



**PT ANGLO EASTERN PLANTATIONS MANAGEMENT INDONESIA**

**STANDARD OPERATING PROCEDURE**

**ANTI - BRIBERY**

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## 1. OBJECTIVES

AEP is committed to prevention, deterrence and detection of bribery. It is AEP's policy to conduct all of its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice, wherever it operates throughout the world, of not engaging in bribery.

## 2. LEGISLATION, SCOPE AND APPLICABILITY

This Anti-bribery policy applies to all individuals worldwide working for all subsidiaries of AEP at all levels and grades, including Directors, General Managers, Managers, Employees (whether permanent, fixed-term or temporary), Consultants, Contractors, Trainees, or any other person associated with AEP (collectively referred to as "You" or "you" in this Policy)

In this Policy, "Third Party(ies)" means any individual or organization, who/which come into contact with AEP or transacts, consultants, subcontractors, agents and governments & public bodies.

We will uphold all laws relevant to countering bribery in all the jurisdictions in which we operate. We remain bound by all the applicable local and national laws including. In case any of the provision(s) of this policy is found to be conflicting with any other applicable laws and/or statutory provisions which might govern and/or impact the said provisions of this policy, as the case may be, such applicable laws and/or statutory provisions would have overriding effect to the effect of such provisions in this policy.

## 3. POLICY DETAILS

A bribe is an inducement, payment, reward or advantage offered, promised or provided to any person in order to gain any commercial, contractual, regulatory or personal advantage. A bribe may be anything of value and not just money-gifts, inside information, abuse of function, which can pass directly or through a third party.

It is illegal to directly or indirectly offer a bribe or receive a bribe. It is also a separate offence to bribe a government/public official. "Government/public official" includes officials, whether elected or appointed, who hold a legislative, administrative or judicial of any kind in a country or territory.

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#### 4. GIFTS AND HOSPITALITY

4.1. Employees or members of their immediate families (spouse, mother, father, son, daughter, brother, sister or any of these step-or in-law relationships, whether established by blood or marriage including common law marriage) should not provide or promise to provide, solicit or accept or agree to accept at a future date cash or its equivalent, entertainment, favors, gifts or anything of more than a normal and appropriate value to or from competitors, vendors, suppliers, customers or any other Third Party that do business or are trying to do business with AEP. Loans from any persons or companies having or seeking business with AEP, except recognized financial institution, should not be accepted. All relationship with those who AEP deals with should be cordial, but must be on an arm's length basis. Nothing should be accepted, nor should the employee have any outside involvement, that could impair, or give the appearance of impairing, an employee's ability to perform his/her duties or to exercise business judgement in a fair and unbiased manner.

This policy does not prohibit gifts, hospitality, entertainment and promotional or other similar business expenditure of normal and appropriate value, such as calendars, diaries, pens, books, show pieces, sweets, meals and invitations to theatre and sporting events ("token gift") (given and received), to or from third parties.

The giving or receiving gifts or hospitality is acceptable under this policy if all the following requirements are met:

- a. It is not made with the intention of influencing a Third Party to obtain/retain business or a business advantage or to reward the provision or retention of business or a business advantage or in explicit or implicit exchange for favors/benefits or for any other corrupt purpose.
- b. It complies with local laws and customs
- c. It does not include cash or a cash equivalent
- d. It is given openly, not secretly and in a manner that avoids the appearance of impropriety
- e. It is given (evidencing the same in writing) by or on behalf of an existing client to appreciate good work by AEP's employees' working for that client.
- f. It is of normal and appropriate value and made on occasional basis e.g. exchange of gifts on festivals like Eid Fitri, Christmas, Diwali, etc.

However, it is pertinent to note that the employee who receives any gifts or hospitality in compliance with this policy will be solely responsible to pay the tax or other levies, as may be applicable to the same.

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If the gifts or hospitality given or received is more than a token gift or modest meal/entertainment or is of more than normal and appropriate value, in the ordinary course of business, you must obtain prior written approval from skip level GM and must notify the HR & External. Affair Head of the company giving full details of the gift or hospitality given or received including the approximate value, the purpose or intention of the gift or hospitality, the name of the recipient and provider of the gift or hospitality and their relationship.

