

# SUPPLIER CODE OF CONDUCT



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# 1 GENERAL POLICY

## 1.1. Introduction

PT Lippo Karawaci Tbk (“Company”) strives to uphold the highest standards of business ethics and compliance, and is committed to integrating Environmental, Social, and Governance (ESG) principles and global best practices into its policies and procedures. This includes the United Nations Global Compact (“UNGC”) principles on human rights, labour, environment, and anti-corruption.

As part of its sustainability journey, the Company seeks to apply these ESG principles across its entire value chain, including in areas such as sourcing and procurement. To this end, the Company has formulated this Supplier Code of Conduct (“Code”), which sets out the standards of business ethics and compliance expected of any supplier doing business with the Company. This Code seeks to guide the Company’s suppliers in their day-to-day conduct, to ensure that the Company’s supply chain supports the sustainable growth of its business and builds greater accountability and trust among its stakeholders.

## 1.2. Objectives

The objectives of this Code are as follows:

- To ensure that the Company’s supply chain meets the Company’s standards on business ethics and compliance, as well as social and environmental responsibility. This includes standards related to labor practices, human rights, environmental protection, and business conduct.
- To mitigate the risk of supply chain disruptions that may arise from compliance issues and business practices that have a negative social or environmental impact.
- To involve the Company’s supply chain in its ESG journey and priorities as set out under its Sustainability Framework and 2030 Sustainability Agenda.

## 1.3. Coverage

The Code applies to any third-party business entity or individual that provides goods and/or services to the Company, or undertakes any activity for or on behalf of the Company, either directly or indirectly. This includes but is not limited to suppliers, vendors, distributors, dealers, consultants, contractors, subcontractors, transporters, or business partners of the Company (“Suppliers”).

The Code also applies to any individual who works for a Supplier, whether under a contract of employment or any other form of agreement where an individual undertakes to do personally any work or services for the Supplier.

#### **1.4. Accountable Implementation**

Implementation of the Code shall be carried out by the Company's Procurement team, including but not limited to purchasing, facility management, general affairs, commercial, and human capital, or any other function that procures goods and/or services externally from the Company.

The Company will ensure that all Suppliers commit to complying with the Code throughout the duration of their contract with the Company. If the Company determines that any Supplier has violated the Code, the Company has the right to suspend or terminate its business relationship, and/or require the Supplier to implement a corrective action plan to the Company's satisfaction within an agreed period of time.

The Company will publish the Code on its website and procurement database. The Company will collect internal and external feedback, and periodically review the Code and update as necessary. The Company will communicate any revisions to the Code to its Suppliers and employees.

This Code serves as an umbrella policy for the Company and its subsidiaries. In cases where the Company's subsidiaries may have specific and/or additional requirements, these subsidiaries have the discretion to publish their own Supplier Code of Conduct as long as they seek approval from the Company and incorporate the baseline requirements outlined in this Code.

## 2 REQUIREMENTS

### 2.1. Compliance

Suppliers are required to comply with all requirements and standards laid out in this Code, and are expected to implement appropriate measures to ensure compliance with the Code.

Suppliers shall immediately report any known or suspected violation of the Code, including any violation of applicable laws and regulations.

Suppliers shall take appropriate steps to communicate the Code to their own employees and throughout their supply chains, and that the principles of the Code are adopted and applied accordingly.

Prior to engagement with the Company, Suppliers are required to sign the Supplier Statement of Commitment (“Commitment”) as attached in Annex 2 of this Code. Any Supplier that is unable to sign the Commitment will need to provide in writing reasonable cause, to the Company’s satisfaction, and be given a period of corrective action.

### 2.2. Review

Upon request, Suppliers are required to provide written information on its policies and practices related to compliance with the Code, including by completing self-assessments or questionnaires. The Company may, at its discretion, require an audit of compliance with the Code.

The Company will regularly review the performance and compliance of its Suppliers, and encourage Suppliers to be open and honest about the challenges they face so the Company can support them in finding practical solutions. The Company is committed to working with its Suppliers to implement improvement plans and help them achieve compliance.

# 3 BUSINESS INTEGRITY

## 3.1. Business Ethics

As a baseline, Suppliers must conduct their business activities in compliance with all relevant local laws and regulations. Suppliers are expected to uphold high standards of business ethics and integrity in all dealings with the Company, customers and other stakeholders.

Suppliers must maintain and provide business records in an accurate and transparent manner to the Company, such as during the know-your-counterparty (KYC) processes and when reporting on financial and operational performance.

Suppliers are encouraged to report all actual breaches or concealment of any forbidden acts including but not limited to the following: anti-bribery and corruption, unfair business practices, conflict of interest, gifts and gratuities, and insider trading.

