

# **GUIDELINES FOR IMPLEMENTATION GOOD CORPORATE GOVERNANCE PT IMPACK PRATAMA INDUSTRI TBK ("GCG GUIDELINE") 2024**



## FOREWORD

PT Impack Pratama Industri Tbk (hereinafter referred to as “Impack” or the “Company”) recognizes the importance of implementing Good Corporate Governance (GCG) as a tool to increase the value of business development, improve competitiveness and sustainable long-term business growth to increase shareholder value and increase the trust of the company's stakeholders (stakeholders).

The trust of stakeholders such as investors, employees, suppliers, customers, communities and other stakeholders is a very decisive factor for the development and continuity of the Company's business. Company Credibility and Trust are closely related to the Company's behavior in interacting with stakeholders. The management of the Company must not only comply with applicable laws and regulations, but also uphold ethical norms and values. Awareness to practice good ethics will enhance and strengthen the positive image of the Company. For this reason, the Company must have guidelines regarding good corporate governance.

The preparation of this corporate governance guideline was carried out by the Company by considering the vision, mission and goals as well as the values adopted by the Company, good governance practices, and applicable regulations and compiled into a single guide entitled “Guidelines for Implementing Good Corporate Governance PT Impack Pratama Industri Tbk” (hereinafter abbreviated as “GCG Guidelines”). This GCG Manual defines the basic principles of business behavior which are a series of rules that provide direction and reflect the behavior of the Company's personnel towards good business ethics. The presentation of the Guidelines includes 4 main sections regarding (i) Company Personnel Standards of Conduct (Code of Ethics) (ii) Company Organs (iii) Policy Points and (iv) Violation Reporting.

The Board of Directors hopes that the Guidelines for the Implementation of Good Corporate Governance will then become a reference in the implementation of corporate governance that applies to the Company and its subsidiaries.

The Guidelines for the Implementation of Good Governance may be adjusted according to the Company's business developments and good governance practices.

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**STATEMENT OF COMMITMENT  
BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS  
PT IMPACK PRATAMA INDUSTRI TBK**

In line with our commitment to managing the Company with good governance, the Board of Commissioners and Directors of PT Impack Pratama Industri Tbk stated that they are committed to implementing good corporate governance by referring to:

1. Guidelines for the Implementation of Good Corporate Governance (GCG Guidelines);
2. Board Manual for the Board of Commissioners; and
3. Board Manual for the Board of Directors.

This is the document for implementing good corporate governance at PT Impack Pratama Industri Tbk. we agree with full responsibility.

Stipulated in Jakarta, July 15, 2024.

**Board of Commissioners and Directors  
PT Impack Pratama Industri Tbk**

**Dewan Komisaris**



**Lindawati**  
Komisaris Utama

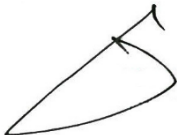


**Kelvin Choon Jhen Lee**  
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**Janto Salim**  
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**Sugiarto Romeli**  
Direktur



**Wira Yuwana**  
Direktur



**Lisan**  
Direktur



**Phillip Tjipto**  
Direktur

## **CHAPTER I**

### **PRELIMINARY**

#### **A. BACKGROUND**

For the Company, the implementation of Good Corporate Governance (GCG) is not just an obligation, but is a necessity in order to maintain transparency and accountability of the company's management to the public.

GCG has 5 (five) principles, namely Transparency, Accountability, Responsibility, Independence and Fairness as an indicator for a business entity in carrying out business management that is responsible to all stakeholders. The implementation of GCG within the Company directs and controls the Company so that it is in line with the expectations of stakeholders, is in line with applicable laws and regulations, and complies with universally applicable business ethics norms. The development of GCG in line with best practices on an ongoing basis and consistent implementation of GCG can not only encourage the Company to provide a control system that can ensure accountability commensurate with the business risks faced. However, more than that, the implementation of GCG can provide adequate protection and fair treatment to Shareholders and other stakeholders, through maximum shareholder value.

The Company is committed to developing actualized GCG practices by consistently applying good GCG principles that rely on aspects of openness, accountability, responsibility, independence and fairness. All of these principles are manifested in the implementation of the duties and responsibilities of each organ of the Corporate Governance. The Corporate Governance structure consists of the main organs which include the General Meeting of Shareholders, the Board of Commissioners, and the Board of Directors as well as supporting organs consisting of the Committees/Functions under the Board of Commissioners, the Corporate Secretary, and the Internal Audit Unit.



## **B. VISION AND MISSION OF THE COMPANY**

### **Company Vision:**

"To become the dominant building materials company in Southeast Asia, Australia and New Zealand with sustainable products."

### **Company Mission:**

"Providing Value-Added Solutions and Innovative Products to our market sectors with Performance Growth through Human Resources who share our Group Values and Sustainable Attitude."

## **C. CULTURE AND VALUES OF THE COMPANY**

The Company upholds HIPS values, namely:

- a. (HONOR GOD, THE ALMIGHTY)  
Respect God in attitude, behavior, and work
- b. HUMILITY  
Recognizing that success is achieved through teamwork and that each member is valuable
- c. INTEGRITY  
Demonstrate honest behavior at work and do the right thing even when not anyone saw
- d. PROFESSIONALISM (Professionalism)  
Carry out work quickly, accurately, and responsibly, based on fair and accurate performance appraisals
- e. SOLUTIONS PROVIDING  
Providing simple, honest and practical solutions for customers

## **D. PURPOSE, OBJECTIVES AND BENEFITS OF GCG**

- a. The purposes of the GCG Guidelines for the Company are as follows:
  - i. So that the Company has a Code of Ethics in running the Company's business and ethics that regulate the behavior of the Company's Personnel.
  - ii. So that every employee of PT Impack Pratama Industri Tbk understands that all Company activities are based on the principles of good corporate governance.
- b. The objectives and Benefits of implementing the GCG Guidelines for the Company are as follows:
  - i. As a shared commitment to realize the vision and carry out the Company's mission in a professional and business ethics manner.
  - ii. As a behavioral guide for all PT Impack Pratama Industri Tbk personnel who must be obeyed in carrying out all Company activities.
  - ii. Encouraging all employees of PT Impack Pratama Industri Tbk to behave well in

- carrying out all Company activities.
- iii. Creating a healthy and comfortable working atmosphere within the Company's environment.
  - iv. As a guide to avoid conflicts of interest in carrying out all Company activities.
  - v. Creating a harmonious relationship with Stakeholders.
  - vi. Increasing the value of the Company by providing certainty and protection to Stakeholders in dealing with the Company so as to produce a good reputation, which ultimately realizes long-term business success.
  - vii. The creation of a work environment that upholds the values of honesty, ethics and openness, so that it will improve the overall performance and productivity of every employee of PT Impack Pratama Industri Tbk.

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## **CHAPTER II**

### **MAIN ORGANS OF THE COMPANY**

#### **A. GENERAL MEETING OF SHAREHOLDERS**

General Meeting of Shareholders (GMS) is the highest organ in the corporate governance structure which functions as a forum for shareholders to make decisions in order to determine the direction of the Company's development. The GMS has powers that are not given to the Board of Directors and the Board of Commissioners as stipulated in the applicable laws and regulations and the Company's Articles of Association

##### **GMS Rights and Authorities**

Rights and authorities of the Company's GMS are described as follows:

1. Use their rights to express opinions and obtain information relating to the Company as long as it is related to the agenda of the meeting and does not conflict with the interests of the company;
2. Hold the Board of Commissioners and the Board of Directors accountable regarding the management of the company;
3. Amend the Articles of Association; as well as
4. Appoint and dismiss the Board of Commissioners and the Board of Directors.

##### **Provisions for Holding GMS**

The GMS consists of the Annual GMS and Extraordinary GMS. The Annual GMS must be held no later than 6 months after the year ends, while the Extraordinary GMS can be held at any time as needed. The stages of holding the Company's GMS refer to the Financial Services Authority Regulation No. 15/POJK.04/2020 concerning the Plan and Organizing of the General Meeting of Shareholders of a Public Company.

#### **B. BOARD OF COMMISSIONERS**

The Board of Commissioners is the Corporate Governance organ that has the duties and responsibilities to supervise and monitor the management of the Company in accordance with the Articles of Association. The Board of Commissioners also ensures that the Company carries out business activities in accordance with the stated goals and objectives, provides advice to the Board of Directors, and ensures that the Company implements GCG principles at every level of the organization. The Board of Commissioners has collective and collegial duties and responsibilities. The accountability of the Board of Commissioners to the GMS is a form of accountability for supervisory activities over the management of the Company in the context of implementing GCG principles.

### **Duties Responsibilities and Authorities of the Board of Commissioners**

The scope of duties and responsibilities of the Company's Board of Commissioners based on the Company's Articles of Association is explained as follows:

1. Carry out duties, responsibilities in accordance with the provisions of the Company's Articles of Association and the decisions of the General Meeting of Shareholders;
2. Supervise the policies of the Board of Directors and provide advice to the Board of Directors for the benefit of the Company in order to achieve the objectives of the Company;
3. Ensure the implementation of risk management and GCG principles in carrying out the operations of the Company's business activities;
4. The Board of Commissioners at any time during office hours of the Company, has the right to enter buildings and or other places used or controlled by the Company, has the right to examine all books, letters and other evidence, examine and match the condition of cash and others and has the right to know all actions that have been carried out by the Board of Directors;
5. Each member of the Board of Directors is obliged to provide an explanation of all matters asked by the Board of Commissioners;
6. The Board of Commissioners is required to manage the Company temporarily, in the event that all members of the Board of Directors are temporarily dismissed.

### **Board of Commissioners Work Guidelines**

In carrying out its duties and responsibilities, the Board of Commissioners refers to the Work Guidelines of the Board of Commissioners which are periodically evaluated and updated with reference to the prevailing rules and regulations in Indonesia. This Work Manual is a binding reference and work order for each member of the Board of Commissioners so that the Board of Commissioners can carry out its supervisory function in an efficient, effective, transparent, independent and accountable manner.

### **Board of Commissioners Meeting Policy**

The Board of Commissioners as stated in the Work Guidelines for the Board of Commissioners has supervisory facilities in the form of internal meetings of the Board of Commissioners, meetings with committees under the Board of Commissioners and joint meetings of the Board of Commissioners inviting the Board of Directors. The meeting is held to carry out its function in supervising the performance of the Board of Directors and providing advice to the Board of Directors.

A meeting of the Board of Commissioners is said to be a quorum if it is attended by all members of the Board of Commissioners, including in the case of decision making, it is declared a quorum if it is agreed by the entire Board of Commissioners, totaling 2 (two) people. Policy Meetings of the Board of Commissioners are held at least 6 times a year and joint meetings between the Board of Commissioners and the Board of Directors are held at least 3 times a year.

Further provisions regarding the Board of Commissioners are contained in the Board Manual of the Board of Commissioners.

## **C. BOARD OF DIRECTORS**

The Board of Directors is an organ of Corporate Governance that has collective duties and responsibilities to manage the Company and carry out GCG functions at all levels of the organization. The Board of Directors is fully responsible for the management of the Company for the interests and objectives of the Company in accordance with the provisions of the applicable Articles of Association.

### **Duties, Responsibilities and Authorities of Each Board of Directors**

Each member of the Board of Directors performs duties in accordance with the division of duties and authorities, with the aim of achieving management effectiveness and achieving maximum results. The Board of Directors always upholds a professional, objective, strategic-minded attitude and prioritizes the interests of the Company, to increase added value for stakeholders and ensure the sustainability of the Company's business.

### **Board of Directors Work Guidelines**

In carrying out their duties and responsibilities, the Board of Directors refers to the Board of Directors' Work Guidelines which are periodically evaluated and updated with reference to the prevailing rules and regulations in Indonesia. This Work Manual is a binding reference and work order for each member of the Board of Directors in order to carry out the supervisory function in an efficient, effective, transparent, independent and accountable manner.

### **Board of Directors Meeting Policy**

The Board of Directors has various media to support the coordinating tasks in formulating the Company's policies, one of which is the Board of Directors meeting. Meetings of the Board of Directors are held to maximize the function of the Board of Directors in managing the Company. Meetings of the Board of Directors are valid and have the right to make legal and binding decisions if more than of the total members of the Board of Directors are present or legally represented at the meeting. Policy the Board of Directors Meeting is held at least 12 times a year and joint meetings between the Board of Directors and the Board of Commissioners are held at least 3 times a year.

Further provisions regarding the Board of Commissioners are contained in the Board Manual of the Board of Commissioners

## CHAPTER III

### SUPPORTING ORGANS OF THE COMPANY

#### A. AUDIT COMMITTEE

Audit Committee is formed by and is responsible to the Board of Commissioners in assisting in carrying out the duties and supervisory functions of the Board of Commissioners based on the Decree of the Board of Commissioners. The Audit Committee assists the Board of Commissioners in reviewing and clarifying financial information, selecting, appointing and supervising the work of external auditors, evaluating the effectiveness of the implementation of the internal audit function, and internal control. The Audit Committee also supervises the Company's compliance with applicable laws and regulations.

##### **Duties, Responsibilities and Authorities of the Audit Committee**

Based on the Company's Audit Committee Charter, the Audit Committee has the following duties and responsibilities:

1. Reviewing the financial information to be issued by the Company such as financial reports, projections, and other financial information; Reviewing the Company's compliance with the laws and regulations in the Capital Market sector and other laws and regulations related to the Company's activities;
2. Reviewing the implementation of the audit by the internal auditor of the Company;
3. Reporting to the Board of Commissioners various risks faced by the Company and the implementation of risk management by the Board of Directors;
4. Reviewing and reporting to the Board of Commissioners on procurement related to the Company; and
5. Maintain the confidentiality of documents, data and information owned by the Company.

