

Document Control

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Document Information

Title	Code of Business Ethics and Code of Conduct
Type of Document	Internal
Name of Document	Code of Business Ethics and Code of Conduct
File Name	Code of Business Ethics and Code of Conduct Rev. 2

List of Revision

Revision	Issued Date	Status	Reason of Change
0	Agustus 6 th , 2012	Complete (first release)	-
1	June 15 th , 2017	Complete	<i>Update info</i>
2	November 30 th , 2021	Complete	<i>Update info</i>



Code of Business Ethics and Code of Conduct

PT Kustodian Sentral Efek Indonesia

Jakarta, November 30th, 2021

PM-004 Rev.2



		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	i of 16
Revision	2	Date	November 30 th , 2021

TABLE OF CONTENTS

TABLE OF CONTENTS.....	i
CHAPTER 1. INTRODUCTION.....	1
1.1. Background.....	1
2.1 Ethics toward Employees.....	4
2.2 Ethics toward Service Users.....	5
2.3 Ethics toward Vendors.....	5
2.4 Ethics toward Regulator.....	6
2.5 Ethics toward Public.....	7
2.6 Ethics toward Shareholders.....	7
CHAPTER 3. BUSINESS ETHICS STANDARDS.....	8
3.1 Work Ethics Among Employees, Board of Directors, and Board of Commissioners.....	8
3.2 Protection of Company Data and Information Systems.....	9
3.3 Use and Protection of Company Assets.....	10
3.4 Storage and Recording of Data and Reporting.....	10
3.5 Information Disclosure and Insider Trading.....	11
3.6 Conflict of Interest and Abuse of Position.....	12
3.7 Accepting and Giving Gifts.....	13
3.8 Political Activity.....	13
3.9 Prohibition of Family Relations.....	14
CHAPTER 4. IMPLEMENTATION AND ENFORCEMENT.....	15
4.1 Organization.....	15
4.2 Socialization and Internalization.....	15
4.3 Violations.....	16
4.4 Enforcement of Business Ethics and Code of Conduct through a Whistleblowing Policy.....	16
4.5 Whistleblowing Mechanism.....	17
CHAPTER 5. CLOSING.....	18

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	1 of 16
Revision	2	Date	November 30 th , 2021

CHAPTER 1. INTRODUCTION


1.1. Background

PT Kustodian Kustodian Sentral Efek Indonesia (hereinafter referred to as "KSEI" or the "Company") is committed to implementing good corporate governance (GCG) practices based on laws and regulations, Articles of Association, and general GCG basic principles. The implementation of GCG in KSEI is carried out as part of efforts to achieve the Company's goals as stated in the Company's vision and mission statements. GCG implementation at KSEI is also expected to help achieve operational performance according to targets set by both the Company and stakeholders.

One of KSEI's commitment regarding GCG implementation is the creation of a Code of Conduct. This guideline is compiled so that it can become a reference for all levels of management and employees of the Company in building and fostering healthier, harmonious and fair working relationships with service users, shareholders, work partners, the Government and the community as well as a guide for KSEI Employees, Directors and Board of Commissioners to carry a professional manner. These ethical and code of conduct guidelines are aligned with the Company's core values that have been implemented so far, namely: excellence, togetherness, integrity and continual development.

1. Company's Vision

To be a reliable and competitive central securities depository whose competence is in line with the growing needs and interests of stakeholders and business environment. Reliable means to consistently provide providing efficient, orderly, secured, timely, and accurate services. Competitive means to strive to become the leading service provider by delivering added value. Competent means to excel and to be expert in the field.

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	2 of 16
Revision	2	Date	November 30 th , 2021

2. Company's Mission


1. Actively and consistently support the Indonesia capital market development;
2. Established KSEI as a Financial and Information Hub that brings added value to the industry;
3. Innovate to meet the needs and interests of stakeholders and business environment; and
4. Apply a continuous learning culture to improve performance and service quality.