## 3.2. Anti Bribery and Corruption

Bribery and corruption are strictly prohibited in any form. Suppliers shall not offer or accept bribes, favours, benefits or other similar unlawful or improper payments, in cash or in kind. In addition, Suppliers shall refrain from offering gifts, gratuities or excessive entertainment to any of the Company's employees that will violate the Company's Employee Code of Conduct.

Suppliers shall avoid any actual and potential conflicts of interest that make it difficult to conduct business objectively and effectively. Suppliers shall immediately report any such conflict of interest to the Company, and the Company will determine whether a conflict of interest exists and, if so, how best to address it.

## 3.3. Fair Competition

Suppliers shall promote free and fair competition in the marketplace and avoid business practices that have the purpose or effect of limiting competition, such as bid rigging, price fixing, cover pricing or market sharing.

The Company is also committed to promoting fair competition among Suppliers. All Suppliers will be provided with the same information so that none will have an unfair advantage over the others.

### **3.4. Personal Relations (Nepotism)**

Suppliers should have no family relationship with the Company's employees, including but not limited to spouses, children, parents, siblings, or other family relationships. Suppliers also need to state that they have never had any other business relationship, such as owning a number of shares or other forms of ownership with the Supplier, being part of the management of the Supplier in any form. If Suppliers have had a relationship with the Company's employees before the collaboration with the Company was carried out, Suppliers must explain this in writing to the Company.



# 4 WAGES AND BENEFITS/ WORKING HOURS

## 4.1. Fair Compensation and Working Hours

Suppliers shall comply with the applicable labour laws and regulations, and the existing practice in the industry and local labour market of the jurisdictions in which it operates, with respect to wages, benefits and working hours.

All workers must be provided with written and understandable information about their employment conditions before they enter into employment. In addition, workers must not be required to lodge "monetary deposits" with their employer and are free to leave their employer after reasonable notice.

Record keeping on hours worked must be accurate, complete, and transparent.

# 5 SAFE WORKING CONDITIONS

## 5.1. Working Environment

The Company strives for a safe and healthy work environment, supported by a robust health and safety management system that is compliant with all governing health and safety laws and regulations and is aligned with industry best- practice.

Suppliers will provide workers with a safe and clean working environment, taking into consideration the prevailing knowledge of the industry and of any specific hazards.

Suppliers' workers must be well-trained to perform their jobs in a safe manner.

## 5.2. Health and Safety

Suppliers shall prevent workplace injuries, illnesses and diseases by implementing controls to eliminate or mitigate risks from identified hazards and promote healthy workplaces. In addition, Suppliers must provide adequate and appropriate resources to support safe work practices and processes.

The Company and Suppliers will continually review and improve system and operations to enhance Health and Safety performance.

## 5.3. Anti-discrimination and Workplace Harassment

The Company does not tolerate unlawful discrimination or harassment in the workplace.

Suppliers are prohibited from unlawful discrimination on the basis of any protected characteristic under applicable law and harassment to provide a safe and inclusive work environment.

# 6 ANTI CHILD LABOUR AND FORCED LABOUR

## 6.1. Adherence to Labor Standards

The Company prohibits the employment of underage workers in accordance with the applicable laws and regulations. Suppliers shall not employ anyone under the age of 15 or local legal minimum age to work, whichever is more stringent. Nor will any worker be employed below the minimum age for completion of compulsory education. Young workers, defined as those between the minimum age for employment and 18, must not be assigned to hazardous, unsafe or unhealthy working job functions.

Suppliers must be able to verify the age of all employees to ensure no child labour is used pursuant to local law.

All employment must be freely chosen by the employee. Suppliers shall ensure there is no forced labour in accordance with the applicable laws and regulations.

# 7 ENVIRONMENTAL SUSTAINABILITY

## 7.1. Contribution to Sustainability

Suppliers must comply with local and national environmental laws and regulations.

To support the Company's sustainability vision, Suppliers are expected to engage and manage their operations and supply chain in line with the following principles:

- Resource consumption, pollution prevention and waste minimization: Business is conducted in a manner which proactively embraces sustainability. Suppliers shall optimize their consumption of natural resources, including energy and water.
- Mitigate environmental risks and impact that are associated with business through sustainable resource use, climate mitigation and adaptation, biodiversity, ecosystems conservation and pollution prevention.
  - Environmental impact management: Business is conducted in a manner which reduces environmental impact. As such, Suppliers will seek to minimize the environmental impact of their facilities and operations, including air and greenhouse gas emissions, water (whether in a production process, for irrigation, or for other uses), contamination and waste.
  - Hazardous materials and product safety: Suppliers shall identify and reduce the use of hazardous materials, chemicals, and substances. Suppliers will also ensure their safe handling, storage and disposal. All applicable employees shall be aware of and trained in related safety procedures.
- Co-operate to measure, track and report the sustainability performance of goods and services supplied to the Company.