##### **Audit Committee Charter**

In carrying out its duties and responsibilities, the Audit Committee is guided by the Audit Committee Charter.

##### **Audit Committee Meeting**

Meetings are held at least 1 (one) time in every 3 (three) months, however the Committee may hold meetings at any time if needed with notification at least 3 (three) working days before the meeting is held. The Audit Committee makes decisions based on deliberation for consensus, which is stated in the minutes of the meeting, and submitted to the Board of Commissioners.

## B. REMUNERATION AND NOMINATION COMMITTEE

The Company's Board of Commissioners has established the Remuneration and Nomination Committee (“**RNC**”) based on the Decree of the Board of Commissioners of PT Impack Pratama Industri Tbk number: 021/IP-LEGAL/BOC/VII/2022 dated 11 July 2022 concerning the Establishment of the RNC, with the function to assist the implementation and supervision of activities related to remuneration and nomination in accordance with the Company's Articles of Association and applicable regulations.

### NOMINATION AND REMUNERATION COMMITTEE GUIDELINES

The work guidelines of the Nomination and Remuneration Committee include:

1. Duties and Responsibilities
2. Membership, Term of Office and Procedure for Member Replacement
3. Work Procedure
4. Meetings
5. Activity Reporting System

The legal basis used in the formation of the Nomination and Remuneration Committee Guidelines are:

1. Law Number 8 of 1995 concerning the Capital Market;
2. Law Number 40 of 2007 concerning Limited Liability Companies;
3. Financial Services Authority Regulation No.34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.

### Duties and Responsibilities

The duties and responsibilities of the KNR in carrying out the Nomination and Remuneration function referring to the Financial Services Authority Regulation Number 34/POJK.04/2014.

In the Nomination function, the NRC has the following duties and responsibilities:

1. Provide recommendations to the Board of Commissioners regarding:
  - a. composition of the positions of members of the Board of Directors and/or members of the Board of Commissioners;
  - b. policies and criteria required in the Nomination process; and
  - c. performance evaluation policy for members of the Board of Directors and/or members of the Board of Commissioners.
2. Assist the Board of Commissioners in assessing the performance of members of the Board of Directors and/or members of the Board of Commissioners based on benchmarks that have been prepared as evaluation material;
3. Provide recommendations to the Board of Commissioners regarding the capacity building program for members of the Board of Directors and/or members of the Board of Commissioners; and
4. Provide proposals for candidates who meet the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.

The functions of the Remuneration, Nomination and Remuneration Committee are as follows:

- i. Provide recommendations to the Board of Commissioners regarding:

- a. remuneration structure;
  - b. policy on remuneration; and
  - c. amount of remuneration.
- ii. Assist the Board of Commissioners in assessing performance in accordance with the remuneration received by each member of the Board of Directors and/or member of the Board of Commissioners.

### **Membership, Term of Office and Membership Replacement Procedures**

The Nomination and Remuneration Committee shall consist of at least 3 (three) members, provided that:

- i. 1 (one) chairman concurrently a member, who is an Independent Commissioner;
- ii. Other members who can come from:
  - a. Members of the Board of Commissioners;
  - b. Parties from outside the Company; or
  - c. Parties who occupy managerial positions under the Board of Directors in charge of human resources.
- iii. Members of the Nomination and Remuneration Committee who come from outside the Company have no affiliation with the major shareholders, members of the Board of Commissioners or members of the Board of Directors; and does not hold concurrent positions as other committee members of the Company.
- iv. Members of the Nomination and Remuneration Committee are appointed and dismissed based on the decision of the Board of Commissioners meeting, with a certain term of office and can be reappointed.
- v. The term of office of the members of the Nomination and Remuneration Committee is no longer than the term of office of the Board of Commissioners as stipulated in the articles of association.
- vi. The replacement of members of the Nomination and Remuneration Committee who are not from the Board of Commissioners shall be made no later than 60 (sixty) days after the said member can no longer carry out his functions.

### **Work Procedures**

The Nomination and Remuneration Committee is required to act independently in carrying out its duties and is responsible to the Board of Commissioners.

#### **A. Procedure for the Implementation of the Nomination Function**

In carrying out the Nomination function, the Nomination and Remuneration Committee has the duties and responsibilities to:

- 1. Provide recommendations to the Board of Commissioners regarding the composition and process of nomination of members of the Board of Directors and/or members of the Board of Commissioners;
- 2. Provide recommendations to the Board of Commissioners regarding the policies and criteria needed in the nomination process for candidates for members of the Board of Directors and/or members of the Board of Commissioners;
- 3. Assisting the Board of Commissioners in evaluating the performance of members of the Board of Directors and/or members of the Board of Commissioners;
- 4. Provide recommendations to the Board of Commissioners regarding the capacity building program for members of the Board of Directors and/or members of the

Board of Commissioners; and

5. Reviewing and proposing candidates who meet the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.

#### **B. Procedure for the Implementation of the Remuneration Function**

In carrying out the Remuneration function, the Nomination and Remuneration Committee has the duties and responsibilities to:

1. Provide recommendations to the Board of Commissioners regarding the structure of Remuneration and policies on Remuneration for members of the Board of Directors and/or members of the Board of Commissioners;
2. Provide recommendations to the Board of Commissioners on the amount of Remuneration for members of the Board of Directors and/or members of the Board of Commissioners.

#### **Meeting Organizing**

1. In carrying out its duties and responsibilities, the Nomination and Remuneration Committee holds regular meetings at least 1 (one) time in 4 (four) months.
2. The Nomination and Remuneration Committee meeting can only be held if attended by a majority of the members of the Nomination and Remuneration Committee and one of them is the chairman of the Nomination and Remuneration Committee.

#### **Activity Reporting System**

The Nomination and Remuneration Committee must report the implementation of the Nomination and Remuneration duties, responsibilities, and procedures to the Board of Commissioners.

The duties and responsibilities of the Nomination and Remuneration Committee are disclosed in the Company's Annual Report and the Company's website.

#### **NOMINATION POLICY FOR MEMBERS OF BOARD OF DIRECTORS AND MEMBERS OF BOARD OF COMMISSIONERS**

The leadership regeneration process is an important part of the Company and continues to be a concern to ensure business continuity. In this case, the Board of Commissioners establishes a Nomination and Remuneration Committee, with one of its duties being to provide recommendations to the Board of Commissioners regarding the nomination process for members of the Board of Directors and members of the Board of Commissioners.

#### **Nomination Policy for Members of Board of Directors**

##### **A. Procedure for Nomination of Members of the Board of Directors**

The procedures for the nomination of members of the Board of Directors that must be carried out by the KNR include the following:

1. Candidate proposals are prioritized from internal companies who have the potential, skills and abilities to become members of the Board of Directors.
2. If necessary, the Nomination and Remuneration Committee can advise the company to use consulting services from third parties engaged in human resources with a good reputation to find candidates for members of the Board of Directors.



3. The Nomination and Remuneration Committee will review and evaluate candidates based on the criteria set out in this policy.
4. Based on the review and assessment carried out, the Nomination and Remuneration Committee will provide recommendations to the Board of Commissioners to be proposed at the General Meeting of Shareholders.
5. The Board of Commissioners submits recommendations from the Nomination and Remuneration Committee at the General Meeting of Shareholders.
6. Determination and appointment of candidates as members of the Board of Directors after obtaining approval at the General Meeting of Shareholders.

#### **B. Criteria for Members of Board of Directors**

The criteria that must be met by candidates for members of the Company's Board of Directors include the following:

1. Have good character, morals and integrity;
2. Capable of carrying out legal actions;
3. Within 5 (five) years prior to appointment and while serving:
  - a. Never declared bankrupt
  - b. Never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
  - c. Never been convicted of a criminal act that was detrimental to state finances and/or related to the financial sector; and
  - d. Has never been a member of the Board of Directors and/or a member of the Board of Commissioners who during his tenure:
    - i. Has never held an annual General Meeting of Shareholders;
    - ii. Their responsibilities as members of the Board of Directors and/or members of the Board of Commissioners have never been accepted by the General Meeting of Shareholders or have not provided accountability as members of the Board of Directors and/or members of the Board of Commissioners to the General Meeting of Shareholders; and
    - iii. Has caused a company that obtained a permit, approval, or registration from the Financial Services Authority to fail to fulfill the obligation to submit an annual report and/or financial report to the Financial Services Authority.
4. Have a commitment to comply with the laws and regulations; and
5. Have knowledge and/or expertise and/or experience in the field required by the Company.

#### **C. Appointment and Term of Office of Members of the Board of Directors**

The appointment and term of office of members of the Board of Directors are as follows:

1. Members of the Board of Directors are appointed and dismissed by the General Meeting of Shareholders.
2. Members of the Board of Directors are appointed for a certain term of office and may be reappointed.
3. One term of office for members of the Board of Directors is a maximum of 5 (five) years or until the closing of the annual General Meeting of Shareholders at the end of the said 1 (one) term of office.

### **3. Board of Directors Succession Policy**

In line with the importance of leadership succession for the sustainability of the organization, the Nomination and Remuneration Committee is tasked with providing recommendations regarding the procedures for selecting and/or appointing members of the Board of Directors to the Board of Commissioners.

In this case, recommendations regarding candidates for members of the Board of Directors given by the Nomination and Remuneration Committee must meet, among others, the criteria for integrity, professionalism, and expertise required by the Company.

Procedures related to the selection and/or appointment of members of the Board of Directors, as well as the criteria that become requirements are contained in the nomination policy for members of the Board of Directors.

Candidates selected through this policy mechanism will then be proposed by the Board of Commissioners through the General Meeting of Shareholders for approval.

### **BOARD OF COMMISSIONERS' NOMINATION POLICY**

#### **A. Procedure for Nomination of Members of the Board of Commissioners**

The procedures for the nomination of members of the Board of Commissioners that must be carried out by the NRC include the following:

1. Preference will be given to candidates who have the potential, skills and abilities to become members of the Board of Commissioners.
2. If necessary, the Nomination and Remuneration Committee can provide advice to companies to use consulting services from third parties engaged in human resources with a good reputation to look for candidates for members of the Board of Commissioners.
3. The Nomination and Remuneration Committee will review and evaluate candidates based on the criteria set out in this policy.
4. Based on the review and assessment carried out, the Nomination and Remuneration Committee will provide recommendations to the Board of Commissioners to be proposed at the General Meeting of Shareholders.
5. The Board of Commissioners submits recommendations from the Nomination and Remuneration Committee at the General Meeting of Shareholders.
6. Determination and appointment of candidates as members of the Board of Commissioners after obtaining approval at the General Meeting of Shareholders.

#### **B. Criteria for Members of the Board of Commissioners**

The criteria that must be met by candidates for members of the Company's Board of Commissioners are as follows:

1. Have good character, morals and integrity;
2. Capable of carrying out legal actions;
3. Within 5 (five) years prior to appointment and during office
  - a. Never declared bankrupt
  - b. Never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
  - c. Never been convicted of a criminal act that was detrimental to state finances

- and/or related to the financial sector; and
- d. Has never been a member of the Board of Directors and/or a member of the Board of Commissioners who during his tenure:
- has never held an annual General Meeting of Shareholders;
  - their responsibilities as members of the Board of Directors and/or members of the Board of Commissioners have never been accepted by the General Meeting of Shareholders or have not provided accountability as members of the Board of Directors and/or members of the Board of Commissioners to the General Meeting of Shareholders; and
  - has caused a company that obtained a permit, approval, or registration from the Financial Services Authority to fail to fulfill the obligation to submit an annual report and/or financial report to the Financial Services Authority.
4. Have a commitment to comply with the laws and regulations;
5. Have knowledge and/or expertise and/or experience in the field required by the Company; and
6. Do not have concurrent positions in excess of the applicable provisions (according to the Financial Services Authority Regulation Number 33/POJK.04/2014).

In addition to the above criteria, candidates for the Independent Board of Commissioners must meet other requirements, namely:

- Not a person who works or has the authority and responsibility to plan, lead, control, or supervise the activities of the Company within the last 6 (six) months, except for reappointment as an Independent Commissioner of the Company in the following period;
- Does not own shares either directly or indirectly in the Company;
- Has no affiliation with the Company, members of the Board of Commissioners, members of the Board of Directors, or major shareholders of the Company; and
- Has no business relationship either directly or indirectly related to the Company's business activities.

### **C. Appointment and Term of Office of Members of the Board of Commissioners**

The appointments and terms of office of members of the Board of Commissioners are as follows:

- Members of the Board of Commissioners are appointed and dismissed by the General Meeting of Shareholders.
  - Members of the Board of Commissioners are appointed for a certain term of office and may be reappointed.
  - One term of office for members of the Board of Commissioners is a maximum of 5 (five) years or until the closing of the annual General Meeting of Shareholders at the end of the said 1 (one) term of office.
1. Independent Commissioners who have served for 2 (two) terms of office may be reappointed in the next period as long as the Independent Commissioner declares himself to be independent at the General Meeting of Shareholders. The independence statement must be disclosed in the annual report.

## **C. CORPORATE SECRETARY**

Corporate Secretary is a Governance organ that supports the implementation of the duties of the Board of Directors. The Corporate Secretary functions as a liaison between the

Company and regulators, shareholders and other stakeholders. The Corporate Secretary also plays a role in ensuring that the Company's business activities are in accordance with the prevailing laws and regulations, particularly in the capital market sector.