3. Company's Core Values

- a. Excellence
Working wholeheartedly in delivering the best performance beyond expectations, in order to achieve the company's goals.
- b. Togetherness
Building cooperation supported by a family spirit as well as an attitude of mutual trust and respect, to foster a coherent and solid team synergy.
- c. Integrity
Being responsible, upholding professionalism, prioritizing integrity and consistency in carrying out mandated duty.
- d. Continual Development
Implementing value-added continual development through continuous innovation and learning, to capture future opportunities and improve the quality of the company's resources.


In carrying out its business, the Company is committed to achieving the highest level of implementation of values and business ethics. To achieve this then:

1. All employees, Directors and Board of Commissioners of the Company must uphold and behave in accordance with the values and standards of behavior listed in this Code of Business Ethics and

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	3 of 16
Revision	2	Date	November 30 th , 2021

Conduct.

2. All leaders from every level within the Company are responsible for ensuring that this Code of Business Ethics and Code of Conduct is complied with and properly implemented by every Employee, Board of Directors and Board of Commissioners of the Company at their respective levels.
3. All Company Partners (consultants, contractors and work partners) must understand and comply with the relevant provisions of this Code of Business Ethics and Company Code of Conduct.
4. All employees, Board of Directors and Board of Commissioners of the Company provide a statement of commitment to compliance with this Code of Business Ethics and Code of Conduct.

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	4 of 16
Revision	2	Date	November 30 th , 2021

CHAPTER 2. BUSINESS ETHICS STANDARDS

2.1 Ethics toward Employees


Human Resources (HR) is the backbone of the success of the Company's work programs. The Company's human resources are the key to the Company's success in facing challenges in developing and growing the Indonesia Capital Market industry.

The main character that characterizes the Company's HR is prioritizing integrity, prioritizing the interests of service users, teamwork-oriented, results-oriented, accuracy, and reliability. These characteristics are in line with the Company's main goal to become a trusted central custodian, ready for international market-linkage and on par with global central custodians.

As a contribution to the Indonesia Capital Market industry, the Company always ensures that it provides the resources needed so that operational activities can function effectively, including in fulfilling any requirements required by the relevant regulators or certification bodies.

The company always ensures that human resources are always ready to provide the best services in accordance with the principles of the code of ethics. The company is committed to:

1. Providing rights and obligations to employees in a fair manner referring to Company regulations that have been agreed upon by employee representatives and management representatives.
2. Develop employee capabilities through formal education and informal education, in-house training, and Capital Market certification.
3. Provide work facilities and infrastructure for employees, in accordance with the duties and responsibilities given.
4. Treat employees objectively and fairly without taking into account their origin, ethnicity, gender, religion, skin color, physical disability, nationality, age and other discriminatory factors.
5. Maintain and be responsible for the safety of employees while at work.
6. Listen to opinions and suggestions from employees according to their

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	5 of 16
Revision	2	Date	November 30 th , 2021

competency level.

7. Comply with the regulations and laws governing manpower.
8. Provide a channel for employees to channel/report disagreements, unfair treatment or untruth.

2.2 Ethics toward Service Users


The company is committed to providing reasonable, safe, accurate and timely services to users of the company's services, by:

1. Continue to innovate and make new breakthroughs in order to create efficiency, information transparency, and increase the trust of service users.
2. Continuously developing facilities and improving its services with the aim of providing convenience and increasing the security and confidentiality of information for service users in enjoying and accessing the Company's facilities and services effectively and efficiently.
3. Maintain system security, one of which is by building a backup operational system that is capable of continuing the data processing system in the event of damage to the main system.
4. Ensuring that business relationships with service users comply with the Code of Ethics and Code of Conduct, including free from bribery and conflicts of interest.

2.3 Ethics toward Vendors

The company is committed to providing reasonable, safe, accurate and timely services to vendors, by:

1. Selection of goods/services providers based on capabilities and achievements taking into account the costs to be borne by the Company.
2. Regulate the rights and obligations between the Company and goods/services providers in a transparent and fair manner so as to create a mutually beneficial relationship.
3. Maintain good relations with providers of goods/services by providing

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	6 of 16
Revision	2	Date	November 30 th , 2021


supporting facilities to providers of goods and services in carrying out their duties.

