

**PT Cahayaputra Asa Keramik Tbk**  
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# **Code of conducts**

**PT Cahayaputra Asa Keramik Tbk**

**Effective Since 2019**

## Chapter I – Preliminary

### 1. Background

PT Cahayaputra Asa Keramik Tbk (the “Company”) is a public listed company in the ceramic industry that is growing significantly. Along with this development, the Company is required to further develop the Company's values, both from an economic and non-economic side, such as values, ethics, culture and environmental behavior.

These non-economic aspects are very important to be able to create a conducive, synergistic work climate and to unite all of the Company's personnel in compliance with and concern for moral and ethical values. Therefore, all organs of the Company consisting of the Board of Commissioners, Board of Directors and all employees agree to support the implementation of a healthy and ethical business which is implemented in the preparation of the Company's Code of conducts.

This Code of conducts describes the standards that need to be adhered to in carrying out the Company's values, as well as certain related laws, regulations and policies, these are closely related to the implementation of Good Corporate Governance (GCG) in the Company. Every human being is obliged to make the Code of conducts as a guideline and benchmark in his attitude and behavior. Thus, every individual of the Company is a reflection of the Company's image for internal and external parties.

This Code of conducts is formulated in order to support the Company in realizing the Company's Vision and Mission. The implementation of the Company's behavior and culture together can create a healthy work climate, so that management and employees are expected to behave in accordance with the behavior expected by the Company, both in words and in behaviour.

### 2. References and Legal Basis

- a. Law No. 40 Of 2007 on Limited Liabilities Company.
- b. Article of Association PT Cahayaputra Asa Keramik Tbk.
- c. Financial Services Authority Regulation (POJK) Number 33 of 2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies.
- d. POJK Number 21 of 2015 concerning Implementation of Governance Guidelines for Public Companies.
- e. Financial Services Authority Circular Letter regarding Governance Guidelines for Public Companies.
- f. Manpower Act Number 13 of 2003.

### 3. Vision, Mission, Corporate Values, and Corporate Governance Principles

The Company has formulated the Company's vision and mission as follows:

#### a. Company's Vision

The Life Enrichment of Indonesian Communities through High-Quality and Economical Ceramics by Corporate Values Enhancement.

#### b. Misi Perseroan

- 1) To Become a Leader in the Manufacturing of Ceramics by Producing Innovative and High-Quality Ceramics
- 2) Creating a Conducive Work Atmosphere for the Development of Quality Human Resources and High Competitiveness
- 3) Increase the Value of Company Shares with Effective and Efficient Use of Resources
- 4) Become a Socially Responsible and Environmentally Friendly Company
- 5) Contributing to Indonesia's Development and Economy, Especially in the Property Sector

#### c. Corporate Values

- 1) Accountability  
Responsible to stakeholders, in this case customers, partners, investors and shareholders. Individual accountability is very important to achieve the overall goals and objectives of the company.
- 2) Performance  
Have a good and high-quality work, so as to produce products that are highly competitive and acceptable to the market.
- 3) Sinergy  
Proactively collaborating between employees, customers, business partners and the community, constituting a working team to achieve company goals by prioritizing the values of unity.
- 4) Integrity  
All actions and deeds are according to words, promises, so that it will grow trust.
- 5) Innovation  
Come up with new ideas to increase productivity, effectiveness and efficiency in supporting the company's business growth
- 6) Secure  
Prioritizing occupational safety and health as well as environmental preservation in every operational activity.

#### d. Corporate Governance Principle

- 1) Transparency  
Openness in carrying out the decision-making process and openness in disclosing material and relevant information about the Company. The Company, always provides true, accurate, and timely information to all stakeholders
- 2) Accountability  
Clarity of function, implementation and accountability of the Company's internal organs, so that the Company's management is carried out effectively. All organs of corporate governance have the principle of accountability with clarity of functions, structures, systems and systematic accountability
- 3) Responsibility  
Management based on sound corporate principles and compliance with applicable laws and regulations.
- 4) Independent  
Management of the Company in a professional manner without conflict of interest and influence or pressure from any party that is not in accordance with the laws and principles of a soundness corporation.
- 5) Fairness  
Fairness and equality in fulfilling the rights of all shareholders based on soundness corporate principles.