### **Duties and Responsibilities of the Corporate Secretary**

The scope of duties and responsibilities of the Corporate Secretary are as follows:

1. Follow and properly inform about capital market developments, OJK and applicable laws and regulations especially in the capital market sector and act as a liaison between the Company, regulators and the public;
2. Provide input to the Board of Directors and Board of Commissioners of Issuers or Public Companies to comply with the provisions of the laws and regulations in the Capital Market sector;
3. Assist the Board of Directors and the Board of Commissioners in the implementation of corporate governance which includes:
  - Information disclosure to the public, including the availability of information on the Issuer's or Public Company's Website;
  - Timely submission of reports to the Financial Services Authority;
  - Organizing and documenting the General Meeting of Shareholders;
  - Organizing and documenting meetings of the Board of Directors and/or Board of Commissioners; and
  - Implementation of an orientation program towards the company for the Board of Directors and/or the Board of Commissioners.

## **D. INTERNAL AUDIT**

Internal Audit Unit is a Governance organ that supports the implementation of the duties of the Board of Directors. The Internal Audit Unit carries out independent and objective assurance and consulting activities. The establishment of this work unit is expected to assist the Company in increasing value and improving the company's operations, through a systematic approach by evaluating and improving the effectiveness of risk management, control, and GCG processes.

### **Duties, Authorities and Responsibilities of the Internal Audit Unit**

The scope of duties, authorities and responsibilities of the Internal Audit Unit consists of:

1. Develop and implement an annual internal audit plan as well as a program to evaluate the quality of the internal audit activities carried out;
2. Testing and evaluating the implementation of the internal control system and risk management system on the implementation of Good Corporate Governance (GCG) in accordance with 2. applicable provisions/policies of the Company's regulations;
3. Conduct inspections and assessments of efficiency and effectiveness in all areas of business, main supporters and supporters in each unit of the Company.

4. Evaluating and validating the control system, management, monitoring the effectiveness and efficiency of systems and procedures in each unit 4. The Company, both existing and new ones to be implemented;
5. Monitoring and evaluating the audit findings and submitting suggestions and necessary improvements to the implementation of the Company's activities and systems/policies/regulations in accordance with the applicable laws and regulations. Furthermore, internal audit will monitor, analyze and report on the implementation of the follow-up improvements that have been suggested;
6. Make a report on the audit results and submit the report to the President Director and the Board of Commissioners with a copy to the Audit Committee;
7. Carry out special tasks within the scope of internal control assigned by the President Director.

**Internal Audit Unit Work Guidelines**

In carrying out its functions and roles, Internal Audit is guided by the Internal Audit Charter.

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## CHAPTER IV

### CODE OF CONDUCT OF THE COMPANY

#### A. COMPANY BUSINESS ETHICS

Business Ethics is an explanation of how the Company as a business entity behaves, behaves ethically and acts in an effort to balance the interests of the Company with the interests of Stakeholders in accordance with GCG principles and healthy corporate values while maintaining the Company's profitability.

##### I. Compliance with Laws and Regulations

Regulations are legal products that must be obeyed and become guidelines. Therefore, compliance with the law is a standard and ethics that must be implemented. Understanding the laws and regulations that apply in all activities must be lived in every business activity of the Company. Complying with laws and regulations is the main element that must be maintained in every action taken by every employee of the Company. Further provisions may refer to the applicable Company regulations.

##### II. Giving and Receiving Gifts / Gratuities, Bribes and Others

The giving and/or receipt of Gifts, Souvenirs and Business Entertainment is carried out in the context of social interaction and fostering good relations between the Company and partners in a healthy and fair manner and can be accounted for without causing a conflict of interest that can affect decision making in running the Company's business.

The Company prohibits acts of Gratification, Bribery and Improper Payments that can influence decisions. Gratification is the provision of gifts including the provision of money, goods, rebates (discounts), commissions, interest-free loans, travel tickets, lodging facilities, tourist trips, free medical treatment, and other facilities. Every Impack Personnel is not allowed to accept gratuities that can influence decision making or related to his position.

A bribe is a gift intended to do or not do something in his position that is contrary to his obligations for the benefit of the bribe giver. Every Impack Personnel is not justified in offering or accepting bribes or directly instructing others to do so for the benefit of the person concerned.

Unfair Payments/Transactions are payments/transactions to parties outside the Company in order to expedite the running of the Company's business that exceeds the reasonableness/feasibility applicable in the business world.

Every Impack Personnel is not justified in conducting unfair payment/transaction practices to parties outside the Company or directly ordering other people to do so for the benefit of the party concerned.

III. Concern for Occupational Safety and Health and the Environment (K3LH)

In order to create a healthy, safe, productive, independent, effective and efficient workforce in all aspects of the Company's activities, Impack Personnel must:

1. Comply with the prevailing laws and regulations regarding Occupational Health and Safety, both at national and international levels.
2. Creating and maintaining a safe work environment and prioritizing preventive measures, namely those that avoid accidents.
3. Handling the problem of environmental pollution that occurs effectively and efficiently.
4. Understand and comply with all established Occupational Safety procedures.

IV. Providing equal opportunities for employees to get assignments, promotions and dismissals

Upholding the principles of justice, equality and without discrimination (regardless of religious/belief background, race/ethnicity, nationality, personal relationship (friends and kinship), skin color, nationality, gender (including pregnancy), age, disability, veteran status or other characteristics protected by law) in treating prospective employees and employees to obtain assignments, education and training, compensation, promotions or retirement in accordance with applicable regulations.

Enforce Company laws and regulations consistently without distinction of race, gender, religion and position.

Comply with applicable labor regulations, including regulations governing freedom of association, assembly and expression.



## B. ETHICS RELATED TO STAKEHOLDERS

RELATIONSHIP WITH SHAREHOLDERS		
Obligation		Prohibition
1	Improve performance and continuous learning to increase Shareholder value	Ignoring the interests of Shareholders.
2	Applying good corporate governance (GCG) principles related to the relationship with Shareholders	Provide incomplete and inaccurate information to Shareholders.
3	Respect the rights of Shareholders fairly	Defame the Shareholders.
4	Provide equal treatment to Shareholders	
5	Having a relationship communicative and harmonious with the Shareholders.	

RELATIONSHIP WITH EMPLOYEES		
Obligation		Prohibition
1	Create a short-term work action plan and long-term	Committing human rights violations
2	Ensure career path and clear and equal performance appraisal	No discriminatory practices
3	Ensuring proper K3	Employing minors
4	Give work rewards	Delay payment of employee salaries
5	Carry out business processes that ethical, efficient and friendly environment	
6	Provide health insurance and nutritious food	

RELATIONSHIP WITH GOVERNMENT AND LAW ENFORCEMENT		
Obligation		Prohibition
1	Have knowledge of laws and regulations related to the Company's business processes	Carry out bribery and gratification practices related to the Government and Law Enforcement Officials.
2	Comply with the relevant laws and regulations.	Not cooperative with Law Enforcement Apparatus.
3	Be communicative and fair towards the Government and Law Enforcement Officials.	Covering up facts related to the law enforcement process and giving false information.
4	Supporting Government programs and Law Enforcement Officials.	Utilizing relationships with Law Enforcement Officials for personal interests (outside the interests of the Company).

RELATIONSHIP WITH CONSUMER		
Obligation		Prohibition
1	Updating related information new product or information addition to the product that has been circulating regularly	Provide incomplete and inaccurate product information to consumers.
2	Provide a limited warranty according to product specifications	Does not provide good after sales to consumers
3	Deliver products on time	Sending products past the specified time limit, except in force majeure conditions
4	Provide after sales the excellent service	
5	Memberikan rekomendasi dan solusi produk yang tepat Provide recommendations and the right product solution	

RELATIONSHIP WITH SUPPLIERS		
Obligation		Prohibition
1	Maintain effective communication	Receive gratuities in any form, both for employees and affiliates.
2	Maintain good relationship with suppliers in a professional manner	Carry out the procurement process in a non-transparent manner and not in accordance with the Procurement Policy
3	Submit a request goods or services properly	
4	Fair and transparent selection of suppliers in accordance with Procurement procedures and Policies	

RELATIONSHIP WITH COMMUNITY		
Obligation		Prohibition
1	Upholding the local customs and norms of the community.	Take actions that can defame the company in the eyes of the surrounding community.
2	Maintain a harmonious relationship with the community	Be disrespectful and rude to the surrounding community
3	Running a Corporate Social Responsibility (CSR) program that prioritizes the development of the surrounding community.	Carry out CSR programs based on personal interests.

RELATIONSHIP WITH CREDITORS		
Obligation		Prohibition
1	Providing finance performance	Provide incomplete and inaccurate information to Creditors
2	Carry out obligations on time	Violating the covenants that have been agreed with the creditors
3	Carry out risk management and cost calculation for new funding sources	Commit a material violation that can cause a default condition
4	Provide clear and non-misleading information to creditors	
5	Guarantee all forms of creditor rights in accordance with the agreed agreement	

RELATIONSHIP WITH ANALYST AND MASS MEDIA		
Obligation		Prohibition
1	Provide accurate and non-misleading information to Analysts and Mass Media.	Provide information that is outside the authority that has been regulated by the Company to Analysts and Mass Media.
2	Be polite and friendly in dealing with Analysts and Mass Media.	Be emotional and rude in dealing with Analysts and Mass
3	Following up on constructive criticism submitted through Analysts and Mass Media.	Media Spreading untrue news to Analysts and Mass Media.
4	Foster good relations and establish a professional closeness with the Analysts and the Mass Media.	Receive gratification from Analysts and Mass Media for providing information that should not be given.

## **C. ETHICAL STANDARDS OF MANAGEMENT AND EMPLOYEES**

In order to maintain a harmonious relationship between Management and Employees, it is necessary to be based on ethical behavior including:

### **1. Behavior of leaders towards subordinates**

- a. Receive ideas and input from subordinates as a consideration for decision making.
- b. Listen to subordinates' complaints related to work and help with practical solutions.
- c. Be a role model in terms of work discipline in the company.
- d. Share knowledge on education and training that has been followed.
- e. Provide motivation, direction in carrying out work.
- f. Encouraging a culture of compliance with GCG and Company Policies.
- g. Make corrections or reprimands to subordinates constructively, fairly and without breaking the spirit of the work concerned.
- h. Respond to every report received regarding disciplinary violations and follow up in a fair and transparent manner in accordance with Company Regulations.
- i. Avoid intimidation or pressure, humiliation and harassment of subordinates.
- j. Provide protection for employees who report suspected irregularities.
- k. Encouraging the improvement of the performance of subordinates in the framework of leader regeneration.

### **2. Behavior of subordinates towards leaders**

- a. Obey superiors' orders with full responsibility.
- b. Be polite and respectful towards superiors.
- c. Provide useful input and suggestions to superiors.
- d. Express opinions and discuss each job with superiors in a polite manner.
- e. Ask your superior for permission if there is a need or interest, either for the Company or personal interests, during working hours.
- f. Inform the superior if there are indications of deviation.
- g. Do not take actions outside of the authority;
- h. Support and assist in achieving superior performance targets

### **3. Behavior as a Coworker**

- a. Remind each other to complete work on time and not delay work.
- b. Receive input and suggestions from fellow co-workers for performance improvement.
- c. Sharing knowledge with co-workers.
- d. Solve problems by focusing on the core and finding solutions.
- e. Maintain polite and courteous behavior in interacting with co-workers both inside and outside of work.
- f. Respect others, do not belittle and do not discriminate in employment relationships.
- g. Mutual respect and respect for the opinions of others, and can accept differences of opinion well.

- h. Avoid actions and words that contain elements of intimidation, harassment, humiliation, ridicule, slander and demeaning fellow co-workers.
- i. Work together with dedication and trust to achieve a common goal.

#### **4. Intellectual Property Rights**

- a. The Company must respect the intellectual property rights created by employees.
- b. The Company provides recognition and awards for the innovation work of employees.
- c. Impack Personnel who participate/work in the development of a process or product that will be used by the Company, or Impack Personnel who have rights to the work must treat the information related to the process or product as property of the Company both during the working period and after the Impack Personnel no longer work for the Company.
- d. All Impack Personnel must inform the work they produce both during and outside working hours, if the work is related to the Company's business or operations.
- e. Innovation works that have been owned by the Company cannot be reclaimed as the property of employees even though they have not been registered as Intellectual Rights of the Company.

### **D. OPERATING GUIDELINES BEHAVIOR**

#### **Company Personnel Commitment**

In order to increase the credibility and trust of the Company, all Impack Personnel are committed to:

- 1. Always think and behave in a corporate and non-sectoral manner by prioritizing the interests of the Company over personal and or group interests to provide added value for the Company.
- 2. Carry out duties professionally with full responsibility and uphold integrity, honesty and the spirit of togetherness.
- 3. Cares and is responsive to complaints/inputs from stakeholders and immediately follows up on them in accordance with applicable regulations in the Company.
- 4. Work hard and try to find the best way to complete tasks effectively and efficiently.
- 5. Have a strong motivation to develop themselves in order to improve competence and expand knowledge
- 6. Comply with all provisions and values of the Company to maintain and maintain the image of the Company.
- 7. Create and understand work plans / work targets in accordance with the scope of work.
- 8. Considering every risk involved in carrying out each assignment.

#### **Keeping the Company's Reputation**

In order to maintain the reputation of the Company, every Impack Personnel is required to:

- 1. Maintain polite and courteous behavior both inside and outside of work.

