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CORPORATE GOVERNANCE GUIDELINES



PT DHARMA SATYA NUSANTARA, TBK (DSN GROUP)

APPROVAL SHEET

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REVISION HISTORY

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GLOSSARY

Terminology	Definition
Audit Committee	The committee formed by and reporting to the Board of Commissioners in assisting the performance of duties and functions of the Board of Commissioners to ensure the effectiveness of the internal control system and the effectiveness of the external and internal auditors' duties by monitoring and evaluating the planning and implementation of the audit as well as monitoring the follow-up to audit findings in order to assess the adequacy of internal control, including the adequacy of the financial reporting process.
Board of Commissioners	The Company's organ in charge of conducting general and/or specific supervision in accordance with the articles of association and providing advice to the Board of Directors.
Board of Directors	The Company's organ authorised and fully responsible for managing the Company for the benefit of the Company, in accordance with the purposes and objectives of the Company and representing the Company, both inside and outside the courts of law in accordance with the provisions of the Company's Articles of Association.
Business Partners	Suppliers, distributors, and other parties that carry out main business activities with the Company.
Company	PT Dharma Satya Nusantara Tbk.
Conflict of Interest	A conflict between the economic interests of the Company and the personal economic interests of members of the Board of Directors, members of the Board of Commissioners, major shareholders, controllers that could harm the Company.
Corporate Organs	General Meeting of Shareholders, Board of Commissioners, and Board of Directors.
Corporate Secretary	An individual or person in charge of a work unit that carries out the function of corporate secretary as an individual or person in charge of a work unit that carries out the function of a corporate secretary.

Terminology	Definition
Corporate Values	Moral foundation in achieving the vision and mission of the Company.
DSN Group	The Company and all of its subsidiaries.
Employees	All workers who are paid wages and/or salaries by the Company, whether on a full-time, part-time, permanent, contract, or internship basis.
External Audit	A reasonable assurance engagement in which a professional public accountant provides an opinion on whether the financial statements are prepared, in all material respects (or provide a true and fair view or are fairly presented, in all material respects), in accordance with the applicable financial reporting framework, and assignments are conducted in accordance with the International Auditing Standards, which include Statutory Audits (audits required by law or other regulations). External audits are carried out by third parties who have no interest in the organisation.
General Meeting of Shareholders (GMS)	Company organs that hold the authority not given to the Board of Directors or the Board of Commissioners as regulated in the Limited Liability Company Law and/or the articles of association.
Good Corporate Governance (GCG)	The structure and processes used and implemented by the Company's organs to improve the achievement of business results targets and optimise the Company's value for all stakeholders in an accountable manner and based on laws and regulations and ethical values.
Independent Commissioners	Members of the Board of Commissioners originating from outside the Issuer or Public Company and meet the requirements as Independent Commissioners as referred to in Financial Services Authority Regulation No. 33/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies and all amendments thereto (POJK 33/2014).
Internal Audit	An activity of providing assurance and consulting that is independent and objective, with the aim of increasing value and improving company operations, through a systematic approach, by evaluating and improving the effectiveness of risk management, control, and corporate governance processes.

Terminology	Definition
Stakeholders	Parties having an interest in the Company, either directly or indirectly, namely shareholders, employees, customers, business partners, the government, and other parties of interest.

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SECTION ONE: INTRODUCTION

1. BACKGROUND

PT Dharma Satya Nusantara Tbk (“DSN Group”^(G) or “the Company”^(G)) realises that the implementation of Good Corporate Governance (GCG) in a systematic and consistent manner is required to be implemented. The implementation of GCG in the Company is expected to spur business development, accountability, and realise Shareholder value in the long term without neglecting the interests of other Stakeholders. ^(G)

2. SCOPE

This Code of Corporate Governance (COCG) has been prepared as a reference for all employees ^(G), business partners^(G), hereinafter referred to as “Stakeholders”, in dealing with the Company. The COCG prepared by the Company is always adjusted to the existing internal and external conditions. Continuous assessment is always carried out as an effort to achieve the best work standards for the Company.

The Corporate Governance Guidelines are a set of rules and practices that serve as the basis or reference for the Company’s Organs^(G) and Management in managing the Company. The COCG contains the Company’s management principles that are in line with the Company’s vision, mission, and values^(G). COCG in its implementation is followed by various policies and technical regulations according to the Company’s needs to achieve business goals by complying with the governance and legislative requirements. By adopting the guidelines according to the following chart, the Company emphasises its commitment to encourage and maintain good corporate governance practices^(G) in the Company. Corporate Governance is not a one-time implementation, but is an ongoing process.