## 7.2. Environmental Compliance

Suppliers must undertake reasonable endeavours to comply with national standards on environmental protection and relevant local laws and regulations, as well as relevant codes of practice administered by the local authorities with regards to environmental protection and other environmental requirements.

# 8

## SUBCONTRACTING AND SUPPLY CHAIN

### 8.1. Subcontracting

All sub-contracting from Suppliers must be documented and made available for review by the Company or an independent auditor if requested, including but not limited to records of subcontractors' names and locations.

Suppliers must use their best efforts to have adequate policies and processes in place for properly managing subcontracting, to ensure sub-contractors operate in accordance with applicable laws, regulations, and this Code.

### 8.2. Supply Chain Engagement

Suppliers shall use their best efforts to communicate this Code to their own suppliers and shall use their best efforts to extend the principles of this Code through their supply chain.

In the event that this Code conflicts with the terms of any contract entered into by the Suppliers and their own suppliers, Suppliers shall comply with this Code or the contract, whichever is more stringent.

# 9 CONFIDENTIALITY AND INTELLECTUAL PROPERTY

## 9.1. Intellectual Property

Protection of intellectual property rights, information and assets is very important for any company. The Company relies on intellectual property, such as information, processes and technology. The Company will impose sanctions on any usage violation of information technology that does not support work including any use of software that infringe intellectual property rights.

All Suppliers must, without exception:

- Handle the Company's information in a proper way and maintain its confidentiality. Information considered as Company information includes, not limited to, all data belonging to the Company (either copyright or non-copyright) relating to the Company and all of stakeholders of the Company, either in qualitative and/or quantitative data in any kind of forms, including but not limited to hardcopy or softcopy documents, files, USB, microfilm, photos, letters/memo, and/or programs and plans of the Company.
- Comply with the relevant data protection laws and regulations. Disclosing information to parties outside the Company is strictly prohibited. Such violations can result in sanctions imposed by the authorities or lawsuits from customers.

# 10 INSIDER TRADING

## 10.1. Insider Trading

Insider trading, especially for trading purposes, is considered an illegal practice by law and must be avoided by Suppliers. Suppliers are prohibited from:

- Unlawfully, obtaining any kind of confidential information or information that is not available to the public.
- Make business decisions based on confidential or non-public information that the Supplier knows.
- Giving tips or sharing confidential or non-public information with anyone without prior approval from an authorized party.

# 11 TRANSITIONAL PERIOD

## 11.1. Transitional Period

At the time of the enactment of this Code:

- All existing contracts with Suppliers that have been signed and engaged with are still valid and remain effective for the duration of the agreed period.
- Any renewal or amendment to existing contracts with Suppliers shall adjust to the provision in this Code.
  - Suppliers are only required to sign the Code once upon new contract award or renewal. Subsequent renewals will not require new signatures.



## CONTACT INFORMATION

The Company provides information and resources that support ethical business practices.

If you have any compliance, legal or ethical concerns, please make a report through the Whistleblowing Committee channel ([Whistleblower@lippokarawaci.co.id](mailto:Whistleblower@lippokarawaci.co.id)).

To submit any suggestions, feedback or complaints regarding our Supplier Code of Conduct, please reach out to [sustainability@lippokarawaci.co.id](mailto:sustainability@lippokarawaci.co.id).

Strict confidentiality will be maintained.

# ANNEX 1 - Definitions

## **ESG**

Environmental, Social, and Governance

## **Know Your Counterparty (KYC)**

Due diligence measures to help prevent, mitigate, and manage risks that undermine responsible sourcing, including the collection, verification and archiving of information on suppliers, contractors and other third parties which the company conducts business with.

## **Procurement**

Any division, directorate, or any function within the Company that purchase goods and related services externally from the Company.

## **Lippo Karawaci, or “Company”**

PT Lippo Karawaci Tbk and its subsidiaries

## **United Nations Global Compact, or UNGC**

The world’s largest corporate sustainability initiative. UNGC is a call to companies to align strategies and operations with universal principles on human rights, labour, environment, and anti-corruption, and take actions that advance societal goals.

## **Supplier(s)**

Any third-party business entity or individual that provides goods and/or services to the Company, or undertakes any activity for or on behalf of the Company, either directly or indirectly. This includes but is not limited to suppliers, vendors, distributors, dealers, consultants, contractors, subcontractors, transporters, or business partners of the Company.