2. Avoid actions that are contrary to religious norms, laws and ethics of morality, including consuming, distributing and selling things related to narcotics, other illegal drugs, liquor and gambling in any form.
3. Not doing things that can reduce the honor or dignity of the Company.
4. Avoid entering places that can defame the honor or dignity of the Company.
5. Avoid actions that have the potential to violate applicable laws and regulations.

#### **Protecting Company Information (Intangible Assets)**

Every Impack Personnel, in accordance with their authority and scope of work, has access to Company information, both general and confidential. In this regard, Impack Personnel are responsible for:

1. Protecting the Company's confidential information both while still actively working or not working or not having a cooperative relationship with the Company in accordance with the applicable laws and regulations.
2. Use Company information, both general and specific, only for the benefit of the Company.
3. Dissemination of confidential information either orally or in writing to other parties in the form of individuals, companies, associations, or other legal entities is carried out by officials appointed by the Company.

#### **Maintain and use Company Assets**

Assets are resources owned by the Company to be used in an effort to achieve the Company's goals. Protection and use of Assets is part of the effort to maintain the continuity of the Company's business, for that every Impack Personnel is required to:

1. Using the Company's assets to carry out the Company's operations effectively and efficiently in accordance with applicable regulations.
2. Protect, maintain, secure, and save the Company's assets in accordance with applicable regulations, including not lending, selling, mortgaging and leasing.
3. Using the Company's assets according to the position, authority and scope of work being carried out.

#### **Insider Information (Insider Trading)**

Impack personnel who have access to material information may not abuse their position and work in disclosing material information:

1. Which can influence the decision of investors to buy, sell or hold shares of the Company.
2. To people who have special relationships to carry out trade transactions in goods/services to the Company.

#### **Giving and/or receiving Gifts, Meals, Entertainment and Donations**

The behavior of Impack Personnel related to the giving and/or receiving of gifts:

1. It is not allowed to accept and/or give gifts, souvenirs, business meals or other facilities,

which can influence decision making and violate applicable regulations.

2. Prizes received in connection with sweepstakes held by third parties related to the Company are submitted and recorded as assets of the Company.
3. Holding a Business Dinner with Business Partners and/or Stakeholders as long as it is intended for the benefit of the Company, at a cost that can be accounted for and within reasonable limits in a place that does not create a negative image of the Company.
4. Submitting/receiving Gifts and/or Souvenirs from third parties whose activities are financed by the Company, must become the property of the Company.
5. All expenses related to the giving of Gifts, Souvenirs and Business Entertainment must be authorized by an authorized official of the Company.
6. It is forbidden to accept/give bribes or promise to give/accept bribes.
7. It is prohibited to direct other people outside the Company to bribe Impack Personnel in conducting business activities within the Company and outside the Company.
8. It is prohibited to give/offer directly or indirectly a gift or other improper payment to other parties outside the Company to obtain benefits or preferential treatment in conducting the Company's business transactions.
9. In principle, donations are given to outside parties as long as they are in accordance with the Company's policies, appropriateness limits, for social purposes, such as donations for natural disasters.

## **E. TRAINING & AWARENESS**

Impack Pratama provides employees with ongoing training and awareness programs regarding ethical standards at least once a year. We promote ethical awareness through internal communications. Employees are empowered to make ethical decisions and understand their role in upholding our values.

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## **CHAPTER V**

### **RISK CONTROL AND MANAGEMENT SYSTEM**

#### **A. INTERNAL CONTROL SYSTEM**

##### **Purpose of Internal Control System**

The internal control system is a monitoring mechanism established by the Company on an ongoing basis. An effective internal control system is an important element and forms the basis for healthy and safe operational activities of the Company, and can assist the Board of Commissioners and the Board of Directors in safeguarding the Company's assets, ensuring the availability of reliable financial and managerial reporting. The implementation of the Company's internal control system also improves the Company's compliance with laws and regulations, reduces the risk of losses, irregularities, violations of prudential aspects, and improves organizational effectiveness to increase cost efficiency. The Company has in place and implemented an internal control system, which is a process designed to provide adequate assurance regarding the achievement of objectives through managing risks to an acceptable level. The internal control system implemented includes effective and efficient control of operating activities; financial control and reliability of financial reports; compliance with applicable laws and regulations as well as safeguarding assets.

##### **Internal Control Framework**

The implementation of the Company's internal control system is carried out by referring to applicable standards by implementing three lines of defense, namely the 1st line of defense consisting of management control and management control measures implemented by senior management and the 2nd line of defense consisting of financial control, security, risk management, quality, inspection and compliance carried out by the relevant work units. Furthermore, the 3rd line of defense is carried out by the Internal Audit Unit by involving other internal and external auditor organs such as the Audit Committee of the Board of Commissioners, Public Accounting Firm (KAP) and regulators. Control Components All organs that have the authority to carry out internal control as covered in the three lines of defense identify and evaluate which include 5 (five) components, namely the control environment, risk assessment, control activities, information and communication and monitoring. This is explained in the table below:

Component	Description
Environment Control	The Company's controlling environmental factors consist of integrity, ethical values and employee competence; management philosophy and operating style; the way management assigns authority and responsibility, and organizes and develops workers; attention and direction given by the Board of Directors.
Risk Assessment	The Company has established a Risk Management System to support risk prevention and mitigation.
Control Activity	Important information must be identified, captured and communicated in a form and timeframe that enables workers to perform their responsibilities. The information system produces reports containing information related to operations, finance and compliance, which enable the Company to run and control the business.
Monitoring	The internal control system needs to be monitored with a process that assesses the quality of system performance over time.

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## **B. COMPANY RISK MANAGEMENT**

The Company operates a risk management system in a comprehensive framework covering all risks identified as risks faced by the Company. The Company's risk management system framework aims to minimize and manage the risk of an event or activity that could have a negative impact on the Company's achievements.

### **Establishment of a Risk Management Work Unit (SKMR)**

The Company has formed a Risk Management Work Unit (SKMR) to implement the principles of good corporate governance. The formation of SKMR is based on Directors' Decree Number: 075/IP-LEGAL/BOD/SK/XII/2022 on 19 December 2022. SKMR has the functions and duties to manage and prevent risks in the Company in general including:

1. Operational Risk
2. Market Risk
3. Credit Risk

Apart from that, SKMR will also monitor, mitigate and evaluate risks which are submitted to the Board of Directors in the form of SKMR work reports for review and approval by the Board of Directors. The work report will be reported in the 2023 financial year.

### **Overview of Risk Management**

Risk management is part of the Company's control efforts by maintaining sustainable business existence from business risk factors that can hinder the continuation of the Company's business. For this reason, the Company is committed to implementing risk management in dealing with various types of risks such as operational risks, financial risks, strategic risks, safety and environmental risks and other risks related to the business activities carried out.

The Company's implementation of risk management is carried out to accommodate risk management in the form of risk identification, preventing potential risks as well as overcoming them. In relation to prevention and action, it is carried out in an integrated manner by collaborating with related organs such as the Internal Audit Unit and the Internal Control System Manager. This form of integration is carried out in the form of an Early Warning System.

Meanwhile, the Company's risk management is carried out through the formulation of risk mitigation procedures based on an assessment of the types of risks that have been mapped in the Company's risk tolerance index.

## Risks Faced by the Company and Risk Management Efforts

No.	Risk Type	Description	How to Manage
1	Business Competition Risk	Business competition in the Company's Industry may consist of similar products or substitute products originating from within the country or abroad. These products may have more competitive prices, more advanced technology or more effective marketing strategies so that this may result in a decrease in the Company's market share. If this condition occurs, it can affect the level of income, business activities, financial condition, performance and prospects of the Company and its Subsidiaries.	The Company diversifies its products, so that the market share that has been controlled can be maintained. The Company will also continue to maintain the quality of the Company's products and continue to develop innovations to become the market leader in the Company's industry.
2	Risk of Raw Material Price Fluctuation	The Company cannot control the price fluctuations of basic raw materials, including economic developments, fluctuations in foreign exchange rates, availability of raw materials, consumer demand, government policies and other conditions. The main raw material used by the Company is resin, where fluctuations in resin prices greatly affect the price of plastic raw materials used by the Company and its Subsidiaries. Instability of raw material prices may	The Company always strives to adjust product sales margins so that it can continue to provide consistent performance.

No.	Risk Type	Description	How to Manage
		affect product selling prices, business activities, financial condition, performance and prospects of the Company and its Subsidiaries.	
<b>3</b>	Risk of Changes in Foreign Exchange Rates	Most of the Company's bank loans and purchases of imported raw materials are made in foreign currencies, so the decline in the Rupiah exchange rate will result in an increase in the Company's expenses which in turn can affect the level of income, business activities, financial condition, performance and prospects of the Company and its Subsidiaries.	The Company also conducts export sales in foreign currencies so that changes in exchange rates for purchasing raw materials can be offset by sales in foreign currencies. The Company believes that the movement of the Rupiah exchange rate against foreign currencies can still be managed by the Company.
<b>4</b>	Risk of Dependence on Raw Material Supply	To produce the Company's and Subsidiaries' products, raw materials are needed in the form of resin and other auxiliary materials. The Company has a purchase order with a supplier, but it is not certain that the supplier will always be able to provide all the raw materials needed by the Company and its Subsidiaries. The disruption in the supply of raw materials will disrupt the production process and have a negative impact on the business activities, financial condition, performance and prospects	The Company always strives to regulate the need for raw materials with the estimated supply and demand for the Company's products, so as to minimize the occurrence of shortages of raw materials for production.

No.	Risk Type	Description	How to Manage
		of the Company and its Subsidiaries.	
5	Production Machine Damage Risk	The Company currently has various machines that are used to carry out the production process as described in the production process for roofing, facade and material products. This production process is carried out through a series of processes using these machines. If there is damage to these machines, this will disrupt the production process of the Company and its Subsidiaries, this can have a negative impact on the business activities, financial condition, performance and business prospects of the Company and its Subsidiaries.	The Company periodically performs maintenance on production machines so that the Company's production process is not disturbed.
6	Risk of Rising Fuel Prices	When the product has been produced by the Company and its Subsidiaries, the product must be sent using land and sea transportation modes to distributors and Subsidiaries. So that if there is an increase in the price of petroleum materials in general, it will increase the transportation costs, which will have an impact on the increase in transportation costs for the Company and its Subsidiaries.	The Company always strives to find the most efficient mode of transportation and according to the needs of the Company.
7	Risks regarding Employment,	This risk can occur if there are employment issues,	The Company has complied with the labor regulations

No.	Risk Type	Description	How to Manage
	Strikes and Termination of Employment	such as salary and work benefits. These issues are important for the Company and its Subsidiaries in fulfilling their obligations to employees. Because such negligence can result in a decrease in productivity, or a work strike and in the end can disrupt the operations of the Company and its Subsidiaries. In addition, if an agreement is not reached between the Company and the workforce, there may be termination of employment which will cause the Company to pay severance pay in the amount stipulated by the labor regulations, so that this will have a negative impact on the financial condition of the Company and its Subsidiaries.	and reviewed the salaries and allowances of human resources on a regular basis.
8	Government Policy Risk	The Company is domiciled in Indonesia so that all of the Company's business activities cannot be separated from the policies issued by the Government. All changes that occur in policies issued by the Government can directly or indirectly affect the Company's business activities, such as permits owned by the Company or the level of availability of substitute goods. Changes in Government policy on	The Company always strives to conduct a thorough review of the applicable rules and regulations and strives to produce innovative and useful products for customers so that they can compete with similar products in the market.