3. OBJECTIVES OF COCG IMPLEMENTATION

The objectives of GCG implementation in the Company are:

1. To control and direct the relationship of all Stakeholders, as well as the community and the environment.

^(G) Please refer to the Glossary.

2. To encourage and support the development and risk management of the Company in a more prudent, accountable, and responsible manner in line with GCG principles.
3. To maximise the value of the Company so that the Company has strong competitiveness, both nationally and internationally.
4. To empower the function and independence of each of the Company's organs.
5. To promote professional, effective, and efficient management of the Company in order to achieve the Company's Vision and Mission.
6. To encourage the management of the Company to make decisions and carry out actions based on high moral values and compliance with applicable laws and regulations as well as awareness of the Company's social responsibility.
7. To increase the Company's contribution to the national economy.
8. To improve accountability to Stakeholders.
9. To prevent any irregularity in the management of the Company.
10. To improve the Company's work culture.
11. To improve the Company's image.

4. VISION, MISSION, AND CORPORATE VALUES

4.1. VISION

To become a world-class company that grows with the community and a pride of the country.

4.2. MISSION

Creating sustainable growth in natural resource-based industries that add value to all stakeholders through good governance.

4.3. CORPORATE VALUES

- a. We place **integrity** as the ultimate value in our work.
- b. We act with **wholeheartedness**.
- c. We are **striving for the best**.
- d. We **respect** our employees, community, and environment.
- e. We realise **synergy and integration** in diversity.

5. BASES OF COCG PREPARATION

The preparation of these Guidelines refers to the following provisions:

1. Law Number 11 of 1980 regarding the Criminal Acts of Bribery.
2. Law Number 39 of 1999 regarding Human Rights.
3. Law of the Republic of Indonesia Number 20 of 2001 regarding Amendments to Law of the Republic of Indonesia Number 31 of 1999 regarding Eradication of Criminal Acts of Corruption.
4. Law of the Republic of Indonesia Number 15 of 2002 regarding the Criminal Acts of Money Laundering as amended by Law of the Republic of Indonesia Number 25 of 2003.
5. Law of the Republic of Indonesia Number 40 of 2007 regarding Limited Liability Companies.
6. Law Number 40 of 2008 regarding the Elimination of Racial and Ethnic Discrimination.
7. Financial Services Authority Regulation Number 33/POJK.04/2014 of 2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies.
8. Financial Services Authority Regulation Number 21/POJK.04/2015 of 2015 regarding the Implementation of Public Company Governance Guidelines.
9. POJK No. 55 of 2015 regarding the Establishment and Guidelines for the Work Implementation of the Audit Committee.
10. Financial Services Authority Regulation Number 15/POJK.04/2020 of 2020 regarding the Plan and Implementation of the General Meeting of Shareholders of a Public Company (“POJK 15/2020”).
11. Financial Services Authority Regulation Number 42/POJK.04/2020 of 2020 regarding Affiliated Transactions and Conflict of Interest Transactions.
12. Articles of Association of the Company Number: 07 dated 06 May 2021 with Notarial Deed Kumala Tjahjani Widodo, SH, MH, MKn and whose notification has been received and recorded in the Legal Entity Administration System of the Ministry of Law and Human Rights of the Republic of Indonesia dated 31 May 2021 Number: AHU- AH.01.03-0340964.
13. OECD Principles of Corporate Governance of 2004.
14. General Guidelines for Indonesian Good Corporate Governance by the National Committee on Governance Policy of 2006.

15. Professional Code of Ethics for Public Accountants of 2020.

SECTION TWO: GOOD CORPORATE GOVERNANCE PRINCIPLES

1. TRANSPARENCY AND DISCLOSURE

In order to maintain objectivity in conducting business, the Company must provide material and relevant information in a manner that is easily accessible and understood by the Stakeholders.

Important aspects in implementing this principle include the disclosure of information related to the Company's performance in a clear, actual, adequate, accurate, timely, comparable and accountable manner. publication of financial statements and material information that has a significant impact on the Company's performance. disclosure of planned material transactions, affiliated transactions and transactions that contain conflicts of interest^(G). the use of commonly used and widely accepted accounting and auditing principles. ease of access to important information about the Company's performance.

2. INDEPENDENCE

The Company is managed professionally without conflict of interest and influence/pressure from any party which is not in accordance with applicable laws and regulations and sound corporate principles.

3. ACCOUNTABILITY

The Company must be able to account for its performance in a transparent and fair manner. For this reason, the Company must be managed properly, measurably, and in accordance with the interests of the Company while taking into account the interests of shareholders and other Stakeholders. Accountability is a necessary prerequisite to achieve sustainable performance.

4. RESPONSIBILITY

This principle refers to the alignment and compliance of the Company's management with applicable laws and regulations and sound corporate principles. The implementation

^(G) Please refer to the Glossary.

of this principle is a manifestation of the Company as a responsible agent of the economy (good corporate citizen).

