



(CODE OF CONDUCT)

PT PROVIDENT AGRO TBK

**CODES OF CONDUCT/COC
PT PROVIDENT AGRO TBK**

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1. Background

PT Provident Agro Tbk. which hereinafter shall be referred to as “Company”, is aware of the importance of the implementation of *good corporate governance/GCG* as one of the references for the Company to increase value and long-term business growth sustainably.

The trust of *stakeholders* such as employees, customers, suppliers, creditors, and other parties constitute very determinant factors for value increase and continuity of the Company’s business activities. Company’s image and reputation and stakeholders’ trust are very related with the behavior of each individual in the Company in interacting with the stakeholders. In managing the Company, besides comply with prevailing laws and regulations, each individual in the Company shall also have a high awareness to perform good conducts such as honesty, fairness, and trust so that in turn, we may gain stakeholders’ trust and at the end improve the Company’s reputation.

Referred to as individual in the Company in these Codes of Conduct includes all members of the Board of Directors, members of the Board of Commissioners, employees, as well as supporting organs of the Company (hereinafter to be referred to as “**Company’s Individuals**”).

Based on this thought, therefore the Company prepares these Codes of conduct/COC to be implemented as a standard of behavior which should be abided by all Company’s Individuals. These Codes of Conduct (COC) constitute a series of commitments consisting of business conducts and work conducts of each Company’s Individual based on self-awareness of each Company’s Individual to implement them at all times both in and out of work environment, and they are arranged to set up or create the Company’s work culture and behavior which meet good conduct values, based on *GCG* basic principles to achieve the Company’s vision and mission.

These Codes of Conduct (COC) are supposed to be dynamic in nature and follow the development of the world, environment, public, and the vicinity, so that these Codes of Conduct (COC) may be reviewed and amended in accordance with these needs by highly adopting good conduct values consistently.

2. Preparation Base

The preparation of these Codes of Conduct (COC) are based on *GCG* basic principles as follows:

1. *Transparency*: To maintain business objectivity, the Company should provide material and relevant information which is easily accessed and understood by stakeholders. The Company should take initiatives to disclose not only those issues which required by the prevailing laws and regulations, but also those issues which are important for the decisions making by the shareholders, creditors, and other

stakeholders.

2. *Accountability*: To provide accountability for the Company's performance transparently and fairly and therefore the Company should be managed properly, measurably, and in accordance with the Company's interest by taking into account the interests of shareholders and other stakeholders. Accountability constitutes preconditions required to achieve sustainable performance.
3. *Responsibility*: To abide by the prevailing laws and regulations as well as perform responsibilities to public and environment so that these may maintain business continuity for long-term and obtain recognition as *good corporate citizen*.
4. *Independency*: To manage the Company independently so that each organ of the Company does not dominate each other and cannot be intervened by other parties.
5. *Fairness*: To take into account the interests of shareholders and other stakeholders based on fairness and equality principles.

3. Vision and Mission

Vision : To become a plantation company with the best corporate governance in terms of productivity, cost, and best practice.

Mission : To create added value for shareholders and stakeholders.

4. Corporate Values

The Corporate values adopted by the Company are as follows:

- a. *Integrity*: the Company highly adopts honesty value in doing business activities.

Integrity is construed in thinking pattern and good behavior, namely working for the interest of the Company only, not misusing the authorities for other interests other than those of the Company, accountable and able to explain decisions and actions made in work, adopting good conducts in work, and be a leading role for the environment.

- b. *Hard Work*: the Company appreciates professionalism and opens opportunities for career development to employees based on merit system.

Professionalism may be construed as perseverance behavior, hard work, strong will, initiative, honesty, and accountability in the relationships with fellow Company's Individuals and other stakeholders.

The Company opens opportunities for career development to employees in accordance with the competency, talent, and/or intelligence of each employee fairly and productively without discrimination or harassment on social status, race, gender, religion, age, sexual orientation, nationality, pregnancy status, and other characters as protected by the prevailing laws and regulations.

- c. Cooperation: the Company builds up strong teamwork to manage palm plantation productively, as well as develop partnerships with all stakeholders, in particular the public in the vicinity of plantation area to improve joint welfares.