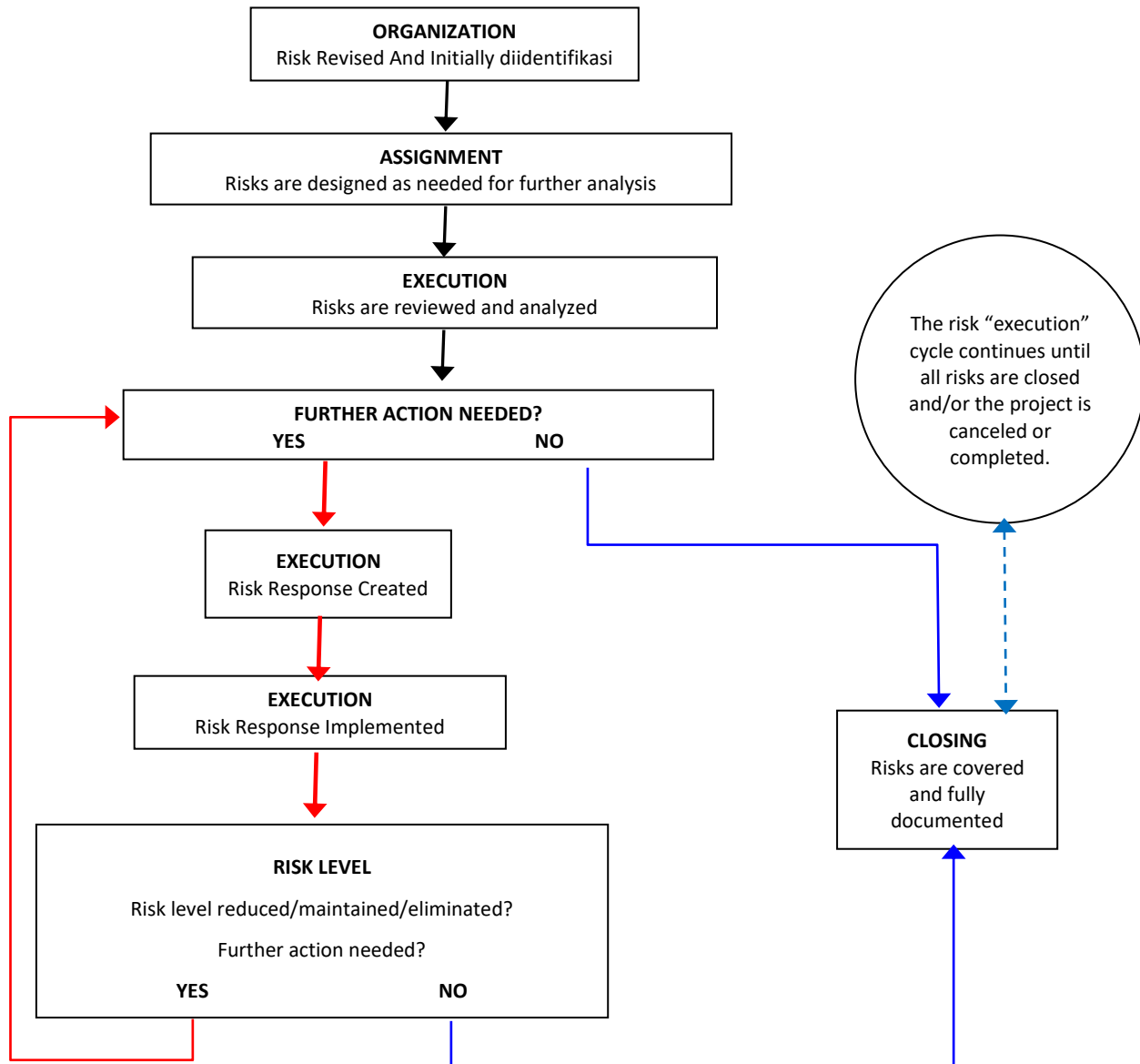


No.	Risk Type	Description	How to Manage
		imported goods that are becoming increasingly stringent may also affect the ease with which the Company can obtain raw materials. If this condition occurs, this may have a negative impact on the business activities, performance and financial condition of the Company and its Subsidiaries.	
9	Risiko Ekonomi Economic Risk	In general, the performance of the Company and its Subsidiaries has a relationship with economic conditions in Indonesia. Economic factors that can affect the Company's performance include rising interest rates and inflation as well as changes in taxation that may affect people's purchasing power. If these conditions occur, it will have an impact on the business activities, financial condition, performance and business prospects of the Company and its Subsidiaries.	The Company periodically conducts market analysis where the data will be the basis for taking decisions for management to determine strategic steps the company going forward.

### **Evaluation of the Effectiveness of the Risk Management System**

Risk management has contributed positively to the process of planning, decision making, and strengthening the implementation of Good Corporate Governance (GCG) in the Company. The risk management system implemented by the Company is able to minimize and/or reduce the level of impact and the possibility of risk occurring. This can be seen from the effectiveness of the quality, quantity, and time of completion of a predetermined risk mitigation plan. Through this risk management system, it can support the Company in achieving significant revenue growth to achieve the set targets.

## Risk Management Process Flow



## CHAPTER VI

### PRINCIPLES OF POLICY

#### A. DIVIDEND DISTRIBUTION POLICY

To apply the principles of Good Corporate Governance, the distribution of the Company's dividends must be carried out in accordance with the applicable laws and regulations.

##### **Legal Basis**

1. Law Number 40 of 2007 concerning Limited Liability Companies (Company Law).
2. Law Number 36 of 2008 concerning Income Tax.
3. Government Regulation Number 94 of 2010 concerning Calculation of Taxable Income and Settlement of Income Tax for the current year.
4. Financial Services Authority Regulation Number 15/POJK.04/2020 dated April 21, 2020 regarding the Plan and Implementation of the General Meeting of Shareholders of a Public Limited Liability Company.
5. Financial Services Authority Regulation No.31/POJK.04/2015 dated 16 December 2015 concerning Transparency of Information or Material Facts by Listed Companies or Public Companies.

##### **Provisions on Dividend Distribution**

1. The Company may distribute dividends by considering, among others:
  - Company's financial condition.
  - The condition of the Company's capital, both individually and in consolidation with its Subsidiaries.
  - Business development plan.
  - Investment plans.
  - Compliance with applicable laws and regulations
2. The Board of Directors, after consulting with the Board of Commissioners, proposes the number of dividends to be distributed for approval at the General Meeting of Shareholders (GMS).
3. The GMS will decide the amount, timing and form of dividends to be paid to all shareholders who meet the requirements in accordance with applicable regulations.
4. If the GMS decides to approve the distribution of cash dividends, the Company is obliged to pay the cash dividends to shareholders who meet the requirements no later than 30 (thirty) days after the announcement of the summary of the minutes of the GMS approving the distribution of cash dividends.
5. Announcements (publications), schedules and procedures related to dividend payments must refer to the applicable laws and regulations, including regulations issued by the Financial Services Authority (OJK), the Indonesia Stock Exchange (IDX),

as well as applicable tax laws, applicable, and the Company's Articles of Association.

6. If the Company's financial condition allows, the Board of Directors, subject to the approval of the Meeting of the Board of Commissioners, has the right to distribute interim dividends, provided that the interim dividends will be considered in the calculation of dividends which will be further distributed in accordance with the decision of the next GMS of the Company in accordance with the Company's Articles of Association.

## **B. INSIDER TRADING POLICY**

To apply the principles of Good Corporate Governance, the Company needs to establish provisions regarding insider trading transactions (insider trading) in accordance with the applicable laws and regulations.

### **Legal Basis**

1. Law Number 8 of 1995 concerning the Capital Market.
2. Financial Services Authority Regulation Number 78/POJK.04/2017 concerning Non-Prohibited Securities Transactions for Insiders.
3. Company Code of Ethics.

Below are the main provisions regarding insider trading transactions:

Definitions relating to Insider Trading Insider means any of the following:

- Commissioners, directors or employees of the Company;
- Major shareholder of the Company;
- An individual who because of his position or profession or business relationship with the Company enables that person to obtain inside information; or
- Parties who in the last 6 (six) months are no longer parties as referred to in the points above.

### **Prohibition**

Below are some prohibitions against Insider Trading transactions.

1. Any Company Insider who has Inside Information is prohibited from buying or selling Securities issued by:
  - Impack; or
  - Any other company that conducts certain transactions with the Company, as long as the Insider Information is never published / made available to the public.
2. All Company Insiders are prohibited from doing the following:
  - Persuade other parties to buy or sell the Company's shares; or
  - Provide inside information to any Party that is reasonably inclined to use the information to buy or sell the Company's shares.
3. Any party that attempts to illegally obtain Insider information from Company

Insiders and ultimately obtains such information will be subject to the same restrictions imposed on Company Insiders under items 1 and 2 above.

4. No member of the Board of Commissioners and Board of Directors of the Company may conduct transactions involving the Company's shares during the blackout period.

#### **Exceptions Regarding Prohibited Securities Transactions**

Transactions involving Impack Shares will not be considered as prohibited securities transactions if:

1. Securities Transactions are conducted between Company Insiders who have Insider information and non-Insiders in relation to Securities issued by the Company or other companies that conduct transactions with the company and transactions are conducted outside the stock exchange, provided that:
  - a. Company Insiders have previously provided all Company Insider Information to non-insiders of the Company;
  - b. Non-Insiders of the Company do not use such Insider information except to conduct securities transactions with insiders of the Company;
  - c. Non-insiders of the company make a written statement to Company Insiders providing information that non-Company Insiders will maintain the confidentiality of the information and will not use it for purposes other than conducting securities transactions with the relevant Company Insiders; and
  - d. Non-Insiders of the Company have not entered into transactions involving securities issued by Impack or other companies that have conducted transactions with the Company in the last 6 (six) months since the information was obtained, other than to conduct Securities transactions with insiders of the Company.
2. Securities transactions are carried out by and between Company Insiders, who have access to the same insider Information, and transactions are conducted outside the stock exchange; or
3. Company Insiders may provide inside information to other parties for their consideration in conducting transactions involving Securities issued by the Company or other companies conducting transactions with the Company by complying with the provisions set out in points a - d above.
4. Company Insiders who have access to Insider information may sell securities issued by the Company or other companies conducting transactions with the Company, as long as the transactions are carried out on the Stock Exchange or in a public auction at the highest bidding subject to the following conditions:
  - a. The sale is based on a final and binding court decision or is an enforcement of a promise; or
  - b. Company Insiders who conduct securities transactions are required to report the transaction to the Financial Services Authority no later than 10 (ten) days from the date of the Securities transaction or the next working day from the deadline

if it falls on a holiday. The report must be prepared in accordance with the Financial Services Authority Regulation and must contain at least the following:

- i. Name, residence and nationality;
  - ii. Number of shares bought or sold;
  - iii. Buy and sell price per share;
  - iv. Transaction date; and
  - v. Transaction purpose.
- c. Any party who wishes to obtain Company Insider Information and legally obtains it without violating the law will not be subject to restrictions imposed on company insiders, as long as the information is provided by the company without restriction.

### **Compliance with Insider Trading Policy**

Below are the conditions that apply to Company Personnel when conducting Insider Trading Transactions:

1. All decisions and actions that must be taken must be in accordance with applicable rules, laws and regulations, as well as Company policies. Any situation where their personal interests and those of the Company or the interests of customers are likely to conflict should be avoided. If such a situation is unavoidable, it must be disclosed or resolved in accordance with applicable regulations.
2. All Company Personnel may carry out securities transactions, foreign exchange transactions, derivative transactions, and other transactions for their own interests if there is no conflict of interest or violation of the Insider Trading regulations established by competent regulatory bodies, or other laws and regulations which is relevant.
3. Company personnel must adhere to the values of the Company's Code of Ethics, among others, ensure that their personal interests will not conflict with the interests of the Company or customers, do not abuse their position and authority for personal gain or the interests of their families, and do not do anything wrong. which could tarnish their professional image and the image of the Company in general.

Any personnel who violate the Company's Code of Ethics may be subject to disciplinary action, involuntary termination of employment, and legal action in accordance with the applicable laws and regulations.

### **Procedures for Preventing Insider Trading**

Prevention of insider trading in the Company is implemented, among others, through:

1. Strictly separate confidential and public data and/or information
2. Signing a Non-Disclosure Agreement when collaborating with third parties
3. Dividing duties and responsibilities for the management of confidential information

## C. CONFLICT OF INTEREST POLICY

### Legal Basis

1. Law Number 8 of 1995 concerning the Capital Market;
2. Financial Services Authority Regulation No.42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions;
3. Guidelines for the Implementation of Good Corporate Governance.  
To apply the principles of Good Corporate Governance, the Company needs to establish a policy regarding Conflicts of Interest in accordance with the prevailing laws and regulations.

### Policy

1. An employee shall not place himself in a position where there is a conflict between one's obligations as an employee and his personal or family interests or, between those obligations and any obligations he owes to others. An employee must act in good faith at all times, that is, in what he or she believes is the best interest of the company.
2. A conflict of interest may arise if an employee holds a position or owns property where, directly or indirectly, his duties or interests conflict with one's duties or interests as an employee. This includes situations where an employee, directly or indirectly, is interested in a contract or proposed contract with the company. A financial interest in a supplier, customer, agent or competitor is considered a conflict of interest as well.
3. Conflicts of interest, both actual and potential, must be reported in writing, as soon as practicable after the relevant facts are known by the employee, to the respective Division Head and where the relevant executive employee, also to Group Headquarters, is concerned. state the facts, nature and extent of the conflict.
4. In the case of directors, conflicts must also be disclosed to the Board of Directors, and if relevant, prior approval from shareholders is requested. The Division Head, on the advice of the Group Headquarters, will then take the necessary actions to safeguard the interests of the company/Group and/or grant dispensation based on permissible circumstances. Where the conflict involves a contract or proposed contract with the company/Group, the Division Head will ensure that the terms of the contract are negotiated and decided independently for example through an independent tender committee.
5. "Family" references include spouses, parents, children (including adopted children and stepchildren), brothers, sisters and spouses of children, brothers or sisters.
6. An employee who violates the Conflict of Interest policy may be subject to disciplinary proceedings and management has the right to initiate legal action against the employee.
7. In any case, no employee may act or do nothing that is contrary to the company's Articles of Association and the law.
8. Each Division Head is required to ensure that the conflict of interest policy is understood by all employees within the Division and that each employee signs a

written statement included in the employee's annual performance review documentation to be read and complied with in accordance with the established policies.

## **D. AFFILIATED TRANSACTION POLICY**

In order to apply the principles of Good Corporate Governance, the Company needs to establish provisions regarding affiliated party transaction policies in accordance with the applicable laws and regulations.

### **Legal Basis**

1. Law Number 8 of 1995 concerning the Capital Market;
2. Financial Services Authority Regulation No.42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions;
3. Guidelines for the Implementation of Good Corporate Governance.

The following is a summary of the affiliated party transaction policies and transactions containing conflicts of interest:

#### **1. Affiliated Party Transactions**

Affiliated Transactions are transactions made by and between the Company and the Affiliated Parties of the Company. The term affiliated party has the meaning as referred to in Law Number 8 of 1995 concerning the Capital Market. What is meant by the Affiliated Party of the Company is as follows:

1. Employees, directors and commissioners of the Company.
2. Companies controlled by the Company's major shareholders.
3. A person who has a family relationship due to marriage and descent to the second degree, both horizontally and vertically with members of the Company's Board of Directors, Board of Commissioners and/or major shareholders of the Company.
4. The main shareholders of the Company are individuals or companies that directly or indirectly own at least 20% of the shares with voting rights issued by the Company or less than the percentage determined by the Financial Services Authority.
5. Companies controlled by the Company, namely companies controlled by the Company, either directly or indirectly.
6. A company in which one or more Directors or Commissioners is also a Director or Commissioner of the Company.

