



2023 Whistleblowing System Implementation

Whistleblowing System (WBS) is a means or medium for everyone to convey information regarding indications or acts of violations that occur in the Company's internal environment. In 2014, the Company established a Whistleblowing System (WBS) through a Circular Letter regarding Approval of Technical Instructions for Whistleblowing System dated 14th October 2022 in order to accelerate compliance, transparency and encourage healthy work practices in the organization.

As an element of internal control, WBS is a tool for all Company Personnel and other stakeholders to report any behavior or actions that deviate from moral ethics and work ethos carried out by PT SMI Personnel. Besides the reporting function, WBS also acts as a medium for all parties to convey information regarding potential violations in the Company's internal environment as early as possible which will lead to the effective and immediate prevention and handling by the Company.

Legal Basis for Whistleblowing System Establishment

The establishment of PT SMI Whistleblowing System shall refer to the following regulations and provisions:

1. Law Number 31 Year 1999, as amended by Law Number 20 Year 2001 concerning Eradication of Corruption Crime;
2. Law Number 13 Year 2006 concerning Witness and Victim Protection;
3. Law Number 11 Year 2008 concerning Electronic Information and Transactions;
4. Decree of Chairman of the Capital Market and Financial Institutions Supervisory Agency Number Kep-431/BL/2012 concerning Annual Report Submission by Issuers or Public Companies; and
5. Financial Services Authority Regulation Number 46/POJK.05/2020 concerning Infrastructure Financing Companies.

Objectives of Whistleblowing System Implementation

In general, the implementation of the Company's Whistleblowing System aims to:

1. Encourage all Company Personnel and other stakeholders to submit/report to the Company's Internal Authority regarding any violations and/or deviations from the Code of Ethics, law, standard operating procedures, management policies and other matters which are deemed to be detrimental and/or harmful to the Company;
2. Minimize the possibility of risks that could bring losses to the Company;
3. Increase confidence in all Company Personnel and other stakeholders regarding the existence of protection from punishment, retaliation or unreasonable and unfair treatment for the Whistleblower if the person concerned discloses violations based on good faith and adequate evidences;
4. Support the realization of a culture of openness, accountability and integrity; and



Improve the effectiveness of the Company's governance, internal control, as well as the employee and organization performance.

Types of Violations to be Reported

Reports submitted through WBS are the reports on the misconducts, which among others are in the forms of:

- a. Violation of laws and regulations, for example committing general crimes, corruption crimes, embezzlement, mark ups, drug use, property damage, and so on;
- b. Violation of Code of Ethics, for example conflict of interest, harassment, engaging in prohibited community activities;
- c. Violation of applicable Financial Accounting Standards principles;
- d. Violation of operational policies and procedures, or other policies, procedures and regulations relevant to the Company;
- e. Misuse of authority or position for personal, family and/or class/group interests;
- f. Conducts of irregularities, such as document falsification, misappropriation of resources (assets, funds, office equipment and others), as well as unauthorized use or misuse of fixed assets, office machines and equipment or office administration records/bookkeeping;
- g. Other fraudulent acts that can cause financial or non-financial losses;
- h. Actions that endanger work safety;
- i. Gratuities, as regulated in laws and regulations; and
- j. Conflict of interest which is suspected to have detrimental impacts on the Company

Complaint Handling Mechanism and Administrator

WBS Administrator at PT SMI is the Compliance Division, as stipulated in Decree of the Board of Directors Number SK-020/SMI/1122 dated 22nd November 2022 concerning Appointment of Whistleblowing System (WBS) Administrator. The following is the complaint handling mechanism:

1. Complaint received from various channels (website, telephone, email, fax and letter) will be recorded by WBS Administrator.
2. The WBS Administrator shall carry out initial verification of complaint reports by paying attention to 4W1H (What, Who, Where, When, How) and its supporting data for the Whistleblower within 14 work days.
3. The Whistleblower shall complete the supporting data to WBS Administrator
4. If the initial verification has been fulfilled, the START HERE WBS Administrator shall request the approval of the Authorized Official (AO) for follow-up investigations as described below:
 - If the incoming complaint relates to the Company's employee or external party, it will be forwarded to the President Director;

- If the incoming complaint relates to the member of the Board of Directors, it will be forwarded to the Board of Commissioners; and
- If the incoming complaint is other than the criteria mentioned above (the member of the Board of Commissioners, member of Supporting Organs of the Board of Commissioners, or Member of Sharia Supervisory Board), it will be submitted to the Board of Commissioners and Board of Directors with a note that if the reported party is one of the Authorized Officials (AO), the reported party will be discharged as an AO.