5. Purposes and Objectives

Purposes

These Codes of Conduct (COC) are prepared to help each Company's Individual understand, appreciate, and have self-awareness to ethically behave in doing all activities in the Company based on GCG principles, to have good behavior, to create work environment which highly adopts honesty, transparency, fairness, and trust values, to create healthy and nice work atmosphere in the Company's environment, and to minimize misconduct opportunities which constitute part of risk management so that all these may improve the Company's reputation.

Objectives

As joint commitments to realize vision and accomplish mission of the company professionally and ethically.

6. Business Codes of Conduct and Work Codes of Conduct

6.1 Business Codes of Conduct

Business Codes of Conduct in these Codes of Conduct (COC) are the values and norms that guide each company's individual to behave with business code of conduct based on CGG principles in doing business so that they become part of the corporate culture.

6.1.1 Conflicts of Interest

- a. A conflict of interest is a situation whereby there is a conflict between the economic interests of the Company and the personal economic interests of each Company's Individual, including affiliates of the Company Individuals.
- b. In performing his/her duties and obligations, each Company's Individual should always prioritize the company's economic interests above those of personal, family, and other parties.

- c. Each Company's Individual is prohibited to misuse his/her position for personal, family, and other parties' interest or benefit.
- d. Each Company's Individual must avoid activities that may cause conflicts of interest with the Company.
- e. The Company's Individuals who have conflicts of interest shall not be allowed to participate in discussing and making the decisions containing elements of conflict of interest.
- f. Each Company's Individual must disclose and/or report to the Company those activities outside of the Company bearing conflicts of interest.

6.1.2 Rewards and Gifts, Bribes and Donations

- a. Each Company's Individual including the Company's affiliates are prohibited:
 - 1. To provide or offer something, either directly or indirectly, to state officials and/or individuals who represent business partners, which can influence decision making.
 - 2. To receive something for his/her own interests, either directly or indirectly, from business partners, which can influence decision making.
 - 3. To make or facilitate payments, which are not usual to other parties outside the Company to smoothen the business beyond fairness/normality of good business practice.
- b. Donation by the Company or submission of Company's assets to political parties or one or more candidates of members of legislative or executive, should only be done in accordance with the prevailing laws and regulations and within the limits defined by the Company for charitable donations which could be justified.

6.1.3 Compliance with Laws and Regulations

- a. Each Company's Individual must implement the prevailing laws and regulations and Company Rules.
- b. Each Company's individual should maintain healthy, harmonious, and constructive relationships with regulators and other relevant agencies of the central and local governments, and avoid the practices of corruption, collusion, and nepotism in dealing with governments and regulators.

- c. Understanding and complying with laws and regulations shall be the main principles that must be implemented in all activities of Company's Individual.

6.1.4 Confidentiality of Information

- a. Each Company's Individual must maintain the confidentiality of Company information in accordance with the prevailing laws and regulations, company rules, and good business practices.
- b. Each Company's Individual is prohibited to misuse Company information, including but not limited to information on acquisitions, mergers, and shares purchase plans.
- c. Each former Company's Individual who is no longer working for or serving the Company, or has transferred his/her shares in the Company is prohibited to disclose Company confidential information acquired during working, serving, or becoming a shareholder in the Company, unless such information is required for inspection and investigation in accordance with the prevailing laws and regulations, or it is no longer confidential for the Company.
- d. The disclosure of Confidential Information by any Company's Individual can only be done if:
 - 1. Obtaining prior written approval from the Company.
 - 2. The Confidential Information is already available in public domain.
 - 3. Such disclosure is required in accordance with the prevailing laws and regulations.

6.1.5 Social and Environmental Responsibilities

To create awareness and maintain behavior of each Company's Individual who is concerned and having sense of social and environment responsibilities so as to create company relations which are harmonious, balanced, and in accordance with the environment, values, norms, and cultures of the local community. The implementation of social and environmental responsibility policies always considers the appropriateness and reasonableness.

6.2 Work Codes of Conduct

Work Codes of Conduct in these Codes of Conduct (COC) are the values and norms that guide each Company's Individual to behave with good ethics based on CGG principles in carrying out all activities both in and outside the Company's premises.

