SECTION 1
INTRODUCTION

A. BACKGROUND

To improve the effectiveness of implementation of fraud control system and Good Corporate Governance (hereinafter referred to as “GCG”) that emphasises on whistleblowing, it is necessary to establish a whistleblowing system (“SPP/WBS”) in a clear, easily understood way that can be effectively implemented to encourage the management staff of PT Dharma Satya Nusantara, Tbk. (the “Company”) and its subsidiaries (“DSN Group”) on, and raise their awareness of, any acts of fraud, violation of laws and company bylaws, code of ethics and conflict of interest in DSN Group.

DSN Group consistently applies GCG principles. To improve GCG aspects through stakeholder participation, the Company should be able to identify roles and requires cooperation with stakeholders to create business sustainability in the long run.

If appropriately developed, SPP/WBS will provide a secured protection to the reporting party or witness of any indication of violation committed by DSN Group management staff or employees. This system application will affect the establishment of GCG culture.

B. SPP/WBS OBJECTIVES, GOALS AND ADVANTAGES

Objective

SPP/WBS aims to serve as a guidance to detect and prevent against any violation that may harm the Company and as a managerial commitment to protection and sense of security for whistleblowers or witnesses in DSN Group work environment.

Goals

1. Create a conducive work climate by strengthening the compliance with laws, regulations and ethics.
2. Facilitate management to effectively deal with reports of violation and maintain the confidentiality of the reporting party’s identity, along with the information that he/she submits, in a system and procedure guaranteed for security.

3. Become part of the Company’s internal control.

**Advantage**

1. Provide a channel for reporting alleged case of violation by DSN Group internal or other stakeholders.
2. Provide an early warning mechanism for any alleged violation that may lead to the Company’s financial and non-financial losses and harm its reputation.
3. Make way to deal with and resolve any issue of alleged violation internally in the first place before the issue gets wider and known to public, hence injured trust of financiers, investors, shareholders, public, government and other stakeholders.
4. Mitigate risks due to violation, including legal, financial, operational and Occupational Health and Safety (OHS) aspects.
5. Reduce costs for dealing with problems because of violation.
6. Enhance the Company’s reputation in the eyes of financiers, investors, shareholders, public, governments and other stakeholders.
7. Make input for the Company management to take a closer look at operational areas and process that come with shortcomings in internal control and map the measures to take for corrective action.

**SECTION II**

**REPORT OF VIOLATION**

**A. TYPES OF VIOLATION THAT CAN BE REPORTED**

The following are types of violations to report based on SPP/WBS.

1. Conflict of interest.
2. Gratification.
3. Corruption.
4. Fraud.
5. Abuse of position/authority in DSN Group.
6. Violation of applicable laws and regulations, Company bylaws, internal policies and/or Company business and work ethics.
7. Fraud, theft, embezzlement, forgery and/or other actions punishable by applicable laws and regulations.

B. REPORTING PARTY

Those who can report violations are as follow.
1. Internal: DSN Group board of commissioners, board of directors, management staff and/or all employees.
2. External: customers, suppliers, public, investors and/or other relevant parties.

SECTION III
VIOLATION COMPLAINT REPORTING MECHANISM

SPP/WBS is a system that manages violation reports. A good, assertive, consistent and impartial process to handle violation reports optimises the roles of, and cooperation between, DSN Group internal management and stakeholders in investigating any alleged violation that occurs within DSN Group environment.

A. VIOLATION COMPLAINT REPORTING MECHANISM

1. Reporting party reports violation through the following channels that have been provided by the Company:
   a. email: pengaduan@dsngroup.co.id; or
   b. Company website: http://www.dsn.co.id; or
   c. letter to: Complaint Reporting Unit (UPP) at the addresses of the headquarter or operational offices at the site/plant level.
2. Report of violation complaint must be made be in writing and include identity and supporting evidence, such as documents relating to violation complaint reported by reporting party.
3. Where violation complaint report is made by external party which is a legal entity/organisation, along with the report in question there must be other documents as follow:
   a. photocopy of the legal entity or organisation’s identity document; and
b. documents stating that the reporting party is authorised to represent the legal entity or organisation.

The violation complaint report must include at least the following.

a. Description of violation.
b. Location of the violation.
c. Time of the violation.
d. Parties involved.
e. Supporting evidence appended.
f. Each reporting party receives confirmation in writing upon reporting the violation.

B. COMPLAINT REPORTING MANAGEMENT UNIT

Whistleblowing Reporting Management Unit (UP3) is a relevant, competent unit with direct access to the Company's top management. UP3 team may consist of the Company's qualified internal or external personnel who are specifically able to protect whistleblowers and have no personal interest (conflict of interest), to make the output more objective and accountable.