#### **4. Purposes, Objectives and Benefits**

- a. The purposes of the Code of conducts for the Company are as follows:
  - 1) In order for the Company to have Ethical Guidelines in running the Company's business and ethics that govern the behavior of the Company's personnel
  - 2) So that every employee of the Company understands that all Company activities are based on the principles of good corporate governance.
- b. The objectives of implementing the Code of conducts for the Company are as follows:
  - 1) As a mutual commitment to realize the vision and carry out the Company's mission in a professional and ethical manner
  - 2) As a behavior guide for all Company personnel who must be obeyed in carrying out all Company activities.
  - 3) Encouraging all Company personnel to behave properly in carrying out all Company activities.
  - 4) Creating a healthy and comfortable work atmosphere in the Company's environment.
  - 5) As a guide to avoid conflicts of interest in carrying out all Company activities.
  - 6) Creating a harmonious relationship with stakeholders.
- c. The benefits that can be provided by implementing the Code of conducts guidelines consistently and consequently are:



- 1) 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 results in long-term business success.
- 2) The creation of a work environment that upholds the values of honesty, ethics and openness, so as to improve the overall performance and productivity of every individual in the Company.

## Chapter II – Company Business Ethics

### 1. Compliance with Legislation

Regulations are legal products that must be obeyed and serve as guidelines. Therefore, compliance with the law is a standard and ethics that must be followed.

Understanding the laws and regulations that apply in all activities must be lived out 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 individual in the Company. Further provisions may refer to the applicable Company regulations.

### 2. Concern for Occupational Safety and Health and the Environment (SHE)

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

- a. Comply with the prevailing laws and regulations regarding occupational safety and health, both at the national and international levels.
- b. Creating and maintaining a safe work environment and prioritizing preventive measures, namely those of preventing accidents.
- c. Dealing with environmental pollution problems that occur effectively and efficiently.
- d. Understand and comply with all established work safety procedures.

### 3. Ethics related to Stakeholders

#### a. Company Ethics with Employees

The Company always protects the interests of all employees regardless of the level of position with the applicable laws and regulations, and always views all employees as one of the most valuable assets in an organization.

The ethics expected in dealing with employees, namely:

- 1) Implement a fair and consistent recruitment, selection, promotion and career development system based on competencies in accordance with the needs of the Company.
- 2) Provide equal opportunities to all employees in terms of career, remuneration and rewards according to performance, competence and loyalty.
- 3) Provide a work environment that is healthy, comfortable, safe and productive and maintains employee health and safety.
- 4) Appreciate the creativity, innovation and initiative of employees that provide added value to the Company.
- 5) Socializing all regulations, especially new regulations to all employees.

b. Company Ethics with Customers

The Company's success depends on the formation of productive relationships with customers based on integrity, professionalism, communication, and an attitude of service in accordance with the values of the Company's culture, namely by:

- 1) Be polite and professional when dealing with customers.
- 2) Provide clear information on products and services produced and provide a communication channel for customers.
- 3) Responsive in understanding and fulfill customer needs and expectations.
- 4) Develop quality services according to customer expectations and establish long-term relationships that provide added value for both parties.

c. Company Ethics with Work Partners

In dealing with prospective partners, the Company is carried out in a professional, equal and mutually beneficial manner by complying with the following principles:

- 1) The determination of working partners must be based on product quality, after-sales service, warranty, performance and experience that prioritize the benefit of the Company.
- 2) Always carry out work relationships in accordance with applicable ethical and legal values.
- 3) Fulfill the rights and obligations of each party in accordance with the contract.
- 4) Work partners are required to comply with all applicable internal regulations in the Company.
- 5) Provide equal treatment and opportunity to all work partners in the procurement of goods and services in the company as stipulated in Company policies and applicable laws and regulations.
- 6) To prevent conflict of interest of parties involved directly or indirectly in the procurement process.
- 7) Evaluate providers/vendors of goods and services and take firm action against partners who behave unethically.
- 8) Maintain good communication with work partners, including following up complaints and objections.

d. Company Ethics with the Government

Matters that need to be considered in maintaining relations with the Government are as follows:

- 1) Comply with the prevailing central and regional laws and regulations, including compliance with the payment of taxes, levies, manpower, capital markets and the environment.
- 2) Develop healthy and constructive relationships with related agencies, both from the Central Government and Regional Governments.

