



PT Lotte Chemical Titan Tbk and its Subsidiaries

WHISTLEBLOWING POLICY

Version 1.0

(2020)

EFFECTIVE DATE: 1 June 2020

Jakarta, 28 May 2020

A handwritten signature in black ink, appearing to read "Kang Jongwon".

Kang Jongwon
President Director

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COVERAGE OF THIS WHISTLEBLOWING POLICY

PT Lotte Chemical Titan Tbk ("LCT Tbk") and its Indonesia operating subsidiaries (collectively referred to as "the Group") is committed to maintain good corporate governance practices and ethical standards in the conduct of its businesses and operations. The Commissioners and Directors of the Group are committed to uphold high standards of governance, accountability and fairness in discharging their duties and responsibilities. At all times, the Group shall be guided by the law with the notion of integrity being the value compass.

In line with **OJK Regulation No.21/POJK.04/2015 regarding the Implementation of the Guidelines of Good Corporate Governance of the Public Company and the OJK Circular Letter No.32/SEOJK.04/2015 regarding the Guidelines of Good Corporate Governance of the Public Company** this Whistleblowing Policy ("Policy") aims to provide an opportunity for all Commissioners, Directors and employees of the Group as well as members of public to report any improper conduct relating to the Group without fear of reprisal.

All Commissioners, Directors, employees, and other stakeholders (e.g. customers, suppliers and other concerned parties) are strongly encouraged to report genuine concerns on improper conduct relating to the Group.

1.0 Introduction

- 1.1 Whistleblowing is a form of disclosure, enabling the whistleblower to raise concerns on actual or suspected wrongdoings concerning Associated Persons of the Group. This Policy is based on principles of fairness and transparency.
- 1.2 This Policy is formulated by taking into account the following laws and regulations including:
 - a) **Law No.8 Year 1995 regarding Capital Market ("Capital Market Law");**
 - b) **Law No.40 Year 2007 regarding Limited Liability Companies ("Company Law");**
 - c) **Law No.13 Year 2003 regarding Manpower ("Manpower Law");**
 - d) **Law No.13 Year 2006 regarding Victim & Witness Protection as amended with Law No.31 Year 2014 ("Victim & Witness Protection Law");**
 - e) **Law No.31 Year 1999 regarding Eradication of the Criminal Act of Corruption as amended with Law No.20 Year 2001 regarding the Amendment of the Law No.31 Year 1999 regarding Eradication of the Criminal Act of Corruption ("Anti Corruption Law");**
 - f) **Government Regulation No.50 Year 2012 regarding Implementation of the Occupational Safety and Health Management System ("Safety & Health Regulation");**
 - g) **OJK Regulation No.21/POJK.04/2015 regarding the Implementation of the Guidelines of Good Corporate Governance of the Public Company ("OJK Regulation on Good Corporate Governance");**
 - h) **OJK Circular Letter No.32/SEOJK.04/2015 regarding the Guidelines of Good Corporate Governance of the Public Company ("OJK Circular Letter on Good Corporate Governance").**
- 1.3 Should there be any conflict between the contents of this Policy and the laws and regulations as stated above, the aforementioned laws and regulations shall prevail.

2.0 Application of the Policy

- 2.1 This Policy provides an additional channel for concerns regarding Associated Persons of the Group to be raised apart from the available mechanisms within the respective entities across the Group.
- 2.2 All complaints or reports must not be made with malicious intent, as doing so can result in the Group imposing serious penalty or action to be taken against them. Any complaints or reports made through the channels and procedures as set out in this Policy shall be treated as confidential.