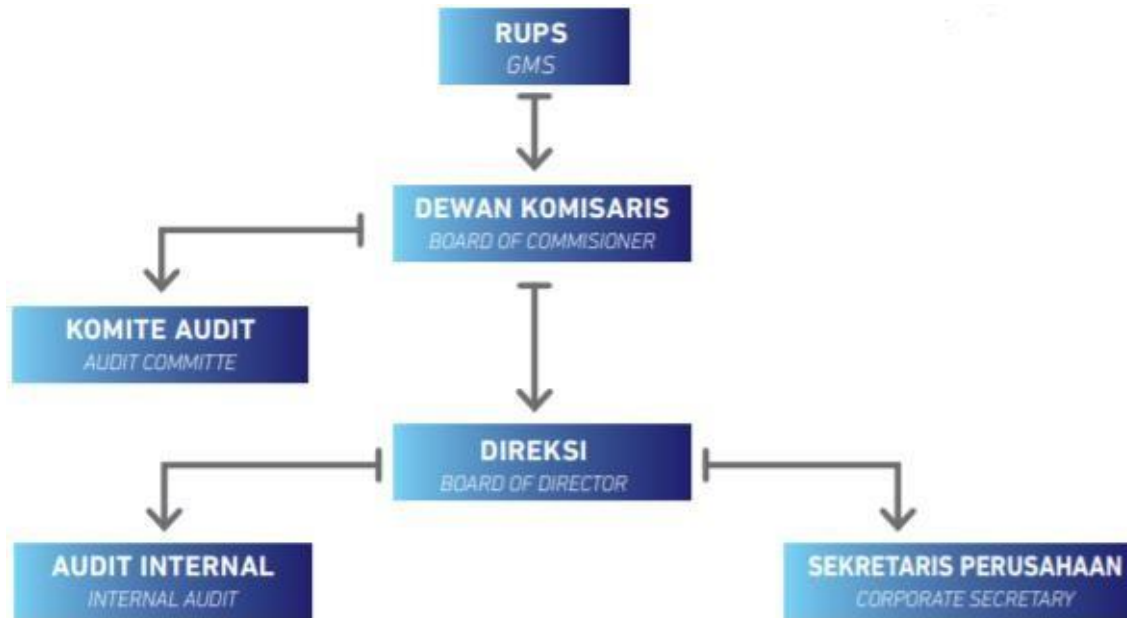
5. FAIRNESS

This principle refers to fair and equal treatment in fulfilling the rights of Shareholders and Stakeholders, whether arising from agreements or applicable laws and regulations as well as Company policies. The Company will always ensure that interested parties can exercise rights in accordance with applicable laws and regulations. The Company will also always ensure that the Company can exercise its rights towards the Stakeholders in accordance with the applicable laws and regulations.

6. COMMITMENT AND FOLLOW-UP

This principle provides a commitment to a strong governance culture in the Company through continuous monitoring and evaluation, and follow-ups to maintain effectiveness and seek rooms for improvement.

SECTION THREE: CORPORATE GOVERNANCE STRUCTURE



1. SHAREHOLDERS/GENERAL MEETING OF SHAREHOLDERS^(G) (GMS)

The GMS is a forum for Shareholders to exercise their authority in accordance with the applicable laws and regulations. Shareholders' rights have been determined as follows:

1. To attend, express opinions, and cast votes at the GMS based on the provision that one share entitles the holder to cast one vote, unless otherwise stipulated in the Company's Articles of Association.
2. To obtain material information about the Company on a timely and regular basis as long as the information is not confidential.
3. To obtain explanation on GCG implementation.
4. To receive profit sharing in the form of dividends and other profit sharing in proportion to the number of shares owned and on time with due regard to the Company's financial condition and the GMS' resolution.
5. To participate in decisions related to fundamental changes of the Company in accordance with the rights granted under the laws and the Company's Articles of

^(G) Please refer to the Glossary.

Association, such as amendments to the company's articles of association, authorisation of additional shares, transfer of substantial company assets, and other corporate actions.

For details of shareholders' authority, please refer to the Company's *Articles of Association document*.

2. BOARD OF COMMISSIONERS^(G)

The Board of Commissioners shall always comply with the provisions of the applicable laws and regulations in carrying out its duties and obligations.

For details of the duties, authority, and obligations of the Board of Commissioners, please refer to the *Board Manual document*.