- 3) Avoiding the practice of Corruption, Collusion and Nepotism (KKN) and Gratification in dealing with the Government.
- 4) Take advantage of good relations with the Government to obtain business opportunities in a manner that is in accordance with the prevailing laws and regulations.

e. Company Ethics with Shareholders

The company guarantees that shareholders are entitled to equal treatment and can exercise their rights in accordance with the provisions of the Company's Articles of Association and the prevailing laws and regulations. In order for this relationship to be well established, the Company establishes the following policies:

- 1) Provide complete, accurate, timely and easily accessible information to all shareholders in accordance with the prevailing laws and regulations.
- 2) All shareholders receive the same treatment regardless of the number of shares they own to exercise their rights in accordance with the Company's Articles of Association and the prevailing laws and regulations.
- 3) Create a GMS mechanism that allows each Shareholder to attend the GMS and give their votes in accordance with the prevailing laws and regulations.
- 4) Pay attention to and respect the directions and decisions of the Shareholders/GMS in accordance with the Articles of Association and the prevailing laws and regulations.

f. Company Ethics with the Community and the Surrounding Environment

Develop good relations with the community is a fundamental foundation for the Company's long-term success. Therefore, the Company is always trying to:

- 1) Respect the values, norms and culture of the community around the Company and create a harmonious relationship with the local community.
- 2) Preserving the environment by minimizing environmental impacts and maintaining the balance of the existing ecosystem in a sustainable manner.
- 3) Carry out the Corporate Social Responsibility program.

g. Company Ethics with the Competitors

The Company strongly supports a healthy business competition climate by observing the provisions governing competition, with the principle of always doing business with mutual respect and still paying attention to the principles of healthy and ethical competition in accordance with the prevailing laws and regulations.

h. Company Ethics with Mass Media

In the context of information disclosure, the company delivers information to stakeholders, including through the mass media in accordance with Company policy.



## 5. Ethical Standards for Management and Employees

### a. Board of Commissioners

In connection with the duties and functions of the Board of Commissioners, the Board of Commissioners is required to be based on job ethics which includes the following:

- 1) Do not carry out activities that are contrary on behalf of the Company and/or which may create a potential conflict of interest in carrying out their duties and responsibilities.
- 2) Do not take advantage of the position, assets of the Company and Company information for the benefit of other people or parties that are against the benefit of the Company.
- 3) Do not receive rewards or other valuable things that can affect the opinion and / or approval of the Board of Commissioners, other than what has been determined as an award for the implementation of their duties.

### b. Board of Directors

In relation to the duties and functions of the Board of Directors, the Board of Directors is required to be based on job ethics which includes the following:

- 1) Each member of the Board of Directors must carry out his duties and responsibilities in managing the Company for the benefit of the company in good faith, full of responsibility and prudence.
- 2) Do not take advantage of the position, the assets of the Company and the Company's information for the benefit of people, other parties or themselves that are against the interests of the Company.
- 3) Not acting on behalf of their obligations in representing the Company inside or outside the Company which is carried out for personal interests, family, friendship or other unprofessional reasons.
- 4) Each member of the board of directors is not allowed to participate in activities outside the Company that affect the performance within the Company, are not in accordance with the corporate values, and activities are prohibited by government.

### c. Employee

In their relationship between employees and the company, employees must comply with the following code of conduct:

- 1) Obligated to carry out duties and responsibilities in accordance with the position.
- 2) Not taking part in activities outside the company that have an impact on work performance at the company or endanger the information system and company confidentiality.
- 3) Every employee must follow the procedure for using or utilizing objects which are the property of the company.

- 4) Every employee must be responsible for the use of company property rights, both tangible and intangible objects, and shall be responsible if damage occurs as a result of the employee's negligence in using company property.
- 5) Every employee is obliged to maintain the good name of the company in the event of a working relationship with a third party on behalf of the company.

d. Relations Between Employees

- 1) Act honestly, politely, with mutual respect and respect for differences in gender, ethnicity, religion, race and between groups.
- 2) Every employee must support each other both one division and between divisions so that the Company's performance will increase.
- 3) Always communicate every new idea and share skills and knowledge.

e. Insider Trading

Company personnel who have access to material information must not abuse their position and job in disclosing material information that may influence investors' decisions.

Material information is information that has not been widely published that can encourage someone to buy, sell or hold shares of the Company.

What is meant by Company Insider, among others:

- 1) Majority Shareholder of Company.
- 2) Commissioners, Directors or Employees of the Company.
- 3) An individual who because of his position or profession or because of his business relationship with the Company allows that person to obtain Insider Information; or
- 4) A Party that within the last 6 (six) months is no longer a Party as mentioned in the 3 points above.

## 6. Integrity and Accuracy of Financial Data

All personnel of the Company must present accurate and accountable data, are not allowed to book and/or change and/or delete books, with the intention of obscuring transactions. All Company personnel are only allowed to make changes or deletion of data based on the authorization of the authorized official according to the established procedures and are prohibited from manipulating documents.