6.2.1 Employees

6.2.1.1 Relationships with Fellow Employees and Superiors

Each Company's Individual should develop and implement good relationship principles, amongst others:

- a. To maintain polite and courteous behaviors to fellow employees and superiors. The Company does not tolerate discrimination or harassment of any kind based on social status, race, sex, religion, age, sexual orientation, nationality, pregnancy status, and other characters that are protected by the prevailing laws and regulations.
- b. To appreciate every employee of the Company by not to underestimate and differentiate him/her one to another.
- c. To develop abilities and skills to work in groups (teamwork) for the progress of the Company.
- d. To accept inputs and suggestions given for self and performance improvements.
- e. To create information transparency among colleagues and between work/businesses units within the Company to support good cooperation and coordination for the progress of the Company.
- f. To be open, sympathetic, and helpful to fellow colleagues, mutual respect and appreciative to the opinions of others, while dissenting opinions or ideas be discussed in polite and professional manners, without physical violence, harassment, and threats to fellow employees and superiors.
- g. To work harmoniously based on mutual dedication and trust to achieve the vision and mission of the Company.
- h. To obey superior's instructions related to his/her positions and responsibilities, work Codes of Conduct, and company rules. The Company does not tolerate violations of orders, work Codes of Conduct, and company rules.
- i. To work honestly, professionally and responsibly.
- j. To act and behave politely towards superiors and fellow employees.
- k. Not to discuss negatively superior's policies with fellow subordinates which potentially inviting slanders and counter-productive to the Company's performance.
- l. To be obedient and consequent with the compliance of regulations, policies, company rules, and stated standard operating procedures (SOP).

- m. As Superiors to give equal opportunities for career development of all subordinates.

Further provisions regarding relationships with fellow employees and superiors are stated in the company rules (CR).

6.2.1.2 Company Information Confidentiality Maintenance

In doing all his/her activities, each Company's Individual should take into account the provisions to maintain the confidentiality of company information, among others:

- a. To protect Company confidential information, not only during the term of office as a member of the Board of Directors, a member of the Board of Commissioners or an employee of the Company but also after the member of the Board of Directors, the member of Board of Commissioners, or the employee is no longer working for the Company for a certain period in accordance with the prevailing laws and regulations.
- b. Access to information, arrangements on the authority and scope of work of each Company's Individual who can access to the required company information, both in general and specific.
- c. Dissemination of confidential information, details of disclosure, and usage confidential company information in the forms of conversations or written materials to or by any party, can only be done by authorized persons appointed by the Company.

Exceptions to the obligation to maintain the confidentiality of company information only if required in accordance with the prevailing laws and regulations.

6.2.1.3 Maintenance and Usage of Company's Assets

Each Company's Individual should maintain, preserve, safeguard, and save the assets of the Company and/or facilities provided by the Company to the Company's Individual in the forms of equipment, vehicles, and/or other infrastructures to support the smooth operation activity of the Company, act responsibly, and only for the interests of the Company, also in accordance with the prevailing laws and regulations. Company's Individuals are not allowed to use assets and/or facilities of the Company for personal interests.

6.2.1.4 Work Complaints

A work complaint is an expression of dissatisfaction with working conditions, safety standard treatments and work security, and interpersonal relationships that create an unpleasant working atmosphere. Work complaints must be delivered by each Company's Individual through the appropriate way in accordance with the company rules.

6.2.1.5 Discrimination and Sexual Harassment

Each Company's Individual has the right to work in an environment free of any form of discrimination, including sexual harassment. The company prohibits each Company's Individual to discriminate and sexually harass fellow Company's Individuals in the workplace. The company shall not tolerate discrimination in any form, including sexual harassment committed by any Company's Individual to non-employees of the Company such as company's customers or partners, as well as those carried out by non-employees to the Company's Individuals. Any violation of these provisions shall be penalized in accordance with the company rules.

6.2.1.6 Public Speaking and Information Requests

Requests for information on the Company's business activity, interviews by the media, or other similar requests to each Company's Individual, either orally or in writing from other parties should be routed through work units and/or those who have been authorized and appointed by the Company. Each Company's Individual is prohibited to fulfill the above requests without the approval of the Company.

6.2.2 Workplace

6.2.2.1 Work Safety, Security, and Health

Each Company's Individual is required to create a safe workplace atmosphere. Each Company's Individual should prevent accidents and maintain work safety and health in all company's facilities and/or workplaces. Implementation and maintenance of behaviors that prioritize work safety, security, and health are a must. These behaviors shall be, amongst others:

- a. Compliance with the prevailing laws and regulations and/or standards of work security, safety, and health.
- b. Knowledge and understanding of the work environment conditions by compliance with the prevailing laws and regulations on work security, safety, health, and environment.
- c. Preventing accidents and handling occurred accidents in accordance with standard operating procedures for the prevention and handling of accidents.