3. BOARD OF DIRECTORS

The Board of Directors^(G) as the Company's Organ has collegial duties and responsibilities in managing the Company. Each member of the Board of Directors can carry out their duties and make decisions in accordance with the division of tasks and authority. However, the implementation of duties by each member of the Board of Directors remains a shared responsibility. The Board of Directors in good faith and full of responsibility acts to lead and manage the Company in accordance with the interests and objectives of the Company. The structure and composition of the Board of Directors is adjusted to the needs of the Company.

For details of the duties, authority, and obligations of the Board of Directors, please refer to the *Board Manual document*.

4. CORPORATE SECRETARY^(G)

The Company is fully aware of the importance of the role of the Corporate Secretary in facilitating the relationship between the Company's organs, the relationship between the Company and Stakeholders, and the fulfilment of the provisions of the applicable laws and regulations. In order to support this role, the Corporate Secretary is appointed and reports to the Chief Financial Officer (CFO).

For details of the authority, duties, and responsibilities of the Corporate Secretary, please refer to the *Corporate Secretary Charter document*.

5. INTERNAL AUDIT

Internal auditors are employed by the Company, but are independent of the activities they audit. Because independence is mandatory, the internal auditor directly reports to the President Director, and therefore the head of Internal Audit is appointed and dismissed by the President Director with the approval of the Board of Commissioners. Internal Audit works in accordance with the Audit Charter established and approved by the Board of Commissioners. Internal Audit coordinates with the Audit Committee.

Internal audit assignments include special assignments in internal audit, audit activities within the scope of internal audit, self-assessment checks on controls, fraud testing, or consulting. Assignments can include several types of tasks or activities designed to achieve one or more specific goals.

For details of the duties and responsibilities of Internal Audit, please refer to the *Internal Audit Unit Charter document*.

6. SUPPORTING COMMITTEES TO THE BOARD OF COMMISSIONERS

In order to assist the implementation of its duties, the Board of Commissioners may establish the following committees:

6.1. AUDIT COMMITTEE^(G)

The Audit Committee is formed in order to assist the duties of the Board of Commissioners to encourage the implementation of good corporate governance, the establishment of an adequate internal control structure, improve the quality of financial disclosure and reporting, as well as review the scope, accuracy, independence, and objectivity of public accountants.

The Audit Committee is tasked with assisting the Board of Commissioners in ensuring the effectiveness of the internal control system and the effectiveness of the implementation of External Audit^(G) and Internal Audit^(G).

The Audit Committee consists of at least one Independent Commissioner^(G) acting as Chairman of the Audit Committee. In the event that there are more than one Independent Commissioners who are members of the Audit Committee, one of them shall act as Chairman of the Audit Committee. One of the members of the Audit Committee must have an academic background in accounting or finance and capable of understanding financial statements.

^(G) Please refer to the Glossary.

For details of the duties of the Audit Committee, please refer to the *Audit Committee Charter document*.

6.2. OTHER COMMITTEES

The Company may establish other Committees if necessary, including the Nomination and Remuneration Committee, Business Risk Policy Committee, and Good Corporate Governance Committee.

SECTION FOUR: SCOPE OF CONTROL PRACTICE

1. INTERNAL CONTROL

The Internal Control System is an integral process for actions and activities carried out continuously by the leadership and all employees to provide adequate assurance on the achievement of organisational goals through effective and efficient activities, reliability of financial reporting, security of the Company's assets, and compliance with laws and regulations.

1. The Board of Directors develops the Company's internal control system so that it can function effectively to secure the Company's investments and assets. The internal control system developed includes the following:
 - a. Disciplined and structured internal control environment within the Company.
 - b. Business risk assessment and management, which is a process to identify, analyse, assess, and manage relevant business risks.
 - c. Control activities, namely actions taken in a process of controlling the Company's activities at every tier and unit within the Company's organisational structure, among others regarding authority, authorisation, verification, reconciliation, assessment of work performance, division of tasks and security of the Company's assets.
 - d. Information and communication systems, namely the process of presenting reports on operational, financial activities and compliance with the provisions and regulations applicable to the Company.
 - e. Monitoring is the process of assessing the quality of the internal control system including the internal audit function at every tier and unit of the Company's organisational structure.
 - f. The development of the Internal Control System which includes the five points above, each needs to be accompanied by a Standard Operating Procedure (SOP). SOPs are also intended to prepare work plans, work procedures, recording, reporting, personnel development, and internal reviews from the aspects of production, marketing, finance, and business development as well as other aspects.

2. Internal Audit assists the President Director in carrying out an internal audit of the Company's finances and operations as well as assessing its control, management and implementation as well as providing recommendations for improvement.

3. The Board of Directors follows up the report on the findings of the Internal Audit Unit.
4. The Audit Committee assesses the implementation of activities and audit results carried out by the Internal Audit, provides recommendations for improving the management control system, ensures that a satisfactory review procedure for all information released by the Company is in place, and identifies matters that require the attention of the Board of Commissioners.