However, the WBS Administrator may also request for the Authorized Official's approval for termination of complaint if the supporting data is found inadequate.

5. The appointed internal and external investigation team will work within 90 work days to complete the investigation.
6. The results of follow-up investigations that are proven to violate provisions will be subject to sanctions in accordance with applicable regulations.
7. The WBS Administrator will convey information to the Whistleblower and monitor the follow-up of the Investigation team's recommendations in order to mitigate recurring incidents.
8. The WBS Administrator is required to submit a report on the WBS management results that have met the follow-up requirements at least once every 3 (three) months.

Violation Report Submission

To improve the effectiveness of Whistleblowing System, the Company prepared a medium for submitting reports/complaints that is anonymous (without identity or name) but requires a valid email address and telephone number for the communication with the Officer of WBS Administrator to verify any data adequacy and convey any progress.

The Whistleblower may submit his/her reports/complaints regarding violations or potential violations through the following means/media:

1. Face-to-face (direct) communication with the Officer of Whistleblower Administrator
2. Fax: +62 21 8082 5222
3. Telephone: (021) 80825233 (Direct Number) with the addition of Voice Mail and Call Forwarding Features to maintain the anonymous principle.
4. Email: spp@ptsmi.co.id
5. Company website: <http://spp.ptsmi.co.id> id (a safer application with encryption feature). The application requires a valid email address for further communication process.
6. Closed letter, with the code of "WBS" on the top right of the envelope, and is addressed to:
 - a. President Director (if the Reported Party is an Employee), or
 - b. President Commissioner (If the Reported Party is a member of the Board of Directors and/or member of Organs of the Board of Commissioners)



The Whistleblower can send the closed letter to below address:

PT Sarana Multi Infrastruktur (Persero)
Sahid Sudirman Center, Floor 47-48
Jl. General Sudirman No. 86 Jakarta 10220
Indonesia

Protection for the Whistleblower

The Company is committed to providing protection rights to all whistleblowers from matters that could affect or endanger themselves as a result of the reports submitted as stated in the Technical Instructions for the Company's Whistleblowing System as a legal basis. The protection guaranteed by the Company for the Whistleblower covers, among other:

1. Guarantee of confidentiality of the Whistleblower identity and contents of the report submitted;
2. Guarantee of protection against treatment that is detrimental to the Whistleblower;
3. Guarantee of protection against possible threats, intimidation, punishment or unpleasant actions from the reported party; and
4. Disciplinary action will be imposed including termination of employment for the employee who carries out acts of revenge against the Whistleblower.

Protection for the Whistleblower is implemented if the reported violation meets the following disclosure criteria:

1. Having good faith based on moral and ethical motivation. The Company shall not provide support or protection for the Whistleblower who is proven to be carrying out slander/personal objectives;
2. Not expecting material rewards and/or popularity; and
3. The alleged violation submitted has occurred and can be trusted with the support of adequate evidence, information or indications.
4. Protection can be provided to the Whistleblower who is willing to provide personal identity information.

Whistleblowing System Outreach

To narrow the differences in each individual's understanding of the implementation of the Company's Whistleblowing System Guideline, the Company has carried out continued outreach to the internal and external parties by:

1. Induction of a new President Commissioner by the Compliance Division in May 2023;
2. Induction of new employees in November 2023;
3. WBS outreach to all PT SMI employees at each Townhall event in quarters I, II, III and IV of 2023;



4. WBS outreach to all Prospective Providers of Goods and Services for each procurement using the limited tender/public auction method in 2023; and
5. Flyers and Television Media in all Company office areas.

Total Violation Complaints

There are 1 (one) report obtained in 2022 which was followed up until fully settled in 2023. For this violation of Ethics, the Company has given sanctions to the Reported Party in the form of a Warning Letter II and demotion.