## **Supplier Statement of Commitment**

A formal declaration to comply with the principles stated in this Code, attached in Annex 2 of this Code.

## ANNEX 2 – Supplier Statement of Commitment

### PERNYATAAN KOMITMEN PEMASOK SUPPLIER STATEMENT OF COMMITMENT

[Saya/Kami], yang bertandatangan dibawah ini, bertindak dalam kapasitas saya sebagai [xx jabatan] dari [xx nama perusahaan Supplier], [xx jenis perusahaan] yang didirikan berdasarkan Hukum Negara [xx nama negara], berdomisili di [xx alamat] (selanjutnya disebut “Pemasok”), dan karenanya berhak untuk mewakili Pemasok, sehubungan dengan perikatan kami dengan [Lippo Karawaci, atau nama anak perusahaan] (selanjutnya disebut “Perseroan”) sebagaimana diatur dalam perjanjian nomor \_\_\_\_\_, tanggal \_\_\_\_\_, dengan ini menyatakan bahwa kami:

1. memahami pentingnya penerapan kerja sama yang menjunjung tinggi prinsip, nilai, dan etika yang digarisbawahi dalam Kode Etik Pemasok ini (“Kode Etik”), oleh karena itu kami akan memastikan bahwa karyawan kami termasuk anak perusahaan, pihak lain yang ditunjuk secara langsung atau tidak langsung (kontraktor, subkontraktor, agen, penasihat, konsultan, dan lainnya), untuk mematuhi Kode Etik.

[I/We], the undersigned, acting in my capacity as the [xx title] of [xx name of the company], a [xx type of the company ie: limited liability, etc] company incorporated under the laws of [xx name of the country], with legal domicile and registered office at [xx address] (hereinafter shall be referred to as the “Supplier”), and therefore has the right to represent the Supplier, in connection with our engagement with [Lippo Karawaci, or name of subsidiary] (hereinafter shall be referred to as the “Company”) by agreement number \_\_\_\_\_, dated \_\_\_\_\_, hereby declares that, we:

1. understand the importance of upholding the principles, values, and ethics outlined in this Supplier Code of Conduct (“Code”), and therefore we will ensure that our employees including subsidiaries and other appointed parties directly or indirectly (contractors, subcontractors, agents, advisors, consultants, and others), will endorse the Code.

- |  |   |
|--|---|
| <p>2. berkomitmen untuk menjunjung tinggi etika bisnis dan profesionalisme yang baik, dan tidak menghasut, mempengaruhi, menjanjikan atau meminta keuntungan dalam bentuk apapun untuk kepentingan pribadi termasuk pembayaran fasilitasi, suap dan korupsi.</p>   | <p>2. <i>commit to upholding good business ethics and professionalism, and will not incite, influence, promise or solicit benefits in any form for personal benefit, including facilitation payments, bribery, and corruption.</i></p>  |
| <p>3. memahami bahwa jika terjadi kegagalan untuk mematuhi, atau niat untuk tidak mematuhi Kode Etik, Perusahaan berhak untuk menanggukuhkan atau mengakhiri hubungan bisnis, dan/atau meminta Pemasok untuk mengambil tindakan perbaikan demi kepuasan Perusahaan dalam jangka waktu yang disepakati.</p>                                       | <p>3. <i>understand that in cases of non-compliance, or where there is intention not to comply with the Code, the Company has the right to suspend or terminate the business relationship, and/or require the Supplier to take corrective action to the Company's satisfaction within an agreed period of time.</i></p>   |
| <p>4. mengakui kebijakan Perseroan mengenai pelaporan segala bentuk penyimpangan dan/atau pelanggaran terhadap praktek etika berbisnis yang baik sama prinsip dalam Kode Etik, dan dapat dilaporkan kepada Perseroan melalui jalur resmi di:</p> <p><a href="mailto:Whistleblower@lippokarawaci.co.id">Whistleblower@lippokarawaci.co.id</a></p> | <p>4. <i>acknowledge the Company's whistleblowing policies regarding the reporting of any form of misconduct and/or violation of good business ethics and the principles of this Code, and shall make such reports to the Company via the official channel:</i></p> <p><a href="mailto:Whistleblower@lippokarawaci.co.id">Whistleblower@lippokarawaci.co.id</a></p> |

Ditandatangani di [xx Kota] pada tanggal [xx tanggal]

Signed in [xx City] on [xx date]

[xx tanda tangan & stempel perusahaan]

[xx Signature & Company Stamp]

\_\_\_\_\_  
Nama dan Jabatan:

Name and Title:

