

people consisting of Heads of Regional Offices I and II as well as Heads of Branches under Regional Offices I and II would be implemented in 2021.

As for what has been done in preparation for the Integrity Building Expert (API) certification program from October to December 2020 were as follows:

1. Preparatory meetings for the implementation of the Integrity Building Expert Certification (API) with LCD and PFAD related to the preparation of participant debriefing, participant appointment, participant verification, requirement gathering and competency file collection and API certification implementation.
2. The stages of the Integrity Building Expert Certification (API) program were as follows:

No	Type of Activity	Implementation
1.	Appointment of Participants	October 19, 2020
2.	Implementation of e-learning and collection of registration files	October 20-27, 2020
3.	Technical guidance	November 4, 2020
4.	Implementation of collecting 8 (eight) competency units	October 26 till November 6, 2020
5.	Implementation of assessment	December 1-2, 2020
6.	Announcement of results	December 5, 2020

3. Based on the KPK Invitation Letter No. UND/1295/DKM.00.05/17/22/2020 dated November 17, 2020 regarding the Invitation to Participate in the Competency Test of the Integrity Builder Expert Certification Scheme, that there were 13 (thirteen) participants who meet the registration requirements and follow the Integrity Builder Expert (API) certification.
4. On 1 and 2 December 2020, an Integrity Building Expert (API) certification assessment was carried out by all participants and based on the results of the plenary meeting of the Corruption Eradication Committee and the Assessor Team on December 5, 2020, all participants were declared competent and announcements were made to each of them. each participant.

## Code of Conduct

For the Company, Code of Conducts is an indicator of the Company's commitment to warrant the application of the high standards of GCG that refers to the best practice of credible and trusted banking institutions. Credibility and Public Trust, Shareholders, and Customers are aspects that are essential for the development and continuity of the Company's business. The Company performs business activities in compliance with all applicable rules and regulations and also fulfills the expectations regarding the norms and ethics. Awareness of implementing good ethics will enhance and strengthen the Company's constructive image and recognize the Company as a Good Corporate Citizen. Therefore, the Company always upholds its integrity by preserving and applying Ethical and Behavioral guidelines that form the basis of the attitudes and actions of all the Company's personnel in order to perform their duties professionally and ethically by exercising basic principles as quantified in the Company's Vision, Mission and Values and the prevailing regulations.

## Contents of Ethical Codes

The Code of Conduct contains Ethical and Behavioral standards for the Company as a business entity and all its elements in interacting both internally and externally with stakeholders. The enforcement of the Code of Conduct aims to accomplish the creation of ideal behavior that develops into a work culture based on honorable values. The Code of Conduct is summarized in 4 chapters which are briefly described as follows:

### 01. Introduction

This Code of Conduct is the codification or a compilation of policies, employee regulations, and agreements that have been jointly established between the Company and employees who will influence, shape, and set forth the standards of behavior, both for Management and employees in performing all business activities.

The implementation of the Code of Conduct, whether Compliance or Non-Compliance forms one aspect of the employee's performance appraisal. Therefore, this Code of Conduct will always be used as a guideline in the formulation of policies, manuals/procedures and management practices in the Company. The application of the Code of Conduct that will consistently reflect the Company is the Company that upholds honorable business values and ethics in conducting business, while simultaneously upholding the principles of Good Corporate Governance.

<p><b>02.</b> <b>Standards of Business Ethics</b></p>	<ol style="list-style-type: none"> <li>1. Etika Bank dengan Pegawai Adanya Keadilan perlakuan terhadap pegawai, kedisiplinan pegawai, serta adanya larangan keterlibatan pegawai dalam aktivitas bisnis surat berharga Bank.</li> <li>2. Etika Bank dengan Nasabah Bank mengutamakan kepuasan dan kepercayaan nasabah dan pegawai wajib mendukung Bank dalam upaya untuk mencapai kepuasan nasabah.</li> <li>3. Etika Bank dengan penyedia barang dan jasa Pemilihan penyedia barang dan jasa harus didasari atas penilaian kemampuan, prestasi, dan berdasarkan kepatuhan serta obyektifitas di bidang standar harga, kualitas, ketersediaan, persyaratan serta pelayanan yang diberikan oleh rekanan/pemasok.</li> <li>4. Etika Bank dengan Pesaing Bank menempatkan pesaing sebagai pendorong peningkatan kinerja secara berkesinambungan.</li> <li>5. Etika Bank dengan Mitra Kerja Bank menjunjung tinggi sikap saling percaya dan menghargai, serta menjunjung tinggi kebersamaan dengan mitra kerja sesuai dengan kaidah-kaidah bisnis yang berlaku.</li> <li>6. Etika Bank dengan Pemerintah Bank berkomitmen mematuhi peraturan perundang-undangan yang berlaku.</li> <li>7. Etika Bank dengan Masyarakat Bank berkomitmen untuk memberikan kontribusi positif dalam pengembangan ekonomi yang berkelanjutan dengan memperhatikan tanggung jawab sosial dengan menitikberatkan pada keseimbangan terhadap aspek ekonomi, sosial dan lingkungan.</li> <li>8. Etika Bank dengan Media Massa Bank menjadikan media masa sebagai mitra kerja dan media dalam melakukan promosi dalam rangka membangun citra yang baik.</li> <li>9. Etika Bank dengan Organisasi Profesi Bank membina hubungan kerja sama yang baik dengan organisasi profesi dan regulasi dalam rangka sharing informasi, pengalaman dan berdiskusi tentang perkembangan bisnis, serta mencari solusi terbaik dalam menyelesaikan permasalahan yang menjadi kepentingan bersama.</li> </ol>
<p><b>03.</b> <b>Standards of Conduct Policy</b></p>	<ol style="list-style-type: none"> <li>1. Employees are at all times to avoid conditions, situations or the impression of any Conflict of Interest and the inappropriate use of position.</li> <li>2. Each member of the Board of Commissioners, Board of Directors, and Bank employees are prohibited from giving and/or receiving something for their own benefit, directly or indirectly, from a business partner who can influence decisions.</li> <li>3. The Company's constituents and Bank employees must comply with all State laws and regulations.</li> </ol>
<p><b>04.</b> <b>Application and Enforcement</b></p>	<p>Each Bank employee must report any evidence of a deviation from the Corporate Code of Conduct to the Human Capital Management &amp; Culture Specialist Division and the identity of the reporter is to be protected. The Human Capital Management &amp; Culture Specialist Division follows up on each report and submits the results of the study to the Board of Directors and/or the Board of Commissioners in accordance with the scope of their responsibilities. Finally, the Board of Directors and Board of Commissioners will make a decision regarding the various actions available of coaching, disciplinary sanctions and/or corrective and preventive actions that are required to be performed by superiors directly in their respective work environments.</p>