3.0 Definitions

For the purposes of this Policy, unless otherwise stated, the terms listed below represents its respective definitions:

"Associated Persons"	A person is associated to the Company if he or she is a commissioner, a director, or employee of any entity within the Group or if he or she is a person who performs services for and or on behalf of the Group (e.g. agents)
"Board of Commissioners"	The Board of Commissioners of the respective entities within the Group.
"Board of Directors"	The Board of Directors of the respective entities within the Group.
"corruption"	Refers to an act of giving or receiving of any gratification, bribe or reward in the form of cash or in-kind of high value for performing a task in relation to his or her job description.
"Designated Recipient"	Refers to an individual within the Group who is authorised to receive the whistleblowing report.
"Commissioner(s)"	Means the Commissioner(s) of the Company in accordance with its articles of associations.
"Director(s)"	Means the Director(s) of the Company in accordance with HR organization.
"employee"	Refers to a person who accepts a form of remuneration from the Group in exchange for services performed to or on behalf of the Group, either on a permanent, temporary, assignment, or secondment basis.
"Enforcement Agency"	Enforcement agency includes any ministry, department, agency or other body set up by the Central Government, local government including a unit, section, division, department or agency of such ministry, department, agency or body, conferred with investigation and enforcement functions by any written law or having investigation and enforcement powers.
"Group"	Collectively refers to PT Lotte Chemical Titan Tbk and its Indonesia operating subsidiaries
"whistleblower"	Any person or a group of persons who submits a whistleblowing report via the channels outlined in this Policy. They include those who are employed by any entity within the Group as well as external parties who have business dealings with the Group and members of public.

4.0 Misconducts to be Reported

This Policy aims to encourage all stakeholders of the Group to raise genuine concerns about alleged misconducts and malpractices that may arise in the course of business dealings, which may include the following:

- i. Fraud, bribery, corruption, dishonesty, insider trading;
- ii. Theft, embezzlement or forgery;
- iii. Abuse of power, position or the misuse of power and authority for personal gains;
- iv. Involvement in any conflict of interest and/or business opportunities that was not previously or prior to the transaction, disclosed to the Group, Audit Committee or Board as the case may be;
- v. Unauthorised use of Group's money, properties, facilities and/or misappropriation of assets;
- vi. Non-compliance with the Business Ethics & Code of Conduct ("BECOC") or any of the Group's procedures that may cause significant harm to the Group's interest; and
- vii. Any breaches to the laws and regulations which can constitute as a criminal act.

If an employee is unsure whether a particular act or omission constitutes a wrongdoing under this Policy, the employee is encouraged to seek advice or guidance from his immediate superior or the Legal & Compliance Department.

5.0 Reporting Channels and Procedures

5.1 For Employees

When an employee observes or uncovers any unethical or illegal conduct, and intends to make a formal complaint or report, the employee can do so via the following channels to the:

- (i) immediate superior either verbal or in writing; or
- (ii) Legal & Compliance Department via email to Head of Legal & Compliance Department (evan@lottechem.co.id); or
- (iii) President Director of LCT Tbk via the Moin BECOC board.

Employee generally should use form attached in **Appendix 1** to make any complaint or report.

5.2 For members of public

Members of public who wish to make a complaint or report, may do so by using the form as attached in **Appendix 1** or via email to the Legal & Compliance Department to Head of Legal & Compliance Department (evan@lottechem.co.id). The form will be available in LCT Tbk's website for the members of public.

5.3 What whistleblowers should provide

In order for the Group to investigate the wrongdoing reported, the whistleblower is to provide the following particulars in the report:

- particulars of whistleblower i.e. name, ID card, designation (if the whistleblower is an employee of the Group) and contact particulars (email, telephone or mobile number and/or address);
- details and description of the alleged wrongdoing, including, its nature, the date,

time, and place of its occurrence and the identity of the alleged person(s) involved. A disclosure may be made even if whistleblower is not able to identify the identity of the person(s) involved;

- particulars of witnesses, if any; and
- particulars or production of documentary evidence, if any.

