking and resolving the report including taking any decisions and/or actions deemed necessary.

By providing information on the Whistleblower's identity, the Committee can contact the Whistleblower directly to discuss/follow-up the report hence, the case can be resolved more effectively and efficiently.

3

WHISTLEBLOWER SAFETY AND CONFIDENTIALITY

3.1. Protection and security of the Whistleblowers

The Whistleblower is obliged to submit a Whistleblower report directly to the Whistleblowing Committee to receive the protection as set forth in this Policy. Whistleblower protection includes:

- Protection of whistleblower identity
- Protection against loss
- Restitution and Compensation
- Civil, criminal and administrative protection

Lippo Karawaci is committed to do everything in its power to protect the whistleblower from any kind of losses resulting from the report.

3.2. Protection from Detrimental Conduct

Lippo Karawaci does not tolerate any retaliation and/or detriment that is inflicted on anyone because of the fact that the person has submitted a report or due to someone suspecting that person might make a report

Lippo Karawaci will take all reasonable steps to protect the whistleblower from any detrimental conduct and/or retaliation and will take appropriate action where such conduct is identified. Disciplinary action may be imposed on anyone proven to have done a retaliation and/or caused a detriment to a whistleblower because they want to, or have, raised a concern.

3.3. False Report or Information

When file the report, the whistleblower is expected to have valid reason on the case and ensure that the information to be reported is true. Special sanctions or penalties and legal remedies can be imposed if it turns out that the information or report is proven not to be based on good faith, or constitutes false or misleading information and has the potential to be defamatory.

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HOW THE WHISTLEBLOWER REPORT IS PROCESSED?

4.1. Tracing and Investigation Process of Whistleblower Report

The investigation process shall be carried out independently, free from bias and will not depend on who is the Whistleblower or who is reported and should always use the presumption of innocence. The Reported Party is given the same and full opportunity to provide an explanation of the evidence found, including defense if necessary.

All reports received by the Whistleblowing System shall be analyzed and followed up by the Whistleblowing Committee through tracing, validation and verification of information as well as investigations with the aim of being able to draw a conclusions from each report whether it is a violation and/or a potential violation. It is possible to expand the results of the investigation if it is a criminal offense.

The Whistleblowing Committee may involve various work units such as the Internal Audit Division, Human Resources Division and/or Legal Division as well as specially appointed external parties, if the reports received contain sensitive elements or for certain cases.

If the results of the investigation are positive and there is a violation or potential violation, then there will sanctions given to the reported party in accordance to the prevailing Company Regulation, there is also a possibility that the case will be further proceed to the Competent Authorities either on civil or criminal case, through the support from the Legal Division of Lippo Karawaci.

However, if the results of the investigation do not find any violations or potential violations, the company must restore the good name of the reported party to other parties that is involved on the investigation and/or being exposed with the information.

Lippo Karawaci through the Whistleblowing Committee will inform the Reporting Party regarding the results of the investigation. The investigation result will fully belong to Lippo Karawaci.

4.2. How is the Reporting Process Regarding Top Management?

Report regarding Top Management will have the same process with any other report that was received by the Committee. The review process and/or investigation shall be carried out fairly and independently in accordance with the following authorities and escalation: -

Reported Party(ies):	<i>Review & Investigation by:</i>
Member of the Board of Commissioners	Whistleblowing Committee + CEO + Nomination and Remuneration Committee
Member of Audit Committee/ Nomination and Remuneration Committee	Whistleblowing Committee + 2 parties from Member of the Board of Commissioners (1 Commissioner representing shareholders and 1 Independent Commissioner)
Member of the Board of Directors	Whistleblowing Committee + CEO
Member of the Whistleblowing Committee	President Director + CEO
Employee/Vendor/Supplier/Consultant, etc.	Whistleblowing Committee

4.3. Fair treatment to all parties involved in the Whistleblower case

During the review, tracing and investigation process, Lippo Karawaci guarantees fairness and equal treatment for both the Reporting Party and the Reported Party and other related parties. The principles below are firmly upheld by Lippo Karwaci:

- Report will be handled strictly confidential;
- Things that are reported will be assessed and may be subject to investigation;
- There will be presumption of innocence until the results of the investigation are completed; And
- The purpose of the investigation is to determine whether there is sufficient evidence to prove what was reported

4.4. Use of Independent Third Parties outside Lippo Karawaci

Lippo Karawaci may use any third party(ies) outside the Company to assist the investigation process in the event where the case is considered as material and/or related to high level individual i.e.: top management.

4.5. Report to the Authorities (Police)

Lippo Karawaci may follow-up the Whistleblower report to the authorities for cases that are suspected and/or proven to be a violation of the law (both civil and criminal).

5

REWARD & APPRECIATION FOR whistleblowing REPORT

5.1. Reward and Appreciation from Lippo Karawaci

Lippo Karawaci implements a reward program for every proven Whistleblowing case which results in the imposition of certain sanctions. The form and amount of the appreciation given shall be the sole discretion of Lippo Karawaci.

6

WHISTLEBLOWING COMMITTEE, ROLES & DUTIES

6.1. Whistleblowing Committee

The Whistleblowing Committee is formally appointed by the Board of Directors of Lippo Karawaci and is authorized to oversee all reporting of the Whistleblower.

Member of *Whistleblowing Committee* are as follow:

- a. Director/Chief Human Capital Officer – as Chairman
- b. Director/Chief Financial Officer – as Member
- c. Director/Chief Corporate & External Relations Officer – as Member
- d. Corporate Secretary – as Member

6.2. Duties and Obligations

The Whistleblowing Committee has the following duties and authorities:

- a. Ensure that all reports submitted by the Whistleblower through the Whistleblowing channel are followed up.
- b. Ensure that all reports remain strictly confidential. Whistleblowing Committee may disclose the Whistleblower report only to the employees, officers and directors who need to know such information in order to follow up and investigate the report, provided that each such person has a legal obligation to maintain the confidentiality of such information/report.
- c. Ensure that there are periodic meetings to discuss the progress and status of completion of reports received, including the authority to determine whether the report will proceed to investigation or be terminated.
- d. Authorized to appoint related parties including the Internal Audit Division, Human Resources Division and Legal Division to carry out investigations and receive the results of the investigation, including inviting related parties for clarification in the context of investigating the report.
- e. Inviting external independent parties, including the authorities, if the results of the investigation conclude that illegal acts have been found.
- f. Determine the type and amount of the reward to the Reporting Party.
- g. Provide periodic reports to the Board of Directors and the Audit Committee. In the event that the Whistleblowing Report involves Members of the Board of Directors, Commissioners,

and/or Upper Management, the Whistleblower Committee will also report the case to the Nomination and Remuneration Committee.

- h. Any Reports submitted to the Whistleblowing Committee must be followed up by the Committee no later than 1 (one) month after receiving such report. The Committee must also provide a response to the Reporting Party or Whistleblower. Furthermore, the Committee should be able to conclude its investigation and release the report within 6 (six) months receiving such report. In the event that there is a case that cannot be resolved after more than (six) months, the Committee shall have the authority to decide whether the case will be closed or continued with an additional maximum period of 3 (three) months.

7

CLOSING

This policy shall come into force on the date it is stipulated below and shall remain in full force and effect until this policy is replaced or amended. Should there be any errors and/or deficiencies on this policy later on in the future, it will be corrected and/or amended accordingly.

Stipulated in : Tangerang

Date : December 1, 2021