All such cases, if any, should be presented to the meeting of Board of Directors, at least twice in a financial year.

In case the HR & External Affair Head decides that the gift should not be retained by the concerned Officer, then the concerned Officer would need to hand over the gift to the Company for being used for Charity purpose under Company's philanthropy initiative(s) or for returning.

Explanation: For the purpose of this clause and the policy, "normal and appropriate value" shall mean any value less than approximately IDR 200.000 (USD 13) per annum for giving/receiving gift/hospitality from/to one Person, Client, Vendor or Entity in Indonesia and any value less than approximately IDR 1.000.000 (USD 66) per annum for giving/receiving gift/hospitality from/to one Person, Client, Vendor, or Entity at location in all operating unit of AEP

## **5. FACILITATION PAYMENTS AND KICKBACKS**

Neither an employee of AEP nor any person acting on behalf of AEP shall make or accept directly or indirectly "facilitation payments" or "kickbacks" of any kind. "Facilitation Payments" are typically small, unofficial payments (sometimes known as "grease payments") made to secure or expedite a routine government action by a government official. "Kickbacks" are bribes to obtain an undue advantage, where a portion of the undue advantage is 'kicked backed' to the person who gave, or is supposed to give, the undue advantage.

Where facilitation payment is being extorted or you are being coerced to pay it, you may insist on official tax invoices for any payments you make. You may also report suspicions, concerns, queries and demands for Facilitation Payments to your reporting Manager and/or local enforcement authorities and refuse to make such payments.

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## 6. CHARITABLE DONATIONS

As part of its corporate citizenship and/or Corporate Social Responsibility activities, AEP may support local charities, for example, to sporting or cultural events. We only make charitable donations that are legal and ethical under local laws and practices and also within the corporate governance framework of the organization.

## 7. BUSINESS RELATIONSHIPS, MARKETING AND SPONSORSHIP

AEP expects all Third Parties doing business with AEP to approach issues of bribery and corruption in a manner that is consistent with the principles set out in this Policy. AEP requires all Third Parties to cooperate and ensure compliance with these standards, to continue the business relationship.

In order to maintain the highest standards of integrity, with respect to any dealings with a Third Party, you must ensure that:

- a. Employees and associates shall conduct due diligence enquiries to review the integrity records of
- b. Any Third Party before entering a commercial relationship with them by checking public sources for negative news, sanctions or black listing of third parties or any company law related non compliances
- c. Employees and associates shall follow AEP's procurement policies for the selection of any Third Party
- d. Employees and associates shall ensure that :
  - » Each Third Party within your work area are fully briefed on this Policy and have made a formal commitment in writing to abide by it
  - » Fees and commissions agreed will be appropriate and justifiable remuneration for legitimate services rendered
  - » Contractual agreements will include appropriate wording making it possible to withdraw from the relationship if any of the Third Parties fail to abide by this Policy

In the event of any doubt on the integrity of a Third Party, it is the employee's responsibility to contact his/her immediate Manager and the HR and External Affairs Controller at Medan Head Office as soon as possible.

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Any expenses towards marketing/sponsorship, which may range from sponsoring education scholarship to sports events or other marketing endeavors should be for genuine business purpose or charitable objective without any element of quid pro quo.

Any such expenses should be consistent with Company's CSR policy, Code of Conduct & Procurement policy and should be done after proper due diligence of the third party involved or through which such expenses are done. A prior approval from the Department head and the CSR Committee in case these are for charitable purpose, would be required for making any such expenses.

## 8. COMPLIANCE WITH THE POLICY

You shall read, understand and comply with this Policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for AEP or under AEP's control or connected to AEP. You are required to avoid any activity that might lead to or suggest a breach of this Policy.

Employees must notify his/her immediate Manager and the HR & External Affairs Controller at Medan Head Office as soon as possible if you believe or suspect that breach of or conflict with this Policy has occurred or may occur in the future by way of a bribery issue or any other malpractices.