2. RISK MANAGEMENT

Risk management is a process in managing risks that includes the identification, evaluation and control of risks that have the potential to disrupt the Company's activities, business continuity and cause the Company's objectives to not be achieved.

The Company acknowledges that risk management is very important to implement, considering that the industry in which it operates is an industry with a high level of possibility of financial, operational, and strategic risks if not managed properly. The risk management system is consistently developed to anticipate potential risks and eliminate existing risks to achieve the Company's goals.

The Company implements a comprehensive risk management policy in all lines of the organisation. The identification and evaluation of risks is carried out by each department. The Board of Directors together with the Internal Audit Unit and the Board of Commissioners represented by the Audit Committee conduct studies and formulate the necessary management and mitigation strategies. The Board of Commissioners takes on the role of monitoring the implementation of risk management activities but gives full authority to management to manage risks because the management is the most aware of the risks that exist in the Company's business processes.

3. COMPLIANCE

The Company has zero tolerance to non-compliance with applicable laws and regulations.

The Board of Directors must ensure compliance with all applicable laws, regulations, charters, internal policies, internal procedures, and work instructions.

The Board of Directors needs to encourage a compliant corporate culture, by providing guidance and supervision of corporate conduct, monitoring compliance and its follow-up if there are relevant findings related to compliance.

4. EXTERNAL AUDIT

In accordance with the prevailing laws and regulations, the Company is required to engage an External Auditor, namely a public accountant registered with the State Audit Board of the Republic of Indonesia and the Financial Services Authority to express an opinion on the fairness, in all material respects, of the financial position, results of operations, changes in equity and cash flows in accordance with generally accepted accounting principles in Indonesia. The External Auditor's statement is an independent third party opinion regarding the fairness of the financial statements submitted to the Company's shareholders and other Stakeholders regarding material matters contained in the financial statements.

The Financial Statements constitute the responsibility of the Board of Directors. The External Auditor's responsibility is to express an opinion on the Financial Statements.

The Company in dealing with the External Auditor applies the following principles:

1. The External Auditor is appointed by the GMS, from the candidates proposed by the Board of Commissioners based on the proposal of the Audit Committee.
2. The Audit Committee through the Board of Commissioners conveys to the GMS the reasons for the nomination and the amount of honorarium/remuneration for the External Auditor.
3. The GMS may authorize the Board of Commissioners to appoint the External Auditor by taking into account the criteria for the Auditor and the selection mechanism.
4. The External Auditor must be free from influence and/or affiliation with the Board of Commissioners, Board of Directors, and other interested parties in the Company.
5. The External Auditor conducts an audit of the Company's financial statements and all accounting records and other supporting data to ensure compliance, fairness, and conformity with Indonesian financial accounting standards and provides an opinion on the financial statements.
6. The External Auditor conducts an audit of the financial statements to provide an opinion on the fairness of the financial statements and submits the report 3 (three) months after the financial year ends.
7. The External Auditor periodically and/or incidentally submits reports on the progress/progress of the audit implementation, including information regarding significant deviations to the Internal Audit and the Audit Committee.
8. The Audit Committee assesses the implementation of activities as well as the results of audit conducted by the External Auditor.

9. The External Auditor issues audit reports on a timely basis in accordance with the contract/ agreement.

SECTION FIVE: POLICIES

1. BUSINESS INTEGRITY

The scope of the Company's business activities which are very closely related to the surrounding community and the environment requires the implementation of these ethical standards. The ethical standards applied are based on the principles of GCG and the Company's values, namely Integrity, Wholeheartedness, Striving for the Best, Respect, and Synergy and Integration.

With the development of the business environment, the Company realises the importance of actively playing a role and acting as a corporation that runs its business responsibly. The Company is fully aware that good relations with Stakeholders and increasing shareholder value in the long term can only be achieved if business integrity is always maintained and improved in every business activity of the Company.

The Company always encourages all Stakeholders to comply with applicable laws and regulations in carrying out their functions for the Company.

2. INFORMATION DISCLOSURE AND TRANSPARENCY

The Company must maintain transparency to all Stakeholders by disclosing information in an accurate and timely manner, as well as providing access to relevant material information.

2.1. INFORMATION DISCLOSURE POLICY AND PRACTICE

The Company's policy is to disclose all relevant material information within the following scope:

1. Financial and operational results.
2. Vision, Mission, and Corporate Values.
3. Governance structure.
4. Organisational structure.
5. Investment performance, investment guidelines, and risk management.
6. Other material and relevant information.

2.2. ANNUAL REPORT AND WEBSITE

The Company must disclose relevant material information through various communication channels, but not limited to the annual report, the Company's website, and other media.