### Compliance With Codes of Conduct

The Code of Conduct applied to all Managers (formerly the Board of Commissioners, Directors) as well as employees in carrying out every business activity of the Company and interacting between Commissioners, Directors and Employees with all stakeholders. The statement on the application of the Code of Conduct for all levels of the organization was formally stated in the Board of Directors Regulation No. 16/PD/CMPPD/2015 dated December 31, 2015 concerning Guidelines for Business Ethics and Conduct. The Company required the signing of a statement on the attitude of the Company's personnel towards the Code of Conduct which was called the Integrity Pact for further implementation as well as possible. The successful implementation of the Code of Conduct was the responsibility of all leaders in their respective work units. For this reason, all unit leaders were required to provide understanding regarding the application of the Code of Conduct to employees in their respective work units.

### Code of Conduct Dissemination

The Code of Conduct was socialized to all Company personnel through the Digital Room for E learning Modules (DREAM) media and a quiz was held on the Code of Conduct to find out employees' understanding of the Code of Conduct. Commitment to the implementation of the Code of Conduct was also stated in the Integrity Pact which must be signed by all Directors, Board of Commissioners and Employees of the Company. In addition, the Code of Conduct could also be accessed by all of the Company's Stakeholders through the Company's website.

### Efforts To Implement And Enforce The Code Of Conduct

The Company provides strict and consistent sanctions against violations of the Code of Conduct. Enforcement of the Code of Conduct through the Board of Commissioners and Board of Directors along with its sanctions is based on

the Company's Articles of Association and the decisions of the GMS. Throughout 2020, the efforts made by the Company in implementing and enforcing the Code of Conduct included the following:

1. Completing and signing of Integrity Pact by all employees in accordance with Code of Conduct values.
2. Doing socialization of Code of Conduct and Gratification Control through the Digital Room for e-learning Modules (DREAM).
3. Cooperating with the Corruption Eradication Commission (KPK) in disseminating the gratification control program and the Code of Conduct.
4. Managing reports of receipt of gratuities from all work units and report to the KPK according to the provisions.
5. Implementing the Anti-Bribery Management System as a form of implementation of Business Ethics and Behavior as stated in the Code of Conduct.
6. Implementing the Whistleblowing System (WBS) program.
7. Giving punishment for employees who violated business ethics.

### Category of Sanctions Regarding Code Of Conduct Violations

The Company has set forth the various types of sanctions in relation to each violation of the Code of Conduct in the following two nature of sanctions:

1. Administrative sanctions
  - a. Light, i.e.: Verbal reprimands; written warning, and dissatisfaction statement. The employee guidance sanction period is 3 (three) months.
  - b. Medium, i.e.: No leave benefits; no periodic salary promotion and Employee Grade diminution by 1 (one) grade (salary downgrade). Employee guidance sanction period is 1 (one) year.
  - c. Heavy, i.e.: Employee Grade diminution by at least 2 (two) grades (basic salary adjustment); Employment termination and legal proceeding.

The validity period of sanctions as guidance for employees is for 2 (two) years
2. Financial Sanctions
 

Financial sanctions are to recuperate all Financial Losses that have arisen as a result of the disciplinary violations committed.

### Total of Violations and Sanctions Given

In 2020, the number of Code of Conduct violations was 216 (two hundred and sixteen) violations. The sanctions imposed in relation to these violations include minor sanctions as many as 79 (seventy nine) people, moderate sanctions as many as 102 (one hundred and two) people, serious sanctions as many as 35 (thirty five) people.

The quality trend in the Code of Conducts implementation is presented through the increasing number of the Code of Conduct violations as shown in the table and chart below.

### Trend of Implementation Quality of Code of Conduct

Sanction Category	2020	2019	2018
Light	79	46	77
Medium	102	154	37
Heavy	35	44	27
<b>Total</b>	<b>216</b>	<b>240</b>	<b>141</b>