The following principles must be observed by the relevant work units in relation to transactions with affiliated parties:

1. Applying the principles of Good Corporate Governance (GCG), namely transparency, accountability, responsibility, independence, and fairness.
2. Ensure that transactions are carried out fairly.



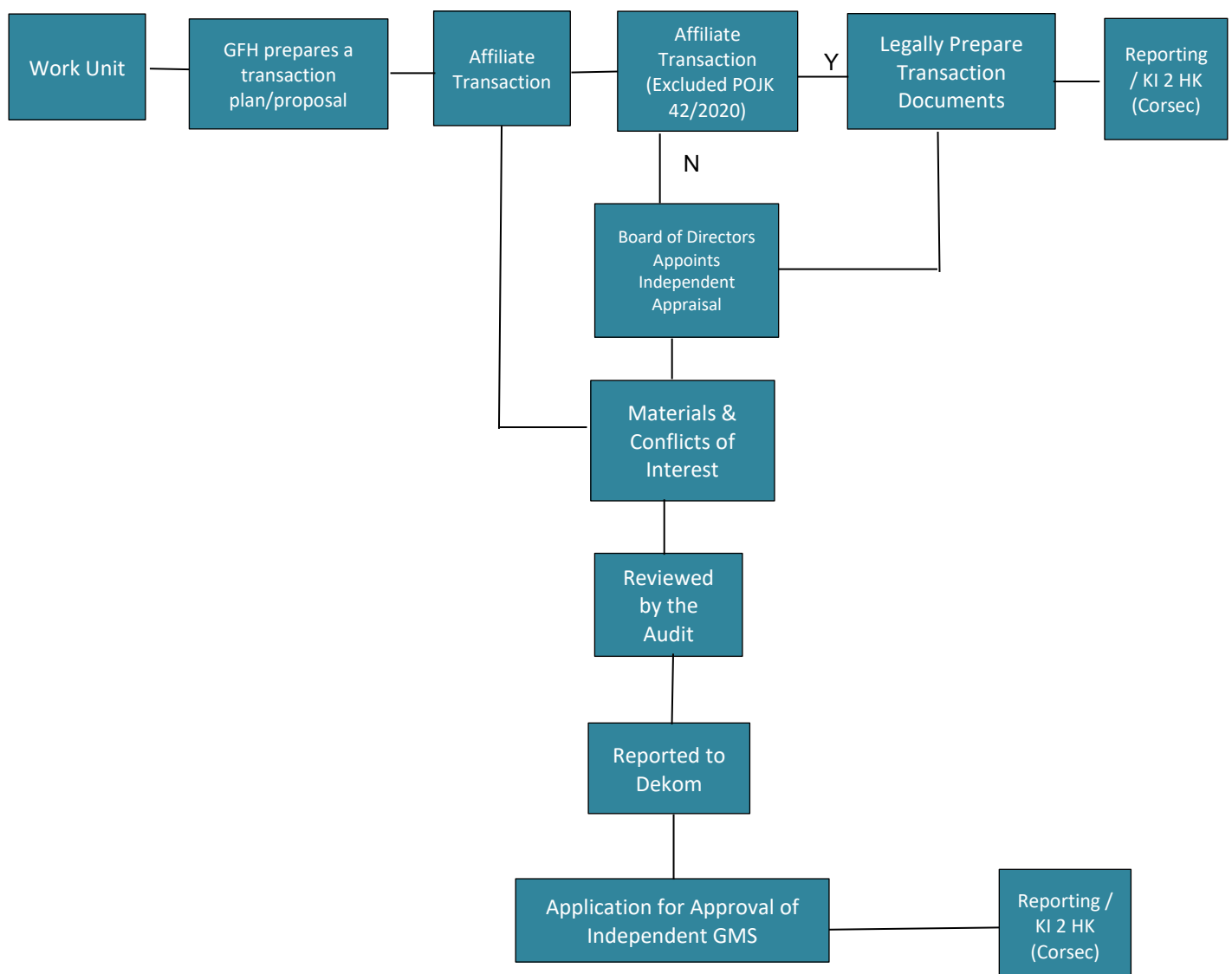
### 3. Fairness of Transaction

The core principles that must be considered in conducting transactions with Affiliated Parties are:

- Pay attention to the principles of good governance, namely transparency, accountability, responsibility, independence and fairness.
- Affirming the fairness and fairness of the transaction value and needs (arm's length transaction).

### 4. Affiliate Transaction Material

Especially for material affiliation transactions that have a potential conflict of interest, will first be analyzed/reviewed by the Audit Committee and reported to the Board of Commissioners with the following flow:



**Note:**

GFH = Group Finance & Accounting Director

KI = Information Disclosure

HK = Weekdays

## **E. ANTI-FRAUD AND ANTI-CORRUPTION POLICY**

### **Legal Basis**

1. Law Number 8 of 1995 concerning the Capital Market;
2. Guidelines for the Implementation of Good Corporate Governance;
3. Company Code of Ethics.

As a commitment to improve anti-fraud and anti-corruption practices and culture in the environment, the Company has established several policies related to corruption prevention, among others.

1. Company Code of Ethics related to Anti-Fraud and Anti-Corruption.
2. Conflict of Interest Policy

These policies aim to provide guidelines, including those related to preventing corruption within the Impack environment.

### **Policy**

The Company expects the highest standards of integrity from all employees, particularly in terms of employee liability for Company assets, including money and confidential information entrusted to them or received by them in carrying out their work in the Company.

The Company takes a serious view of any deviation from any of its employees. Disciplinary action must be taken against any employees who are found to have violated their obligations to the Company with respect to assets entrusted to them or received by them. Such breaches include without limitation such fraudulent misappropriation of assets or criminal breach of trust.

### **Management Responsibilities**

Each Business Unit is responsible for being aware of the areas of exposure and risk associated with the handling of money, assets and company information. Management should establish and review internal controls and procedures that should be designed to prevent and detect irregularities. Without exception, any irregularities must be reported to the Divisional Director and the internal audit manager for their actions.

It is the responsibility of the internal audit manager to conduct a review of control systems and procedures to cover areas of higher exposure and risk so as to provide reasonable assurance to Management regarding appropriate behavior and compliance with the controls and procedures implemented by Management. The internal audit manager is also responsible for conducting investigations into violations committed by employees as required by Management.

## **Investigation Procedures and Guidelines**

To ensure that all investigations and disciplinary action with respect to violations are conducted in a fair and consistent manner, the following procedures and guidelines must be adhered to:

- a. It is every employee's responsibility to promptly notify his or her supervisor or the head of the operating unit if he or she has reasonable grounds to believe there has been a deviation from another employee.
- b. Upon receipt of the notification, the head of the operations unit must carry out a preliminary investigation to determine whether there is a prima facie case. If a prima facie case is found, the head of the operations unit must immediately notify the Head of Division, head of finance, internal audit manager.
- c. The Head of Division or in the absence of the chief financial officer of the Division, not later than seven (7) days from notification, appoints an Investigation Panel to investigate to establish and verify the relevant facts. The composition of the Panel must be approved by the Head of Division.

The Investigative Panel consists of three (3) representatives, each from:

- i. Human Resources Department Division or Group
- ii. Department of Finance Division
- iii. Operational units that are not the direct supervisor or subordinate of the employee being examined.

The Panel may seek the assistance of the internal audit manager in conducting the investigation.

- a. In investigating, proper investigative procedures must be followed.
- b. All Panel processes and actions must be documented and/or minuted. The Panel shall prepare its report as soon as practicable but no later than seven (7) days from the date of its last hearing to conclude its findings. The Panel, in conducting any investigation, shall consider the need for prudent action to allow further action including reporting to the relevant law enforcement authorities to be taken as soon as practicable.
- c. All fraudulent acts committed by employees which are criminal acts according to the laws of the country where the Company/Unit operates, must be reported in writing to the authorized law enforcement officers, without any exceptions. All such written reports must obtain prior permission from the GFH or Group legal department or legal counsel.
- d. All proven cases of misconduct by employees must be reported to Group Headquarters as soon as the case is proven in the opinion of the Investigative Panel

To support the Anti-Fraud and Anti-Corruption Policy, the Company also provides a whistleblowing system as a means of reporting for internal Impack and external parties.

## **F. COMMUNICATION POLICY WITH SHAREHOLDERS**

### **Legal Basis**

1. Law Number 8 of 1995 concerning the Capital Market;
2. Guidelines for the Implementation of Good Corporate Governance;

The Company applies equal treatment to shareholders in providing information. The Company strives to communicate with shareholders according to their needs. Communication with shareholders and the potential investors is carried out in accordance with applicable laws and regulations. The Corporate Secretary is responsible for coordinating the delivery and dissemination of material and non-material information to the capital market community. In daily activities, the Investor Relations team will take on a role in communication between the Board of Directors and shareholders/potential investors.

### **Principles of Policy on Communication with Shareholders**

1. Communication with Shareholders and the potential investors is carried out in accordance with the prevailing laws and regulations stipulated by the capital market authority.
2. The Company ensures the accuracy of the information submitted to the Shareholders so that the Shareholders can make the best decisions on their investment in the Company.
3. The Company prioritizes open communication, transparent and fair disclosure, equal treatment of Shareholders and protection of the interests of shareholders, by upholding the integrity, timeliness and relevance of the information provided.
4. Provide equal and fair treatment so that investors can exercise their rights in accordance with the Company's Articles of Association and the prevailing laws and regulations.
5. Build honest and effective communication on an ongoing basis.

### **Company Communication Media with Shareholders**

Communication with shareholders, the capital market community, and the media is carried out through communication media, including:

#### **1. Annual Report**

The Annual Report is published annually in Indonesian and English which contains the company profile, reports from the Board of Directors and the Board of Commissioners, the Company's operational and financial performance in the reporting year, implementation of corporate governance, social and environmental responsibility, and other information as stipulated in the Regulations of OJK No.29/POJK.04/2016. The Company's Annual Report can be obtained on the Indonesia Stock Exchange website and the Company's website.

#### **2. Interim and Annual Financial Report**

Reports that present the Company's financial performance, consisting of a Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement, and Notes to

Financial Statements. The Interim Financial Statements are submitted in accordance with OJK and IDX regulations in Indonesian and English for the three months ended 31 March, six months ended 30 June, nine months ended 30 September, and 12 months (Annual) ended 31 December.

3. Sustainability Report

Reports issued by the Company regarding the performance of Environmental, Social and Good Governance in an accountable manner. The sustainability report also presents the Company's strategy and commitment to Environmental, Social and Corporate Governance. The report is published annually in conjunction with the submission of the Annual Report, and is presented in Indonesian and English.

4. General Meeting of Shareholders (GMS)

The GMS is a forum where shareholders have the exclusive authority to obtain information about the company from the Board of Directors/Commissioners and also make decisions for the company.

5. Public Expose

Public Expose is conducted at least once a year, in accordance with the regulations of the Indonesia Stock Exchange, to convey the Company's performance with the aim that information regarding the Company's performance is spread evenly. The Company will submit the plan for the Public Expose 10 trading days in advance and deliver the Public Expose material 3 days prior to its implementation. Investors or potential investors can find out the performance and plans of the Company, and can interact with the Management of the Listed Company to obtain information needed in determining their investment decisions.

6. Company Website

The Company's website contains information about the Company and provides access to relevant Company information for shareholders and the potential investors. On this website, the Company discloses its annual reports, interim and annual financial reports, sustainability reports and other publicly accessible information.

7. Press Release

Press Release is information/news submitted by the Company to the media in order to disseminate information related to the Company widely. Press Releases have several purposes, namely providing new information (products, promotions, policies, decisions, etc.), clarifying something (providing correct information on an untrue and harmful news), and forming an image.

8. Press Conference

Press Conferences are held under certain conditions that require an explanation from the Company.

#### 9. Company Social Media

The Company can also convey various information to the public through various official Social Media accounts belonging to the Company, including:

- Instagram: [www.instagram.com/impack.pratama/](https://www.instagram.com/impack.pratama/)
- Facebook: [www.facebook.com/impack.pratama/](https://www.facebook.com/impack.pratama/)
- LinkedIn: [www.linkedin.com/company/impackpratama](https://www.linkedin.com/company/impackpratama)
- Youtube: [www.youtube.com/ptimpackpratamaindustribk](https://www.youtube.com/ptimpackpratamaindustribk)

#### 10. Questions or Shareholder Information

The Company provides access for shareholders, investors, and the public to communicate via the company's official e-mail address, namely:

- [investor.relation@impack-pratama.com](mailto:investor.relation@impack-pratama.com)
- [corporate.secretary@impack-pratama.com](mailto:corporate.secretary@impack-pratama.com)
- [sustainability@impack-pratama.com](mailto:sustainability@impack-pratama.com)

## G. CREDITOR RIGHTS POLICY

### Legal Basis

1. Law Number 8 of 1995 concerning the Capital Market;
2. Guidelines for the Implementation of Good Corporate Governance;

Public Company has a policy to fulfill creditor's rights. The Company guarantees the fulfillment of creditor rights through various provisions that regulate:

1. The right to clear information.
2. The right to submit suggestions/inputs, complaints/complaints and obtain solutions.
3. The right to receive creditor's rights in accordance with the agreed agreement.
4. The right to access the audited Annual Report and Financial Statements.
5. The right to obtain information and easy access to announcements, invitations and results of the GMS in accordance with the procedures regulated in the regulations related to the GMS.