1. Annual Report

Accountability report of the Board of Directors and Board of Commissioners in managing and supervising Issuers or Public Companies within 1 (one) financial year to the General Meeting of Shareholders which is prepared based on applicable regulations.

The Annual Report must at least include:

- a. An overview of important financial data.
- b. Shares information (if any).
- c. Board of Directors' report. Board of Commissioners report.
- d. Profile of the Issuer or Public Company.
- e. Management analysis and discussion.
- f. Governance of the Issuer or Public Company.
- g. Social and environmental responsibility of the Issuer or Public Company.
- h. Audited annual financial statements
- i. Statement letter of members of the Board of Directors and members of the Board of Commissioners regarding accountability for the Annual Report.

Financial Statements

- a. The financial statements shall be prepared in accordance with applicable reporting provisions.
- b. The financial statements shall be audited by a Public Accounting Firm (KAP) registered with the State Audit Board of the Republic of Indonesia and the Financial Services Authority.
- c. The audit is carried out based on Financial Accounting Standards.
- d. The Public Accounting Firm shall be appointed by the Shareholders/GMS from the candidates appointed by the Board of Commissioners based on the proposal from the Audit Committee.
- e. The same Public Accounting Firm may be appointed for a maximum of three consecutive years and may be reappointed two years after its most recent appointment.

f. The audited financial statements will be announced no later than April 30 of the following year.

2. Corporate Website

The Company must disclose its Corporate Governance practices and other material information that may be published on the Company's website, which must be updated in a timely manner.

3. INFORMATION DISCLOSURE AND CONFIDENTIALITY AND INSIDER INFORMATION

In implementing information disclosure and confidentiality, the Company acts based on the applicable rules and regulations including information as referred to by the GCG principles according to the Organization for Economic Co-operation and Development (OECD). Information that is not confidential can be published and accessed by the public through existing means and facilities. The Company provides and notifies information that must be immediately submitted to Shareholders and other Stakeholders to enable a swift decision-making process. One of the media to implement the Company's information disclosure is through the Company's official website at <https://www.dsn.co.id>.

The Board of Commissioners, Board of Directors, External Auditors, Committees under the Board of Commissioners, and all employees shall maintain the confidentiality of information in accordance with the Company's regulations, the prevailing laws and regulations and the Code of Ethics, and they may be subject to sanctions for any violation committed.

The Company shall not publish confidential information or information that has not been/not allowed to be accessed by the public. All employees shall not take any actions or actions that may harm the Company as a result of partial or complete leakage of information to unauthorised parties.

Confidential information can only be submitted through a special authority by a party appointed by the Company.

Employees shall not disclose any form of sensitive and confidential information related to business activities that have not been disclosed in accordance with internal rules and applicable laws and regulations.

4. RELATED PARTY TRANSACTIONS

Transactions with the Company and other related parties must be conducted based on the principles of equality (arms-length relationship) and fairness by stating the nature including share ownership and transaction value and disclosed so that the minority shareholders and the Company are not harmed.

5. FINANCIAL MANAGEMENT

The financial process policy is the basis for the formulation of all policies and decision making of the Company related to the corporate financial and accounting processes.

The Company's finances must be managed professionally, openly, and based on conservative and prudent principles. Regulations, policies, and procedures related to financial management are prepared and evaluated periodically by taking into account accounting standards and applicable laws and regulations. The Company creates a good internal control system to create optimal financial management.

The purpose of the financial process is to manage the allocation of the Company's financial resources and provide information and reporting on the financial position and condition for decision making in fulfilling the Company's Vision and Mission. The financial and accounting processes is the accountability (stewardship) of the Board of Directors to the Shareholders in regard to the use of these financial resources.

6. HUMAN RIGHTS COMPLIANCE

The Company is always committed to protecting Human Rights in every business activity. The Company has a moral and ethical responsibility to not violate human rights in any of its business activities. Concern for human rights is an important point for the Company and all employees as a shared obligation to respect each other's dignity, safety, health, and security of fellow human beings.

7. HUMAN CAPITAL MANAGEMENT

Human Capital (HC) is the most important factor in achieving competitive advantage. The Company places employees as strategic partners in running the business.

The Company's HC management strategy is to mobilise all available resources and capabilities to respond to challenges and adapt to dynamic market demands so that the Company becomes strong and competitive. Each employee, both individually and in a

team, is given the opportunity to take on a greater role than their own duties and responsibilities, so as to make an optimal contribution to the achievement of the Company's performance.

The purpose of the Company's HC management process is so that employees can become subjects in the efforts to achieve the Company's vision and mission. It is the duty of all parties involved in human capital management to ensure that the Company recruits, develops, and retains qualified talents who are committed to the Company's goals.