## 7. System Integrity

All Company personnel are required to use company technology appropriately and right on target. The Company provides access to various electronic communication and information systems, social media including computers and telephones to support the daily work of its



employees. All employees must always maintain the systems and technology entrusted to them, such as computers, cell phones/telephones, and other software.

## Chapter III – Ethics of Behaviour

### 1. Conflict of Interest

To maintain the trust of the shareholders, all Company personnel must act in the benefits of the Company at all times. Decisions related to the Company's business must always be based on the Company's goals and priorities, be made with the right authority, and without any conflict of interest in making decisions. A conflict of interest arises when personal benefits, including our family members, friends and colleagues, can reduce our ability to make objective decisions on behalf of the Company.

Conflicts of interest can be avoided by every individual in the Company by means of:

- a. Do not have business ties with parties that have business ties with the Company, either directly or indirectly.
- b. Do not take personal advantage of a Company's business opportunity, take an interest from customers and sell goods to the Company either directly or indirectly.
- c. Avoid activities, side jobs, multiple positions that can interfere with tasks.

The principles that must be possessed by individual companies in terms of building relationships with third parties:

- a. Fair Treatment  
The Company is committed to being fair to its customers, suppliers, competitors and employees.
- b. Gifts and Entertainment  
In general, employees are not allowed to accept gifts, services, loans or preferential treatment from any party - whether from customers or suppliers or other parties - in exchange for past, present or future business relationships with the Company.  
Employees must report gifts and entertainment received. If a Gift is received in the form of food or drink, the gift must be notified to the supervisor or the related Director which will be collected and distributed for the general welfare of the employees.
- c. Relationships with Suppliers  
All purchases of goods or the provision of services must be based on price, quality, availability, terms and conditions. In entering into agreements with suppliers, the transactions and prices must be based on prudent market practices, through at least 3 (three) suppliers.

If there is a conflict of interest, it must be informed and asked for approval from the Board of Directors.

## **2. Confidentiality**

For business purposes, all Company personnel have a role and are responsible for safeguarding confidential Company information, especially internal information that has not been or has not been published to the public, data, documents, or any information that may adversely affect the Company's business or its share price. All Company personnel are required to maintain confidential information for:

- a. Prevent the spread of material information that has not been published to anyone, including husband or wife, relatives, business partners and other external parties.
- b. Maintain the confidentiality of the Company's information, whether while working at the Company or not or having a partnership with the Company in accordance with the prevailing laws and regulations.

## **3. Protecting the Company's assets**

All employees must protect the assets of the Company and ensure their use in a responsible manner, in this case including theft, carelessness, loss, damage, unauthorized use, and waste that has a direct or indirect impact on the Company.

The Company's assets include physical property, such as facilities, equipment, supplies, vehicles and funds of the Company, and include intangible assets, such as information on property rights, copyrights and other confidential matters, intellectual property and information systems.

All Company personnel must protect the company's assets entrusted to them, use them efficiently and protect them from unauthorized use, all must manage the Company's assets honestly and in accordance with Company policies. All Company assets must be used for legitimate Company purposes.

Any incident suspected of fraud or theft must be reported immediately for investigation. Company assets may not be used for matters that are not related to the Company.

## **4. Harassment and Violence**

Preventing harassment in the workplace is an important aspect of creating a respectful work environment. This refers to undesirable behavior with respect to a person's legally protected rights, which creates a hostile work environment or abusive behavior.

The company will not tolerate:

- a. Harassment of any kind.
- b. Use of physical force intended to physically injure.

- c. Actions or threats that are intended to intimidate someone or cause them to fear an act of causing physical harm.
- d. Harassment can be verbal, visual, or physical.

Harassment may also be non-sexual or sexual. This includes various types of behavior, such as insults, offensive language, threats, intimidation, slurs, offensive jokes or visual displays, or unwanted touching. Actions or words that could be categorized as abuse, insult, discrimination, hostility, inappropriate behavior. Behavior that is offensive or unwanted or unreasonably annoys another colleague at work, the level of harassment is inappropriate and unacceptable.

## **5. Discrimination**

The Company upholds equal rights for all Company personnel, including gender equality (men and women) and equality for minorities.

Placement of manpower is carried out based on the principles of being open, free, objective and fair and equal, and directed to place workers in the right position according to their expertise, skills, talents, interests and abilities with due regard for dignity, human rights and protection, law. Placement of workers is carried out by taking into account equal employment opportunities and provision of manpower in accordance with the needs of the Company.

## **6. LGBT (Lesbian, Gay, Bisexual, Transgender)**

Deviant sexual behavior, including LGBT, violates religious norms, decency, and morals and is not in accordance with the values of the Company.