In its implementation, the Company is committed to always fulfilling the rights of creditors in accordance with the policies stipulated in the applicable provisions and based on a mutually agreed agreement regarding the rights of creditors in the relationship between the Company and creditors.

### Banking Facilities and Change

For each new banking facility or facility change, it must be proposed to and approved by the Group Finance and Accounting Director (GFH). This is so that GFH can carry out the following roles:

- a) To get the right information regarding the required loan;
- b) To determine the most efficient loan arrangements where necessary and to ensure that the use of bank facilities, where possible, is centralized in accordance with Group policy;
- c) To control the total loan; and
- d) To determine the overall banking position and exposure to banks and to coordinate the Group's relationship with creditors.

Details of the settings will be specified in the Company's Group Management File.

## **H. PROCUREMENT POLICY (SUPPLIERS CODE OF CONDUCT)**

### **Legal Basis**

- 1. Guidelines for the Implementation of Good Corporate Governance.
- 2. Company Code of Ethics.

### **Our Faith**

As a form of our commitment to continue to maintain the trust of all stakeholders and implement noble values in business, we adhere to the Supplier Code of Ethics in procuring goods and/or services within PT Impack Pratama Industri Tbk and its subsidiaries in accordance with principles of good corporate governance.

We believe that the procurement process for goods/services at the Impack company can run effectively, efficiently and transparently if our business relationships with all suppliers are built on the basis of trust, mutual respect and commitment to the following values:

- 1. Compliance with Laws.
- 2. Ethical behavior and integrity.
- 3. Responsible for product quality.
- 4. Respect human rights and employment.
- 5. Concern and responsibility for environmental sustainability.

#### **1. Legal Compliance**

Impack expects each Supplier to comply with the applicable laws and regulations in the respective countries where it operates. Suppliers are expected to conduct business practices with production or service standards set by the competent authority, including obtaining and maintaining required permits for Supplier's business activities.

#### **2. Business Ethics and Integrity**

Suppliers of the Impack company are expected to behave ethically and with integrity in the procurement of goods/services. Therefore, the Supplier:

- i. Must prioritize honesty and compete fairly.
- ii. It is prohibited to promise, give or receive gifts in any form with the aim of influencing decisions, to or from employees or management of the Impack company.
- iii. Avoiding conflicts of interest with employees or management of the Impack

company which is reasonably suspected of causing corruption, collusion and nepotism.

- iv. Must maintain the confidentiality of information belonging to the Impack company, by not reproducing, duplicating, or distributing in any way and form any information and data, including but not limited to technical information, financial information, production processes, or business secrets belonging to the Impack company.
- v. Respect Impack's intellectual property rights and not apply for Impack's intellectual property rights, including those relating to brands, copyrights, patents, designs, production processes, technical know-how, methodologies, and Impack's company business secrets.

### **3. Responsibility for Quality**

Suppliers must provide goods/services in accordance with quality standards/specifications, price, delivery, and service (Quality Cost Delivery and Services ("QCDS")) of the Impack company.

Each prospective Supplier will go through a fair and objective selection process. After that, each supplier will be evaluated regularly by the Impack company with QCDS standards.

To ensure compliance with the quality standards of goods/services, the Supplier must allow the Impack company to carry out quality audits of the facilities, systems, and/or documents related to the goods/services provided. For this reason, the Supplier is required to store and provide accurate and transparent information related to the procurement of goods/services, including tender documents and payment information, as well as to provide responses and corrective actions requested from the results of the quality audit.

### **4. Human Rights and Employment**

Suppliers are expected to respect Human Rights and care for the health, safety and welfare of employees.

- a. **Maximum Working Hours:** Suppliers must ensure that working hours comply with applicable laws and industry standards. Employees should not be required to work more than the maximum daily and weekly working hours established by local regulations, with appropriate breaks provided.
- b. **Non-Discrimination:** Suppliers must provide equal opportunity and fair treatment to all employees without regard to race, color, sex, religion, age, disability, marital status, sexual orientation, or any legally protected characteristic.
- c. **Prohibition of Child Labor:** Suppliers are prohibited from employing children under the minimum age required by law. The Supplier must ensure that no child labor is employed in the Supplier's work environment.
- d. **Forced Labor & Human Trafficking:** Suppliers shall not use forced, bonded, or unwanted voluntary labor. All work must be voluntary, and workers must not be required to submit government-issued identification, pay a deposit, or work under



threat or coercion.

- e. Corporal Punishment & Disciplinary Practices: Physical torture, threats of physical torture, or other forms of harsh or inhumane treatment as disciplinary measures are prohibited. Disciplinary actions must be implemented in a manner that respects individual dignity in accordance with local laws and regulations.
- f. Health & Safety: Suppliers must provide a safe and healthy work environment for all employees. This includes implementing measures to prevent accidents and health injuries related to or occurring in the course of work activities.
- g. Providing a Living Minimum Wage: Suppliers must pay employees sufficient wages to meet basic needs.
- h. Freedom of Association & Right to Bargain Collectively: Suppliers must recognize and respect the right of employees to join or form a union to bargain collectively. They must not interfere with the exercise of this right and must ensure that any restrictions comply with national law.
- i. Provision of Decent Living Conditions: Suppliers must ensure that employees provided with accommodation by the company have adequate living conditions. Accommodations must meet safety, cleanliness and comfort standards consistent with local laws and industry standards.

## **5. Environmental Responsibility**

Suppliers are expected to run their business in a sustainable and environmentally responsible manner by preventing environmental pollution around their business areas.

## **6. Supplier Selection and Evaluation**

### **a. Supplier Selection**

- Determine several potential suppliers for the types of goods/services required by the Company. If you only have 1 (one) potential supplier, you must provide an explanation to the Company's Management.
- Receive information and documents from each potential supplier.
- Reviewing information and documents of prospective suppliers based on the Company's QCDS criteria.
- Request sustainability data, especially from the main suppliers.
- Appointment of the Company's suppliers.

### **b. Supplier Evaluation**

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- For the provision of Main and Supporting Raw Materials used throughout the group, they must pass the test and have been approved by the Impack Pratama Group IRIC (Impack Research & Innovative Center) Team to proceed to the next process.
- The suppliers of Impack Pratama Group will be evaluated periodically to ensure and know the performance of each supplier and the overall implementation of this evaluation follows ISO 9001-2015 standard procedures.
- Conduct regular meetings with the main suppliers in the field of sustainability.

## 7. Integrity Pact

The Impack Company will seek further commitment from the Supplier through an [Integrity Pact](#).

## 8. Monitoring

We expect any party who becomes aware of a violation of this Supplier Code of Conduct to report to:

Whistleblowing Team of PT Impack Pratama Industri Tbk.:

Email: [whistleblower@impack-pratama.com](mailto:whistleblower@impack-pratama.com)

The informant's information will be kept confidential and the Impack company will follow up the handling of the violation report in accordance with the mechanisms and applicable laws and regulations.

# I. INFORMATION TECHNOLOGY POLICY

## Legal Basis

1. Guidelines for the Implementation of Good Corporate Governance.
2. Company Code of Conduct.

The Company realizes that Information Technology (IT) is an important element in ensuring that the Company's corporate and business objectives are met. Therefore, the investment in IT systems and the human resources required to maintain such systems should be carefully considered and managed.

Division Heads and Finance Officers/Heads will be responsible for formulating strategies and managing the IT systems of their respective Divisions. The Company's IT officer will be available for advice on hardware and software to meet the Division's business needs.

## IT System Management

The following are guidelines for IT system management:

1. Business requirements and commercial justification will be the main criteria for the development and procurement of IT systems and equipment.
2. It is Group policy that only authorized and authorized copies of software are purchased and used at the Group. The Division Head will be responsible for ensuring that this policy is enforced and will provide confirmation annually.
3. The nature of IT systems requires proper project development to ensure successful implementation. The Divisional Executive must ensure this happens.
4. It is the Division's responsibility to ensure that adequate measures are in place to address the security and integrity of information.
5. A business continuity plan should be developed for the IT system to ensure that the

operating unit will be able to survive and continue operations due to IT facility shutdowns that could potentially exceed a critical point determined by management. Such a business continuity plan should be tested periodically.

6. Any significant changes or implementation of IT systems related to the financial system must be supported by the Group Finance Head. To that end, a proposal is submitted by the Head of Finance, which briefly contains at least:
  - a. Justification for changes or implementation of new IT systems;
  - b. Impact on Division's IT strategy;
  - c. The suitability of the selected IT solution compared to the current IT Technology;
  - d. The implementation strategy includes IT expertise; and
7. The Company will always optimize the latest information technology to maximize information to the public and investors.
8. All forms of information disclosed by the Company through social media must go through an official account that has been published on the Company's website.

## **J. POLICY OF SOCIAL MEDIA USE**

### **Legal Basis / Regulations for Use of Social Media**

1. Law Number 11 of 2008 concerning Information and Electronic Transactions (UU ITE);
2. Law Number 19 of 2016 concerning Amendments to Law Number 11 of 2008 (UU ITE);
3. Government Regulation Number 71 of 2019 concerning Implementation of Electronic Systems and Transactions (PP PSTE);
4. Regulation of the Minister of Communication and Information Technology Number 5 of 2020 concerning Private Electronic System Operators;
5. Regulation of the Minister of Communication and Information Technology Number 20 of 2016 concerning Protection of Personal Data in Electronic Systems; Law Number 27 of 2022 concerning Personal Data Protection (UU PDP);
6. Circular Letter from the Chief of Police Number SE/2/11/2021 concerning Social Media Awareness.

### **Definition of Social Media**

Social media is a platform or application that facilitates users to create, share content, or engage in online communities and allows users to interact and collaborate in creating and sharing content.

### **Company Personnel**

Company personnel are all levels of management (Board of Commissioners and Board of Directors) and all employees (including contract employees, part-time employees and outsourced employees) of the Company and its subsidiaries.

## **Official Company Social Media Accounts**

The official social media accounts operated by the Company (hereinafter referred to as "Official company accounts") are as follows:

1. Facebook account name: Impack Pratama
2. Facebook fanpage name: PT. Impack Pratama Industri Tbk
3. Instagram username: impack.pratama
4. TikTok username: impack.pratama
5. YouTube account name: PT. IMPACK PRATAMA INDUSTRI Tbk

## **Company Goals and Values**

- Goal: Use social media to build a brand, interact with audiences, and promote products or services.
- Values: All content must reflect the company's core values such as integrity, professionalism, innovation and caring.

## **Types of Content That May Be Posted**

1. Product or Service Information: Explanations, features, benefits, tutorials and the latest news about products or services.
2. Education and Tips: Articles, videos, or infographics that provide useful information related to the company's industry or business field.
3. Company News and Updates: Information about achievements, company events and other important developments.
4. Interactive Content: Polls, Q&As, and audience-engaging content to increase engagement.
5. Customer Testimonials: Positive reviews and customer experiences that can increase trust in a product or service.
6. Visual Content: High-quality photos, videos and infographics that are attractive and match the company's visual identity.
7. Collaborations and Partnerships: Posts about collaborations with other companies, influencers, or organizations.

## **Prohibited Actions**

1. Negative or Provocative Content: Posts that contain hate speech, are discriminatory, trigger conflict, violate the law or are related to criminal acts, slander a particular person or group, contain pornography, and are violent.
2. Personal Information: Personal information of Directors, Board of Commissioners, employees or customers without permission.
3. Irrelevant Content: Posts that have nothing to do with the company's business or values.
4. Unverified Information: News or claims that cannot be justified or have not been verified.
5. Political or Religious Content: Posts that support or oppose certain political or religious views, unless they are part of the company's mission.
6. Copyright Infringing Content: Use of images, videos, music, or text without permission or

proper attribution

## **Crisis Management**

- Quick Response: Respond to problems or complaints immediately. Don't let the problem drag on.
- Real Solutions: Provide real solutions or actions to solve problems faced by customers.
- Responding to Comments:
  - a. Don't write off criticism but respond politely and professionally.
  - b. The company has the right to hide or delete comments if the message contains hate speech, spam, is political, violates the law, is slanderous and is detrimental to the company, management, employees or certain parties.

## **Security and Privacy**

- Protect Data: Do not share sensitive or personal information that could harm individuals or companies.
- Comply with Laws: Ensure that all content complies with applicable laws, including data protection and copyright laws.

## **Employee Training and Awareness**

- Employee Education: Provide training to employees about policies and techniques in social media as well as the importance of maintaining the company's image.
- Internal Guidelines: Provide internal guidance documents that are accessible to all employees.

## **Disclaimer**

- General Disclaimer

Content published on the company's official social media accounts is for general information purposes. Information posted on the company's official accounts and comments from users responsible for its operations in the company do not necessarily represent the company's official announcements or opinions. For the company's official announcement, please see "NEWS" on the company website.
- User Content Disclaimer
  1. The company is not responsible for the content published by users on the company's social media pages or profiles. Opinions expressed by users are solely their own and do not necessarily reflect the views of the company.
  2. The Company cannot answer technical questions regarding the function and how to use each social media, the operational status of each social media system, or other technical questions.
  3. The company may suspend or terminate the operation of all or part of the company's official account at the company's discretion without prior notice.
  4. The company is not responsible for problems, disputes, damage, etc. that occur to users or third parties because they have used or cannot use the company's official account.
- Validity and Authority

Only authorized representatives are authorized to post content on company social media accounts. Content posted by unauthorized parties does not represent the company and may be removed at company policy.

- **Use of Information**

Information shared via social media is not intended to be professional or commercial advice. Users should seek appropriate professional advice for their specific needs.

By having these written rules, companies can manage the use of social media more effectively, protect their reputation, and ensure compliance with applicable regulations in Indonesia.