The Company has made improvements to integrated HC management, including the development of the HC Information System, performance management, recruitment system, compensation and benefit system, career development system as well as HC development and occupational safety and health issues.

Members of the Board of Commissioners, Board of Directors, management, and employees must receive proper education and training. Education and training must be continuous throughout their tenure.

For details of continuous education and training programs, please refer to the DSN Group *Learning Management System Policy document*.

8. EMPLOYEE RELATIONS

The Company respects the human rights of every employee. In the event that the relationship between the Company and the Employees represented by the Labour Union is bound in the form of a Joint Employment Agreement (PKB). The Company's commitment is to place Joint Employment Agreements as the basis for building relationships with employees. Human capital management policies and procedures, such as the formation, transfer, and development of employees are implemented consistently.

The Company implements an HC management system based on the values of openness, fairness, and free from bias due to differences in ethnicity, origin, gender, religion, and origin of birth as well as matters not related to employee performance. Each employee, both individually and as a team, is given the opportunity to take on a greater role than their own duties and responsibilities, so as to make an optimal contribution to the achievement of the Company's performance.

9. PERFORMANCE MANAGEMENT SYSTEM AND REMUNERATION

The Performance Management System is one part of the HC management system to ensure that the Company and its sub-systems (Directorates, Divisions, Departments, Sections, Units, and Individuals) work together optimally to achieve the goals/objectives

set through planning, organising, encouraging, and evaluating employee performance. The objectives of the Performance Management System include ensuring commitment and focus on achieving goals in each department/individual, improving two-way communication between superiors and subordinates, as a tool for identifying development and training plans, and as a basis for reward consideration (salary reviews, incentives, etc.).

In order to implement GCG principles, the Company implements a performance management system developed based on the principles of transparency, accountability, independence, and fairness.

The results of the performance management are used for employee development and careers, transfer programs (promotion/ rotation/ demotion) and the giving of remuneration (reward) and consequences.

10. QUALITY MANAGEMENT

In addition to Risk Management, the Company shall ensure the realisation of product quality in accordance with ISO 9001, and Occupational Health, Safety, and Environment (HSE) by referring to OHSAS 18001, SMK3, and ISO 14001.

11. INFORMATION TECHNOLOGY GOVERNANCE

The Company realises that technology management is closely related to the overall success of Corporate Governance. The Company ensures that the process of improving, refining, and utilising technology on a regular, measurable, and efficient basis is in place. The Company constantly develops the transfer of technology, knowledge, and other expertise related to the Company's operations.

Technology management also includes processes in governance and information technology resources, as well as the development of an integrated technology system in accordance with the objectives and needs of the Company's business processes. Information technology governance is aimed at ensuring that the output of data/information issued by the Company is more accurate, easily accessible, can be used as needed, facilitates reporting, is reliable, and secure.

12. CORPORATE SOCIAL RESPONSIBILITY

The implementation of the Company's social responsibility or Corporate Social Responsibility (CSR) is aimed at creating a harmonious relationship with the environment, values, norms, and culture of the local community.

The implementation of CSR programs is a form of the Company's contribution to the development of local communities including employees and their families in the fields of education, health, basic infrastructure, and environmental management.

The Company's Social Responsibilities are, among others, as follows:

1. The Company manifests social awareness and contributes to the development and empowerment of the community, especially around the centre of its operations and supporting activities.
2. Corporate social responsibility is part of the Company's vision to provide added value for Stakeholders in order to create good synergy, progress, and collective growth.
3. The Company has legal, social, moral, and ethical obligations and responsibilities to respect the interests of the surrounding community considering that the Company's success cannot be separated from a harmonious, dynamic, and mutually beneficial relationship with the surrounding community.
4. The Board of Directors determines the Company's programs related to corporate social responsibility, among others through partnership programs and community development.
5. The Board of Directors reports the results of the evaluation, effectiveness, and benefits of implementing programs related to corporate social responsibility to the Board of Commissioners and Shareholders.
6. The implementation activities of these programs are included in the Company's Annual Report.

13. OCCUPATIONAL HEALTH, SAFETY, AND ENVIRONMENT (HSE)

The management of occupational safety and health is crucial for the success of the Company's business activities. The Company places occupational health, safety, and environment (HSE) aspects as its main concern. The Company implements and maintains behaviours that can realise occupational safety and health.