Every employee of the Company is obliged to maintain and enhance the image, solidity, credibility, reputation and honor of the Company. Every employee of the Company must obey and respect the values of local wisdom and religious norms as well as legal norms.

## **7. Political Activities and Radicalism**

- a. Political activity is a citizen's right that can only be done outside of working time and outside the company location, and at personal expense. Company's personnel are not allowed to use Company property or resources in such personal political activities. In addition, the Company's personnel are also not allowed to be involved in political activities on behalf of the Company.
- b. Never try to force co-workers, especially employees under their supervision, to support personal political activities.



- c. The company does not tolerate all forms and types of radicalism and its teachings that are prohibited by the Government, as well as against Pancasila, NKRI, Bhinneka Tunggal Ika and the 1945 Constitution.

## Chapter IV - Enforcement and Reporting

This Code of conducts Guidelines is binding and must be understood and implemented seriously by all Company personnel in order to realize the principles of GCG (Good Corporate Governance).

This guideline is not intended to interfere with the personal lives of all employees, but as a code of conduct in dealing with stakeholders and fellow employees.

### 1. Obligation to Implement Code of conducts Guidelines

- a. All employees of PT Cahayaputra Asa Keramik Tbk (“the Company”) are required to know, understand and implement the Code of Conduct responsibly and without exception.
- b. All employees of the Company are required to sign a "Statement of Compliance" which is the commitment of the employees to implement the Code of conducts which is updated every year.
- c. The Board of Directors is responsible for implementing the Compliance Statement for all employees of the Company.
- d. Each employee of the Company receives a copy of the Compliance Statement and signs the Compliance Statement form that the person concerned has received, understands and agrees to comply with the CoC documented by the HR Department.
- e. All Company Functionary are responsible and provide an example for their subordinates in implementing the Code of conducts.
- f. All work unit heads are responsible for ensuring the Code of conducts has been disseminated to all employees, with the following objectives:
  - 1) Realizing an understanding of the contents of the Code of conducts.
  - 2) Create awareness from all employees to implement this Code of Conduct.
  - 3) Provide an understanding that the Code of conducts is an integral part of business practices and performance appraisals for all employees of the Company.
- g. The implementation of this Code of Conduct is an object of audit that will be carried out by the Internal Audit Unit whose intensity is regulated by the Internal Audit itself.

### 2. Violation Reporting Mechanism

Reporting of Code of Conduct violations is carried out as follows:

- a. If there is a violation or deviation, the employee is obliged to report the violation through the Complaint Box / Whistle Blowing System, to Direct Supervisors and Head of Labor Union.
- b. Disclosure must be made in good faith and not constitute a personal complaint or based on bad will/slander.
- c. The reporter is obliged to state his identity clearly on the report made, accompanied by relevant supporting evidence. The report recipient must keep the identity of the reporter confidential.



- d. The company is obliged to follow up every report received in accordance with the applicable procedures and mechanisms.

### **3. Sanctions for Violations**

Every employee of the Company who is proven to have violated this Code of conducts will be given sanctions in accordance with the prevailing laws and regulations, namely:

- a. Sanctions for employees who commit violations are decided by the 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 directions for coaching actions, disciplinary sanctions and/or other actions as well as prevention that must be carried out by Direct Supervisors in their respective environments.
- c. Sanctions for Directors who commit violations are decided by the Board of Commissioners.
- d. Sanctions for the Board of Commissioners who commit violations are decided by the Shareholders.
- e. If a Work Partner or Stakeholders commits a violation, the provisions as stated in the contract will be imposed. If it is related to a criminal act, it can be forwarded to the authorities.

## Chapter V – Closing

- a. This Code of Conduct Guidelines was prepared in good faith and in accordance with the principles of the Company to achieve Good Corporate Governance.
- b. All Company organs and employees are required to comply with this policy.
- c. This Code of Conduct Guidelines is valid since it is signed and evaluated periodically at least 1 (one) time in 2 (two) years, and can be revised to comply with applicable laws and regulations, current and future economic conditions, and the needs of the Company without eliminating the essence of good corporate governance.



## Compliance Statement

I hereby declare that I have received, read and understand the Code of Conduct of PT Cahayaputra Asa Keramik Tbk.

I am willing to comply with all the provisions stated in the Code of Conduct of PT Cahayaputra Asa Keramik Tbk and I am willing to accept sanctions if I violate the applicable provisions.

Name : .....

Employee ID Number : .....

Signature : .....