6.2.2.2 Free of Drugs, Alcohol, Gambling, Smoking, and Weapons Workplace

Each Company's Individual should keep and maintain a safe and healthy workplace, amongst others:

- a. Prohibited to harm and spoil the health of him/herself or others such as using and distributing drugs, drinking alcohol, and others in accordance with the company rules.
- b. Prohibited to gamble in any form.
- c. Prohibited to smoke in public places or workplaces, except in the places provided by the Company.
- d. Prohibited to bring sharp weapons, firearms, or weapons of any kind to the Company's workplaces.

6.3 Codes of Conduct Towards Outsiders

6.3.1 Shareholders

The company constantly improves the company value and long-term business growth sustainably, and thus each Company's Individual should respect and ensure the rights of the shareholders in accordance with the articles of association and prevailing laws and regulations, amongst others:

- a. To ensure that the Company's material information is provided in a transparent, fair, and timely manners to the Shareholders in accordance with the prevailing laws and regulations.
- b. Not to do anything to the benefit of personal and/or others by using Company information which constitute conflict of interest.
- c. To use the Company's resources efficiently and effectively.
- d. To use working time or provided time to produce productive, efficient, and effective work results.

6.3.2 Society and the Environment

The Company believes that maintaining a relationship of mutual support and providing a positive contribution to the society and environment shall be an effective way to increase the company value and long-term business growth sustainably, and thus each Company's Individual should contribute to the community and environment, amongst other:

- a. Attempting to build and develop relationships which are balanced, harmonious, and beneficial to the community and environment.
- b. Preserving the environment, performing business activities tasks in a manner safe for the environment, maintaining the balance of the ecosystem, as well as empowering communities for sustainable development.

- c. Running the business in compliance with all the prevailing laws and regulations, all at the national, regional, and international levels.

6.3.3 Government

The Company always adheres to the prevailing laws and regulations in running its business, and therefore each Company's Individual is required to maintain or preserve good and communicative relations with the government at the central and/or regional levels related to the company's business activities, amongst other by:

- a. Developing healthy, harmonious, constructive, and ethical relationships based on honesty and mutual respect values, with regulators and other related government agencies in accordance with the prevailing laws and regulations.
- b. Avoiding corruption, collusion, and nepotism (CCN) in dealing with the government.
- c. Supporting national and regional programs organized by the government, especially in the fields of education, social, and cultural.

6.3.4 Creditors

In developing relationships with creditors, the Company does it professionally and any information provided to creditors is actual information. The process of selecting creditors is obliged to be free of corruption, collusion, and nepotism (CCN), and always apply precautionary, selective, competitive and fair principles. The election of sources of funding and/or other banking facilities always for the benefit of the Company and in accordance with the prevailing laws and regulations.

6.3.5 Business Partners

In developing relationships with business partners, the Company does it professionally, equally, and mutually beneficial to create value for shareholders. Each Company's Individual is prohibited to use relationships with business partners for personal benefit. In developing relationships with business partners, each Company's Individual amongst other:

- a. Should evaluate business partners objectively and equally, without discrimination.
- b. If potential business partners have a family relationship with a company employee, then the employee should provide the information to the related business units in the Company.

- c. Prohibited to disclose any information that could lead to unfair competition or favor one of the business partner candidates.
- d. Prohibited to disclose Company confidential information to business partners.
- e. Business meal and gift entertainments from business partners only acceptable for certain value limits and shall be notified to superior or related business units, and should not create conflicts of interest with the Company so that they cannot be considered as something that may affect decisions objectively and professionally.

6.3.6 Competitors

The Company always supports fair business competition climate in its business activities, and each Company's Individual is obliged, amongst others:

- a. To have good Conduct in accordance with the prevailing laws and regulations.
- b. To have mutual respect behaviors and maintain good relationships with the competitors.
- c. To keep the Company's reputation and good name.
- d. Not to make agreements with competitors that could violate the prevailing laws and regulations including but not limited to the prohibition on monopoly and unfair competition.

6.3.7 Mass Media

The mass media is a business partner to convey information about the Company and hence the provision of any information about the Company to the mass media should be done in a transparent and accountable manner. Each Company's Individual must comply with the rules regarding the provision of company information to the mass media or public determined by the Company. Provision of information about the Company can only be done by authorized officials or business units appointed by the Company and should comply with the prevailing laws and regulations, including the provisions regarding the obligation to maintain the confidentiality of information and documents in accordance with the prevailing laws and regulations.