6.0 Confidentiality of Identity

- 6.1 The Group will protect the identity of the whistleblower(s) who made the report in good faith. Such information will be held to the extent legally permissible and reasonably practicable, in the strictest confidence, by the Group (i.e. the whistleblower's identity shall be protected and kept confidential unless otherwise required by the law or for the purpose of any proceedings by/against the Group).
- 6.2 However, it should be noted that during the investigation process, including any report that may or have to be made to the enforcement agencies or authorities, the Group may reveal the source of the information, and a statement by the whistleblower(s) may be required as part of the evidence. In order to maintain confidentiality, no information concerning the status of an investigation shall be divulged to anyone outside the investigation. The proper response to any inquiry is: "I am not at liberty to discuss this matter". Under no circumstances shall any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation" or any other specific adverse reference.
- 6.3 Once the whistleblower has provided the disclosure, he or she should not:
- a) confront the alleged wrongdoer; and
 - b) discuss the case, facts, suspicions, allegations, or any other information related to the case with anyone.
- 6.4 The whistleblower's identity may be revealed based on the following circumstances:
- a) to facilitate the investigation process, a statement by the whistleblower may be required as part of the evidence;
 - b) where it is required by the law, Enforcement Agency, regulatory body or such other body that has the jurisdiction and authority of the law to require such identity to be revealed;
 - c) where it is in the best interest of the Group to disclose the identity of the whistleblower after the concurrence of the Board; or
 - d) the disclosure by the whistleblower was frivolous and in bad faith or for personal gain.

7.0 Investigation Procedures

- 7.1 For reports concerning misconducts, the investigation procedure will follow that as provided for under the Human Resource Department Disciplinary Procedure.
- 7.2 In instances where the disclosure of improper conduct is not substantiated, the Designated Recipient shall inform the whistleblower accordingly.
- 7.3 The investigation of the disclosure should be finalised as soon as practicable and given priority, particularly if the wrongdoing is capable of causing significant financial or reputational harm to the Group.
- 7.4 The whistleblower may report the same disclosure to another Designated Recipient (which may be for different level of disclosure) if:

- the status of the disclosure is not communicated to the whistleblower within a reasonable time period;
- the wrongdoing involves a Designated Recipient; or
- where the wrongdoing does not involve the Designated Recipient but the whistleblower, in good faith, reasonably believes that the Designated Recipient may be personally conflicted (for instance, the Designated Recipient is an ally of the alleged wrongdoer).

8.0 Protection to Whistleblower

- 8.1 In an effort to promote transparency, accountability and good corporate governance in the workplace, employees must be able to raise concerns without the fear of reprisals. No employee, who in good faith reports any violation of the BECOC, Anti-Bribery & Anti-Corruption Manual or other laws and regulations shall suffer harassment, retaliation or adverse employment consequences. Any personnel who retaliates against the whistleblower will be subjected to disciplinary actions by the Group, including but not limited to dismissal.
- 8.2 Upon providing disclosure, the whistleblower will not be allowed to discuss or reveal facts or information to any persons regarding the nature of the case in order to avoid speculation and further conjecture. To ensure confidentiality, all reports or disclosures shall be kept classified unless applicable laws requires disclosure to Enforcement Agency. In the event of an investigation, if a whistleblower is called into for questioning, he or she may be required to enter a statement of evidence and in some cases, the whistleblower might have to reveal their identity if it helps to facilitate the investigation process. In such instances, any information concerning the investigation shall not be revealed to anyone outside the case as the only parties privy to the information are the persons involved in the investigating process.
- 8.3 The Group acknowledges that the act of whistleblowing is a decision that is difficult to make especially against direct superior or important personnel within the Group. Therefore, the Group will not tolerate mistreatment of any whistleblower and will ensure that individual will be treated fairly and justly. If the report is made in good faith, with reasonable grounds to believe that the information and allegations are substantially true, the whistleblower shall be protected against any forms of retaliation including disciplinary action from their immediate superior or from any other persons exercising authority over the whistleblower's employment or service for the Group.
- 8.4 The whistleblower is also protected from any form of retaliation from the alleged wrongdoer. If the whistleblower has good reason to believe that they are a victim of retaliation, they may report this to the Group's Legal & Compliance team and request for protection.
- 8.5 The whistleblower will not be subjected to a civil action by the Group if disclosure was made in good faith and based on reasonable grounds.

9.0 Revocation of Protection

- 9.1 Any individual who makes a report recklessly without having reasonable grounds for believing the matter to be substantially true or makes a report for purposes of personal gain, may be subjected to appropriate action(s) by the Group. Such reckless reporting include:
 - a) having participated in the improper conduct disclosed;

- b) made a disclosure in which he or she knew or believed to be false (for instance, dishonest, frivolous mischievous or malicious complaints);
- c) made a disclosure that is frivolous and vexatious; or
- d) made a disclosure to avoid dismissal or other disciplinary action.