4. Carry out the payment which is the right of the provider of goods/services in a timely manner and with a predetermined amount.
5. Provide strict sanctions for any violations committed by providers of goods/services in accordance with the agreement.
6. Always prioritize problem solving by deliberation on the basis of mutual benefit (win-win solution).
7. Prohibit any goods/services provider employed by the Company from disclosing data and information that is not for public consumption either directly or indirectly, during or after the working period, which he obtained while working on the work/project.
8. Inform the goods/services provider that all Company personnel (the Board of Commissioners, Directors and employees of the Company) do not receive gifts in any form for transactions made between the Company and goods/services providers.

2.4 Ethics toward Regulator

The company is committed to always complying with laws and regulations and maintaining good relations with all government agencies and officials by:

1. Understand and comply with all laws and regulations, especially those related to the Company's business sector, such as regulations issued by government agencies/agencies.
2. Ensuring that relations with all government agencies and officials are free from bribery and conflicts of interest.
3. Requires all partners of the Company to always comply with laws or regulations issued by regulators.

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	7 of 16
Revision	2	Date	November 30 th , 2021


2.5 Ethics toward Public

The company is committed to increasing access to education and knowledge related to the Capital Market. As a Self-Regulatory Organization (SRO) in the Capital Market, the Company carries out its role in society by:

1. Carry out outreach and education programs about the Capital Market to the public with the SRO.
2. Organize various social activity programs that have a direct impact on the community.
3. Not taking actions that lead to gender discrimination, as well as ethnicity, religion, race and inter-group.

2.6 Ethics toward Shareholders

As one the SROs in the Indonesia capital market industry, the Company which is a non-profit organization is committed to always be professional, fair and transparent in managing Company assets by shareholders, in order to realize a globally competitive Indonesia capital market.

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	8 of 16
Revision	2	Date	November 30 th , 2021

CHAPTER 3. BUSINESS ETHICS STANDARDS


3.1 Work Ethics Among Employees, Board of Directors, and Board of Commissioners

PT Kustodian Sentral Efek Indonesia (KSEI or the Company) realizes that the reputation of the Company is highly dependent on the behavior of each of the Company's Employees, Directors and Board of Commissioners who maintains the best service standards.

The work ethic of the Company's Employees, Directors and Board of Commissioners regulates the procedures for behavior expected by each party in the Company in carrying out work and in interactions and is designed to assist each Company Employee, Board of Directors and Board of Commissioners to interpret the Company's ethics to each stakeholder.

Therefore, the Company's Employees, Directors and Board of Commissioners must always uphold the core values adopted by the Company and try their best not to violate these core values, by:

1. Maintain integrity and honesty as well as act professionally in carrying out daily tasks as an Employee, Board of Directors and Board of Commissioners of the Company.
2. Continuously strive to improve self-competence so that they can carry out the assigned tasks and responsibilities optimally.
3. Help each other, motivate and work together in completing the assigned tasks and responsibilities.
4. Fostering good cooperative relations between co-workers in the Company's organization, by respecting each other's duties and authorities.
5. Playing an active role in creating a work environment that is free from discrimination, harassment, intimidation, and anarchy.
6. Mutual respect, appreciation and openness to criticism and suggestions

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	9 of 16
Revision	2	Date	November 30 th , 2021


from colleagues and try to resolve any problems that occur through deliberation and consensus.

7. Always strive to maintain the good name of the Company at every opportunity, both when in the work environment and when outside the work environment.
8. Do not work under the influence of alcohol, illegal drugs, or other dangerous addictive substances.
9. Understand well and comply with all company regulations and policies.
10. Always obey and comply with laws and regulations and Company regulations.
11. Respect differences in gender and ethnicity, religion, race, and between groups (SARA) and promote a sense of justice.
12. Always behave according to the Code of Business Ethics and Company Code of Conduct.