### **Revision and Validity Period of the Social Media Policy**

- If in the future there are changes to the rules and/or provisions in this policy that require improvements, the company can revise this policy without prior notification.
- This policy is effective from the date it is signed.

With this social media usage policy, the Company can ensure that all social media content posted is in accordance with the company's goals and values, as well as building a positive reputation in the eyes of the public.

## **K. ENVIRONMENTAL POLICY**

### **Legal Basis**

1. Law of the Republic of Indonesia Number 32 of 2009 concerning Environmental Protection and Management.
2. Government Regulation (PP) Number 22 of 2021 concerning the Implementation of Environmental Protection and Management.

Impack Pratama ("Impack" or "the Company") is committed to protecting the environment and contributing to sustainable development. This environmental policy outlines our environmental management system, reflecting our commitment to minimizing our environmental impact, conserving natural resources, and promoting environmental awareness among our stakeholders.

### **I. Commitment to environmental protection**

We vow to protect the environment through responsible stewardship of our natural resources and promoting sustainable practices in all of our operations. As part of this commitment, we actively contribute to rehabilitating terrestrial and marine ecosystems damaged by plastic pollution and marine debris. This is achieved by partnering with relevant stakeholders, including government agencies, NGOs, local communities, and risk owners.

### **II. Commitment to effective use of natural resources and energy**

We are devoted to efficiently using our natural resources and energy across our facilities and operations. To achieve this, we implement an overall equipment effectiveness (OEE) monitoring system that helps us assess the efficiency of our energy consumption and resource utilization. Through continuous improvement initiatives—either in terms of technology or production process—the Company seeks to reduce its carbon footprint and boost energy efficiency. Our commitment is further demonstrated by installing renewable energy sources at our facilities and adopting the 3R (Reduce, Reuse, Recycle) policy.

### **III. Commitment to monitoring and regular reporting of environmental performance**

We will continuously monitor our environmental performance, as it is pivotal in measuring our progress towards achieving our sustainability targets as well as the Sustainable Development Goals (SDGs).

Impack commits to transparently reporting its environmental performance and initiatives to its stakeholders regularly either through meetings or annually through the Sustainability Report. To ensure rigorous oversight, every month we actively collect, analyze, and evaluate performance data from subsidiaries. This information is then reported by the Director of Sustainability and Product Development during the monthly Board of Directors meeting. Annual internal audits concerning environmental performance are conducted to ensure reliability and accountability of the data. It is the responsibility of the Company's employees to promptly report and document any environmental issues—should they arise—to ensure the swift implementation of corrective measures and preventive procedures.

#### **IV. Commitment to reduce emissions, releases, and wastes**

We are committed to reducing emissions of greenhouse gases (GHGs) and other pollutants from our operations by implementing robust controls, monitoring systems, and best practices. Our goal is to minimize the risk of accidental releases and ensure compliance with regulatory requirements and industry standards. We strive to minimize waste generation by implementing our “Towards Zero Waste” policy and Impack's Circularity principles, which involve:

- a. Investing in the Impack Research & Innovation Center (IRIC) to deliver sustainable building product innovations from industrial waste and post-consumer waste while still maintaining the product's premium quality.
- b. Facilitating the identification of used products to ease the sorting process through the resin identification numbers found on product packaging.
- c. Carrying out a take-back program for unused Company products from/through the Company's distributors/agents to be recycled back into building materials.

#### **V. Commitment to promote environmental awareness among stakeholders**

Impack recognizes the importance of fostering environmental awareness among its stakeholders such as employees, suppliers, and the communities in which the Company operates. We pledge to promote environmental awareness, training and/or capacity building programs, and initiatives to encourage environmentally responsible behavior and decision-making, including:

- a. Conducting regular training sessions for employees regarding sustainability, such as waste management, circularity, and other environmentally responsible practices.
- b. Engaging and collaborating with the main suppliers to encourage sustainable value chains.
- c. Launching campaigns and initiatives to raise responsible environmental practices among stakeholders.
- d. Involving local communities in Creating Shared Value (CSV) projects to improve living standards and raise awareness regarding responsible environmental practices.
- e. Collaborating with NGOs, NPOs, business partners, governmental institutions, educational institutions, and other organizational bodies to promote environmental conservation and preservation.

All employees and stakeholders are expected to adhere to this policy and support the Company's environmental commitments. Non-compliance may result in disciplinary action as per Company policies. This policy will be reviewed periodically to ensure its relevance, effectiveness, and alignment with the Company's environmental objectives. Impack is committed to continual improvement in its environmental performance and practices.

This environmental policy has been reviewed and approved by the Company's Board of Directors. It serves as a guiding framework for the Company's environmental efforts and demonstrates our commitment to environmental responsibility.



## CHAPTER VII

### WHISTLEBLOWING SYSTEM AND GRIEVANCE

#### Legal Basis

1. Law Number 8 of 1995 concerning the Capital Market;
2. Guidelines for the Implementation of Good Corporate Governance;
3. Company Code of Ethics.

#### Whistleblowing System

In order to support the implementation of Good Corporate Governance (GCG) within the Company, a good and efficient supervisory system is needed, including the stakeholders. The Company has a reporting system that can be monitored directly by the President Director for all types of violations, including:

1. Frauds (fraud);
2. Manipulation of data and reports;
3. There is a conflict of interest (conflict of interest);
4. Misuse of the Company's business data;
5. Other GCG violations.
6. Submission of other grievance.

Impack has a formal reporting system or Whistleblowing System (WBS) which has been implemented in every aspect of the company's business activity. Reporting violations and submitting grievance can be done by internal parties and from outside the company via WBS.

Apart from using the WBS mechanism, internal and external parties can also submit grievance directly. For internal company matters, employees can directly convey this to the Unit Head, their superiors and/or HR in the unit at work. Meanwhile, external parties to the company can submit grievance through the HR Unit or other company contact persons.

#### Protection for Whistleblowers

The protection provided by the Company to the whistleblower is:

1. The protection of the identity of the reporter and the contents of the submitted report are guaranteed to be confidential by the Company.
2. The Company guarantees the protection of the whistleblower from all forms of threats, intimidation, or unpleasant actions from any party as long as the reporter maintains the confidentiality of the violation submitted to any party.
3. The protection of whistleblowers also applies to parties conducting investigations as well as parties providing information related to complaints/disclosures.
4. In carrying out the follow-up process on each complaint/disclosure, it is obligatory to prioritize confidentiality, the principle of presumption of innocence and professionalism.
5. Employees who violate the principle of confidentiality will be given sanctions in

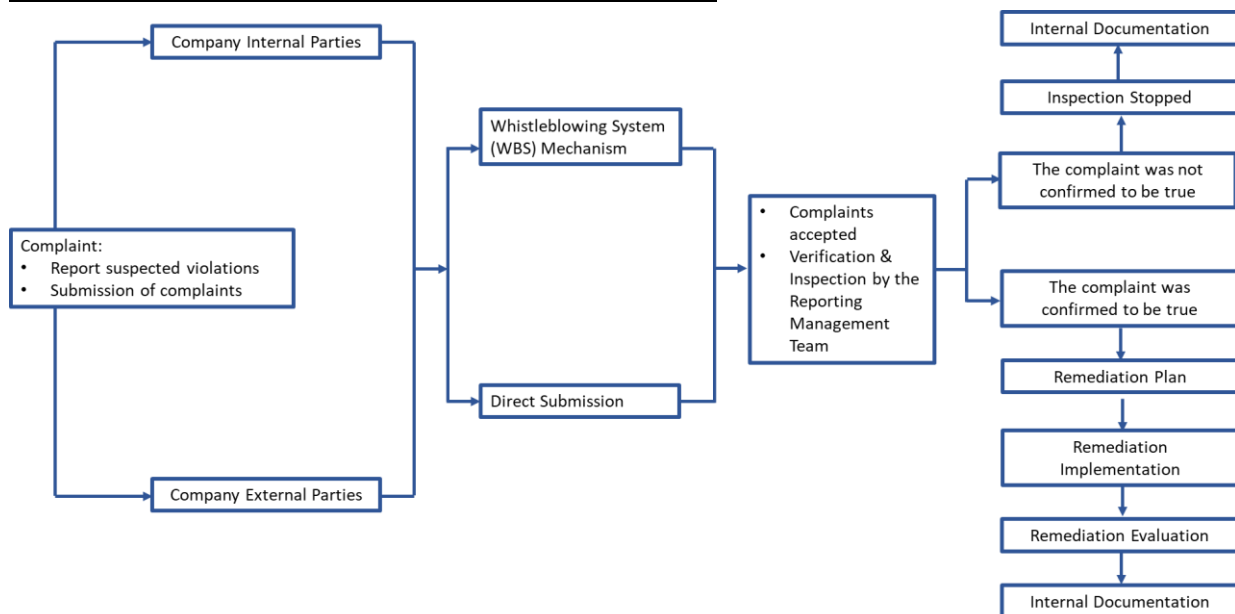


accordance with the applicable provisions in the Company.

## Report Handling Mechanism

All reported violations and grievance that meet the verification criteria will be followed up and handled in accordance with applicable company provisions and policies. The following is a flow chart for reporting suspected violations and submitting grievance:

### Flowchart for Submitting Reports of Alleged Violations



Any indication of violation can be reported to:

**Reporting Management Team of PT Impack Pratama Industri Tbk**

Email: [whistleblower@impack-pratama.com](mailto:whistleblower@impack-pratama.com)

Every report received will be verified and followed up in accordance with the reporting handling mechanism.

## The Handling of Grievance

2. Every employee within the Company and its subsidiaries has the same rights in submitting complaints.
3. The contents of the complaint must be constructive and improve the company's performance within the Company and its subsidiaries.
4. Every incoming complaint will only be read by the Company's Reporting Management Team and will be kept confidential.
5. Each complaint must be accompanied by the correct identity of the sender, this is a condition for following up on the complaint. if it is not equipped with the identity of the sender, the complaint will not be followed up.
6. The contents of the complaint submitted must pay attention to high ethics and morals, do not use words/sentences containing SARA, insults, pornography, inappropriate sentences in the contents of the complaint, also not slanderous and the sender must be

able to show evidence when requested.

7. The Reporting Management Team will select every grievance received and will follow up on the grievance based on a priority scale.

### **Sanctions for Violations**

Every employee of the Company who is proven to have violated this GCG Guidelines will be given a sanction in accordance with the applicable policies and laws and regulations, namely:

- a. Sanctions for employees who commit violations are decided by their direct supervisor or the Board of Directors according to the level of the violation after receiving a report on the violation committed by the employee concerned.
- b. The Board of Directors provides direction on coaching actions, disciplinary sanctions and/or other actions as well as prevention that must be carried out by direct superiors in their respective environments.
  - a. Sanctions for the Board of Directors who commit violations are decided by the Board of Commissioners.
  - b. Sanctions for the Board of Commissioners who commit violations are decided by the Shareholders.
- c. If the Work Partners or Stakeholders commit a violation, they will be subject to the provisions as stated in the contract. If it is related to a criminal act, it can be forwarded to the authorities.

### **Implementation and Violation of GCG Guidelines**

1. The company must actively disclose the extent of the implementation of GCG principles and the problems encountered.
2. One of the Directors or appointed officials is obliged to monitor and maintain the implementation of GCG as well as possible.
3. The things that are assessed are, among others: the Company's compliance with the Corporate Governance Guidelines, the practices carried out, the conditions that cannot be met in the implementation of GCG, and the formulation of the necessary corrective measures.
4. The Board of Directors and the Board of Commissioners in carrying out their duties must apply the principles of professionalism, efficiency, and GCG principles, namely transparency, accountability, responsibility, independence, and fairness.
5. Every employee is required to report suspected violations of GCG principles.
6. The identity of the reporting employee must be maintained unless required to follow up the report.
7. There is no sanction/punishment imposed on the reporter unless it is later stated that the person concerned is involved and the report is declared to be incorrect.

## CHAPTER VIII

### CLOSING

Guidelines for the Implementation of Good Corporate Governance (GCG Guidelines) are prepared as guidelines so that the Board of Commissioners and Directors as well as all employees of the Company can carry out their duties and responsibilities effectively, efficiently, transparently, competently, independently by prioritizing the principle of accountability that can be accepted by all parties involved. interest and does not conflict with the applicable laws and regulations. The Board of Commissioners and the Board of Directors are responsible for establishing the GCG Guidelines.

The Company will disseminate the GCG Guidelines gradually and continuously through the media owned by the Company, the socialization is oriented towards inculcating an understanding that is consistently applied by all members of the Board of Directors and Board of Commissioners, both newly appointed and/or already serving through induction/introduction programs for members of the Board of Directors and Board of Directors. New Commissioners, meetings and other relevant forums.

Through socialization, it is hoped that it will give birth to understanding, awareness, and active contribution of all levels and personnel of the Company in building business processes and work culture that prioritizes the implementation of good corporate governance and business ethics.

The implementation of the guidelines is officially stated through the regulations of the Board of Directors and will be distributed through the Company's information disclosure channels, both the Company's website, internal communication media in such a way that all stakeholders will understand the existence and compliance of the Company regarding the implementation of ethics and behavior for all levels and personnel of the Company.

The Company will update the guidelines periodically and/or as needed to determine and measure the level of conformity of the GCG Guidelines with changes in applicable laws and regulations and business dynamics that occur.

The Company is committed to continuously disclose information to all stakeholders and/or Stakeholders through the availability of the Company's website. Distribution of information is a form of company compliance in accordance with the principles of Good Corporate Governance.