9.2 Disclosures that are pending or already determined through the Group's disciplinary proceedings, and disclosures pending through local or international authorities such as the courts, arbitration bodies, or other similar proceedings shall not be further acted upon by the Group, whether the whistleblower was aware or not of the situation upon disclosure.

9.3 The whistleblower will be subjected to a civil action by the Group if disclosure was made not in good faith and has not based on reasonable grounds or solid evidence.

10.0 Being Informed

10.1 The Group shall inform the whistleblower on the following, to the extent deemed appropriate in its sole discretion:

- The status of his or her report in terms of being forwarded for investigation or disregarded;
- The justifications on why such report is disregarded;
- The disciplinary action taken against the alleged wrongdoer if he or she is found guilty of committing the alleged misconduct or malpractice.

10.2 The whistleblower shall respect all decisions made by the investigation team.

11.0 Monitor and Review of this Policy

11.1 The Legal & Compliance Department shall maintain a register for all disclosures made pursuant to this Policy. All documents obtained pertaining to disclosures shall be considered "Confidential" and be stored securely. The disclosures shall be kept under the custody of the Legal & Compliance Department for seven (7) years, or longer as may be decided by President Director of LCT Tbk.

11.2 The disclosures shall not be kept longer than necessary. The Legal & Compliance Department shall undertake reasonable steps to ensure the disclosures are destroyed or permanently deleted after the designated timeframe.

11.3 The Legal & Compliance Department shall, on a quarterly basis, update the Board of Directors of LCT Tbk on the number of disclosures received to date and nature of such disclosures, status of investigations, and other relevant updates.

11.4 The Legal & Compliance Department shall monitor the implementation and understanding of this Policy.

12.0 Administration of this Policy

- 12.1 The Group aims to ensure that this Policy closely reflects the applicable laws and regulations as well as industry better practices pertaining to whistleblowing. Legal & Compliance Department Head shall be responsible for reviewing and assessing this Policy in terms of its effectiveness and areas of enhancement from time to time, as and when necessary.
- 12.2 The Group shall communicate this Policy to all employees including those working with and on-behalf of the Group as well as other stakeholders. A copy of this Policy is to be made available the summary on the Group's website (if required) and intranet of the respective entities within the Group.

APPENDIX I



Whistleblowing Form

A. PARTICULARS OF WHISTLEBLOWER

Name

(As per KTP/ Passport)

: _____

KTP/ Passport no.

: _____

Employee no.*

: _____

Designation and Department*

: _____

Correspondence address

: _____

Contact no.

H/P: _____ Office: _____ Email address: _____

** For the Group's employees only*

B. PARTICULARS OF ALLEGED WRONGDOER

Name of the Alleged Wrongdoer committing Improper Conduct

: _____

Designation and Department (if known)

: _____

C. DETAILS OF THE IMPROPER CONDUCT

1) Has the improper conduct been committed or about to be committed?

☐

Has happened

☐

Suspect to happen

Please mark (X) where applicable.

2) Nature of the improper conduct –

3) Have you previously made a disclosure/complaint of the improper conduct to any external authorities or enforcement agencies?

☐

Yes

☐

No

If Yes, please provide the following particulars:

Name of authority receiving the disclosure/complaint: _____

Designation and Department (if applicable) : _____

Date the disclosure/complaint was made : _____

Status of the disclosure/Complaint (if known) : _____

DECLARATION

I hereby declare that all the information given herein are made voluntarily and true to the best of my knowledge and I will be entitled to the whistleblower protection from the Group as prescribed under **Paragraph 8.0** in the Group's Whistleblowing Policy. I understand further that in the event I have made this disclosure maliciously or in bad faith, the whistleblower protection prescribed under **Paragraph 8.0** will no longer be applicable to me and I may be subjected to disciplinary or legal proceedings by the Group.

Signature and Date

Please forward this Whistleblowing Form together with any supporting documents to the Legal & Compliance Department at evan@lottechem.co.id