Any employee who breaches this Policy will face disciplinary action, which could result in dismissal. We reserve our right to terminate our contractual relationship with you if you breach this Policy. Any breach of this Policy could also result in imposition of large fines on the individual/third party and/or imprisonment on the individual and termination of contract with a Third Party. The Board of the Company or any committee/person authorized by the Board for this purpose shall determine appropriate action in response to violations of this policy. Anyone who breaches this policy shall indemnify AEP against all claims, actions, damages, losses, liabilities and costs, including reasonable legal fees, that may be incurred/suffered by AEP on account of any non-compliance of such person with this policy.

In case of dismissal of an employee or termination of the contractual relationship with any third parties for the breach of the policy, no money will be accrued for payment by the Company in any manner whatsoever from the date of such dismissal/termination except for the amount which is already accrued till then.

Further, if an employee willfully ignores or turns a blind eye to any evidence of corruption or bribery within his/her department and/or around him/her, he/she would be considered

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to be involved in the act and accordingly, the same disciplinary action would be taken against him/her as if he/she was involved in the act intentionally.

## 9. RECORD-KEEPING

Employees must ensure all expenses claims relating to hospitality, gifts or expenses incurred to Third Parties are submitted in accordance with Company policies and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with Third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts will be kept “off-book” to facilitate or conceal improper payments and the same is ensured through effective monitoring and auditing mechanisms in place.

## 10. PROTECTION

Those who refuse to accept or offer a bribe or those who raise concerns or report another’s wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken. We are committed to ensuring that no good faith under this Policy, even if they turn out to be mistaken. We are committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in bribery or corrupt activities or because of reporting their suspicion in good faith that an actual or potential bribery or other corruption offence has taken place or may take place in the future. If any employee believes that he/she has suffered any such treatment, he/she should inform your immediate Manager or the External Affair Controller at Medan Head Office immediately.

## 11. TRAINING AND COMMUNICATION

AEP will provide training/informatory document on this policy as part of the induction process for all new employees. Employees will also receive regular, relevant training/updates on how to adhere to this policy, and will be asked annually to formally accept that they will comply with this policy. All new employees will have to appear and pass a test with regard to this policy within 15 days of joining AEP.

AEP ‘s anti-bribery and anti-corruption policy and zero-tolerance attitude will be clearly communicated to all suppliers, contractors, business partners, and any Third Parties at the outset of business relations, and as appropriate thereafter.

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## 12. RESPONSIBILITY

Chief Executive Officer has overall responsibility for ensuring that this Policy complies with legal and ethical obligations and that all those under our control comply with it.

Managers at all levels are responsible for ensuring that those reporting to them are made aware of and understand this Policy, undertake training on how to implement and adhere to it and also monitor compliance of it.

The External Affair/HR team is responsible for this Policy and for monitoring its use and effectiveness (and dealing with any queries on its interpretation). Management at all levels is responsible for ensuring that those reporting to them are made aware of and understand this Policy and attend regular training on how to implement and adhere to it.

Every person to whom this policy applies is responsible for the success of this Policy and should ensure that he/she should use it to disclose any suspected activity or wrongdoing.

## 13. WAIVER AND AMENDMENT OF THE POLICY

We are committed to continuously reviewing and updating our policies and procedures based on the learning. This is so even when AEP enters new market / sector / country which may pose a risk under this Policy. The External Affair/HR team will monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Therefore, this document is subject to modification. Any amendment or waiver of any provision of this Policy must be approved in writing by the Company's Board of Directors. The Policy will be reviewed from time to time which requires cooperation from all concerned.

## 14. AUTHORITY AND RESPONSIBILITIES

- 14.1. The Chief Executive Officer is in charge of the general implementation of Anti Bribery Policy within the Company Environment.
- 14.2. The Board of Directors is responsible for implementing the SOP and follow-up to the Complaints/Report on Violations in their respective Departments
- 14.3. The Head of Department is the person in charge to the follow up of Violation/Reports in each work unit.
- 14.4. Head of the HR & External Affair Department as the person in charge of monitoring the follow-up of Complaints/Report on the detriment to the company

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	ED	
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