C. COMPLAINT HANDLING OUTPUT AND FOLLOW-UP

a. UP3 receives and selects complaint report submitted, along with complete documents as required.
b. Where UP3 declares that the document is ‘incomplete’, the violation complaint report will not be proceeded and the reporting party will be notified so in writing.
c. Where UP3 states that the violation report document is ‘complete’, there will be conducted an initial investigation by Internal Supervisory Unit (internal audit) or External Investigator appointed by the Company (Audit Unit). Output of the initial investigation will be reported to the Board of Directors.
d. Board of Director makes recommendation as to whether the initial investigation will be followed up with further investigation by the Audit Unit.
e. Audit Unit conducts further investigation and report the output to the Board of Directors.
f. Based on the further investigation report, the Board of Directors will make recommendation for the next action to take. If not substantiated, the violation complaint report will be declared ‘no indication of violation’ and the violation complaint report system will be declared ‘complete’.
g. In case of false evidence found in the investigation report, the reporting party may be subject to sanctions as per the applicable laws and regulations.

h. Minutes must be made for the entire process of complaint investigation, following the template in Annex 1 and 2.

SECTION IV
STRUCTURAL ASPECTS

A. COMMITMENT

SPP/WBS application requires active support and participation of all stakeholders to participate in the reporting in case of violation identified. The Company is committed to the system implementation.

B. PROTECTION OF REPORTING PARTY AND THEIR IDENTITIES

DSN Group is committed to protection of bona fide reporting party and will comply with all applicable laws and regulations and best practices. This is meant to protect the reporting party to encourage such reporting.

DSN Group guarantees the maintained confidentiality of the reporting party’s identification. This applies to the individual in question and his/her family. They will be rendered the best protection to avoid pressure, threat or retaliation.

DSN Group guarantees that reporting party or witness, or those who investigate violation will be protected from adverse treatment such as the following.

1. Unfair dismissal.
2. Demotion.
3. Any forms of harassment or discrimination.
4. Adverse notes against them in personal file record.

C. CONTINUOUS DISSEMINATION OF INFORMATION FOR WHISTLEBLOWING SYSTEM

Information on this SPP/WBS policy will be disseminated to all employees through email and online or physical events. On a regular basis, this system will be updated and improved for sustainable improvement as business develops. This information dissemination event aims to
give perception and understanding and enhance transparency for all employees to allow appropriate reporting of violation and use of this system.

18 March 2021

Andrianto Oetomo
Chief Executive Officer
Annex 1

TEMPLATE FOR MINUTES OF INITIAL INVESTIGATION

MINUTES

NO. ______________________________

ON

INITIAL INVESTIGATION RESULT

UNDER WHISTLEBLOWING SYSTEM

OF PT DHARMA SATYA NUSANTARA, TBK.

On this day, ………………………, date ……… month ……………………… year ………………………, initial investigation has been reported under the Whistleblowing System upon complaint:

…………………………………………………………………………………………………………
…………………………………………………………………………………………………………

Based on the submitted initial investigation report, it is declared that the complaint report has/has not* met the criteria for follow-up through further investigation.

Further investigation will be conducted by Internal Supervisory Unit/External Investigator*.

Director
Signature
(                   )

*strike through the irrelevant option
TEMPLATE FOR MINUTES OF INITIAL INVESTIGATION

MINUTES

NO. _______________________________

ON

FURTHER INVESTIGATION RESULT

UNDER WHISTLEBLOWING SYSTEM

OF PT DHARMA SATYA NUSANTARA, TBK.

On this day, .........................., date ........ month .......................... year .........................., further investigation has been reported under the Whistleblowing System upon complaint:

..........................................................................................................................................................
..........................................................................................................................................................

Based on the submitted further investigation report, it is declared that the Complaint Report No. ................................ has/has not* been substantiated.

Director

signature

(                          )
Annex 3

COMPLAINT REPORTING FLOWCHART

VIOLATION COMPLAINT REPORT → REPORT RECEIPT & DOCUMENTATION → DOCUMENT VERIFICATION

AUDIT COMMITTEE REPORT → CASE CLOSED → DOCUMENT COMPLETE

SANCTION → SUBSTANTIATED

SUBSTANTIATED → INITIAL REPORT → BOD RECOMMENDATION

SUBSTANTIATED → Yes

CASE CLOSED → No

DOCUMENT COMPLETE → Complete

INITIAL INVESTIGATION → No

REPORT RECEIPT & DOCUMENTATION → No