6.3.8 Relations with Subsidiaries

The Company should ensure that good corporate governance principles are applied at every level of business in subsidiaries and develop good relations with its subsidiaries to develop synergies and improve the image and reputation of the company and all companies in the group.

7. Maintaining Company's Good Name

Reputation and good name of the Company should always be inherent in the behavior of each Company's Individual, therefore he/she should always:

- a. Maintain and keep ethical behavior both in and outside the work environment of the Company.
- b. Care and keep the good image and reputation of the Company.
- c. Be committed and consistently apply the Company's Codes of Conduct including these Codes of Conduct (COC), the Company's policies, the Company rules, and/or the prevailing laws and regulations.

8. Anti Corruption and Anti Money Laundering

The Company always implements good corporate governance principles in conducting its business activities and comply with the prevailing laws and regulations amongst other regulations on the prohibition of any action or engagement in the acts of corruption, collusion, nepotism (CCN), and the act of money laundering, or facilitate any CCN activity and in money laundering itself. Any violation of these rules may result in civil and criminal sanctions in accordance with the prevailing laws and regulations.

9. Insiders Information

Each Company's Individual should protect and maintain the confidentiality of the Company's confidential information and therefore it is prohibited to use and/or disclose confidential information for any purpose or interest, other than for the interests of the Company's operations. All information available within the Company which is not a public domain is treated as the Company's confidential information that must be protected and kept its confidentiality by each Company's Individual.

10. Political Activities

The Company respects the rights on the opportunity to channel political aspirations of each Company's Individual, but the company does not contribute to and is not affiliated to any political party, so that the political activities undertaken by each Company's Individual must be conducted with due regard to amongst others the following matters:

- a. Do not use the name, assets, and potentials of the Company for certain political goals.
- b. Do not make any understanding, agreement, or statement of any kind, either directly or indirectly indicating that the Company has associated relationships with a political party.

- c. Do not do any political activity during the Company's working hours and do not use the Company's attributes.
- d. If a Company's Individual occupying a particular position in a political party or his/her political activities interfere with the duties in the Company, he/she should resign from the Company.

11. Enforcement and Reporting

- a. All Company's Individuals are required to sign a statement of commitment as per format in Appendix 1 of these Codes of Conduct (COC) as a commitment to enforce every provision of these Codes of Conduct (COC).
- b. All managers or work unit heads shall be responsible for and give the examples to his/her subordinates on the application of these Codes of Conduct (COC).
- c. Implementation of these Codes of Conduct (COC) constitutes a commitment and responsibility of all Company's Individuals. In the event of violations or irregularities, each Company's Individual should report the violations or irregularities through:
 - 1. Corporate Secretary.
 - 2. Superiors.
 - 3. Complaint Box.
 - 4. The Board of Commissioners.
- d. Reporting as referred to above must be performed in good faith and not to be a private complaint over certain company policies.
- e. Reporting formats should contain identity clearly, accompanied by relevant supporting evidences. Recipients of the report and the Company should keep the identity of the complainant.
- f. The company should accept and ensure that the reporting of violation of the provisions of these Codes of Conduct (COC) is processed properly and timely.
- g. The Company should guarantee the protection of each Company's Individual who reports for violation of the provisions of these Codes of Conduct (COC).
- h. Sanctions in accordance with the applicable provisions of the Company rules shall be given to each Company's Individual who violates the provisions of these Codes of Conduct (COC).
- i. Sanctions for employees who violate these Codes of Conduct (COC) shall be decided by the Board of Directors of the Company.

- j. Sanctions for members of the Board of Commissioners and Board of Directors who violate these Codes of Conduct (COC) shall be decided in a shareholders meeting.
- k. Each Company's Individual who adheres to these Codes of Conduct (COC) shall be awarded in accordance with the applicable Company policies. This is implemented so that each Company's Individual shall be motivated to behave in accordance with the provisions of these Codes of Conduct (COC) at all times.

12. Closing

These Codes of Conduct (COC) are provided as guidance for every employee in the company and shall be disseminated to all employees.

If there are doubts about the implementation of the provisions of these Codes of Conduct (COC), each Company's Individual within the Company can consult with his/her superior or work unit designated by the Company.