13.1. OCCUPATIONAL SAFETY

In order to create occupational safety, the Company:

1. Complies with every statutory regulation and/or work safety standard.
2. Provides and ensures the use of all safety equipment in accordance with the Company's work safety standards in the plantation and forestry sector.
3. Makes adjustments and continuous improvements to the development of work safety technology.
4. Prioritises promotive and preventive actions to anticipate emergency situations (emergency response plan).
5. Carries out countermeasures for accidents, explosions, and fires that occur in accordance with applicable standards and procedures.
6. Conducts investigations and inquiries of incidents including near-misses and accidents that occurred in order to find facts and identify the causes of accidents to prevent re-occurrence of the same accident.
7. Makes reports on every incident and work accident that occurs to the head of each unit and the relevant authorised agency within the specified time limit.
8. Conducts regular checks, inspections, and evaluations of all facilities including resources, equipment/devices, and detection systems to achieve optimal preparedness.
9. Conducts regular emergency response trainings.
10. Conducts studies and evaluations on the implementation of the HSE management system and improve the competencies needed by employees, including business partners.

13.2. OCCUPATIONAL HEALTH

In order to achieve a high level of occupational health, the Company improves 2 (two) aspects that interact synergistically with each other, namely employee health and work environment condition.

13.3. ENVIRONMENT

The Company pays attention to environmental sustainability aspects in each business location and the environment around the Company by:

1. Maintaining environmental sustainability.
2. Complying with environmental laws and regulations as well as management standards.

3. Providing and guaranteeing all tools and equipment for environmental management.
4. Making adjustments and improvements to the environment with the aim of minimising negative environmental impacts and developing positive impacts as well as utilising natural resources wisely.
5. Taking promotive and preventive actions to anticipate emergencies.
6. Conducting investigations and inquiries of any environmental pollution that occurs.
7. Making a report on any environmental pollution that occurs.
8. Conducting regular checks, inspections, and evaluations of all facilities.
9. Conducting environmental pollution mitigation trainings.

14. ANTI-BRIBERY AND ANTI-CORRUPTION

The Company is committed to conducting business ethically and with integrity in all its operational lines.

The Company is committed to running its business in accordance with applicable laws and regulations. This is in line with the Company's values which prioritise integrity and to always act in accordance with applicable ethical standards, laws and regulations, and pay attention to the norms that apply to the community in which the Company operates.

For details on anti-bribery and anti-corruption, please refer to the DSN Group *Anti-Bribery and Anti-Corruption policy*.

15. ANTI-MONEY LAUNDERING

The Company is committed to preventing all Stakeholders from being involved in money laundering or financing of terrorism or criminal activities. The Company is committed to identifying risks where risks have the potential to arise, fully complying with regulatory and legal provisions, especially related to reporting potential money laundering cases.

16. WHISTLEBLOWING SYSTEM

The Whistleblowing System policies and procedures are designed to enable Employees to report incidents of concern without fear of retaliation, discrimination, or other consequences. This policy allows the Company to resolve problems by taking appropriate actions for problems that arise.

For details of the Whistleblowing System, please refer to the *Whistleblowing System Policy*.

SECTION SIX: IMPLEMENTATION OF GUIDELINES

1. IMPLEMENTATION OF GUIDELINES

1.1. DISSEMINATION, IMPLEMENTATION, AND EVALUATION

The Company shall carry out the stages of dissemination, implementation, and evaluation of the Code of Corporate Governance (COCG) on an ongoing basis. The next stages of these activities will be carried out by the Corporate Secretary.

Dissemination activities shall be carried out for internal and external parties of the Company. Dissemination to internal parties will be emphasised on the understanding of GCG and raising awareness and the need to implement GCG consistently. Dissemination to external parties is intended to provide an understanding of how the Company works in accordance with GCG principles.

The implementation of COCG will be carried out consistently with the support of periodic reports from each work unit regarding the implementation of the guidelines and linked to the reward and punishment system developed by the Company for work units and individual employees. The Company requires the Board of Commissioners, Board of Directors, and all employees of the Company to comply with COCG.

The Company shall evaluate the COCG to find out and measure how the COCG conforms to the Company's needs and the effectiveness of the implementation program implemented. Based on the evaluation results, the development of COCG and improvement of its implementation program will be carried out on an ongoing basis.

SECTION SEVEN: CLOSING

1. CLOSING

1.1. VALIDITY PERIOD

COCG takes effect from its date of stipulation. This means that all employees from that date must comply with and use this COCG.

1.2. EVALUATION AND IMPROVEMENT

1. The Company needs to carry out a quality assurance program to be able to evaluate performance and obtain adequate assurance that all employees have carried out their duties and responsibilities in accordance with COCG and the objectives of the Company.
2. The Company shall be obligated to evaluate and improve COCG on a periodical basis in accordance with the development and needs of the Company.

2. REFERENCES

1. DSN Group Board Manual
2. DSN Group Anti-Bribery and Anti-Corruption Policy
3. DSN Group Learning Management System Policy and Strategy
4. Whistleblowing System Policy