3.2 **Protection of Company Data and Information Systems**

In carrying out its duties and authorities as a Central Securities Depository (CSD), the Company receives a lot of sensitive and confidential data and information from various parties. In relation to this data and information, employee, the Board of Directors and the Board of Commissioners of the Company are responsible for:

1. Using an adequate technological security system.
2. Considering the interests of the Company when providing information outside the Company and not disseminating data and information to other parties.
3. Maintain the confidentiality of any confidential data and information belonging to the Company, except for information regarding matters that have been published.
4. Understand and follow instructions, procedures, work instructions, or other lists that contain references/instructions for implementing actual information security measures.
5. Must not endanger the security of the Company's information technology assets.
6. It is not permissible to use the data and information obtained for personal gain or for other parties.

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	10 of 16
Revision	2	Date	November 30 th , 2021

7. Comply with laws and regulations, especially those related to information systems.
8. Employees, Directors and Board of Commissioners of the Company who resign from the Company are not allowed to take confidential information. All data is wholly owned by the Company.

3.3 Use and Protection of Company Assets


Code of conduct related to Company assets are aimed at optimizing their use. Every Employee, Board of Directors and Board of Commissioners of the Company is responsible to:

1. Use all of the Company's assets effectively and efficiently to achieve the Company's goals. The use of Company assets for personal purposes, such as: photocopying, printing and others, must be approved by the direct supervisor taking into account the level of materiality, reasonableness, not for commercial purposes, carried out outside of the Company's working hours, and does not violate Company regulations that has been established.
2. Safeguard the Company's assets, both physical, financial and other assets from unauthorized use, embezzlement and fraud.

3.4 Storage and Recording of Data and Reporting

Employees, Board of Directors and Board of Commissioners of the Company store and record data in an accurate, thorough, organized and timely manner so that it can be used as well as possible for the authorities and those in need, by:

1. Record data based on correct and accountable sources.
2. Store data (including important documents and papers) owned by the Company in an organized manner at a predetermined place and within a certain period of time in accordance with Company policies

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	11 of 16
Revision	2	Date	November 30 th , 2021


and laws and regulations. Reports are prepared and presented according to their needs in order to assist the decision-making process and improve performance.

3. Do not hide facts and reports that should be submitted, especially those of a material nature that may influence the decision-making process.
4. Data documentation and reports related to law violations, litigation, or investigations may not be destroyed.

3.5 Information Disclosure and Insider Trading

Employees, Board of Directors and Board of Commissioners of the Company must apply the principle of prudence to the information they have in connection with the work performed, therefore:

1. Employees, Board of Directors and Board of Commissioners of the Company are not allowed to disclose data and information owned by the Company to outsiders without the approval of the authorities in the Company in accordance with the policies and procedures of the Company. The Company needs to establish policies concerning the criteria for confidential information as well as provisions and sanctions for the misuse of such confidential information.
2. Provision of information to external parties in connection with the fulfillment of the Company's obligations to the State, legal issues or other similar obligations must first be approved by the Board of Directors or appointed officials and coordinate with the Corporate Secretary. No one is allowed to represent the Company without permission from the Board of Directors.
3. Employees, Board of Directors and Board of Commissioners of the Company are not allowed to provide outsiders or use the information they obtain themselves regarding securities (stocks, bonds, etc.) recorded in the Company's main system with the aim of obtaining personal gain as stipulated in Capital Market Law.


		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	12 of 16
Revision	2	Date	November 30 th , 2021

3.6 Conflict of Interest and Abuse of Position

A conflict of interest can arise if the Employees, Board of Directors and Board of Commissioners of the Company take actions or have interests that may make it difficult for the Employees, Board of Directors and Board of Commissioners of the Company in carrying out their work objectively and effectively, or make the Employees, Board of Directors and Board of Commissioners of the Company not act in the best interests of the Company.

In carrying out their duties and responsibilities, the Employees, Board of Directors and Board of Commissioners of the Company must:

1. Avoid situations of a conflict of interest or appear to be a conflict of interest.
2. Every member of the Company must be objective, impartial and always act in the interests of the Company, especially when dealing with providers of goods/services, recipients of Company services and other third parties.
3. In the event of a potential conflict of interest, Company personnel must disclose any potential conflict of interest that occurs to their direct supervisor so that it can be followed up by delegating duties and authority to other more objective Employees, Board of Directors and Board of Commissioners of the Company.
4. In order to avoid conflicts of interest, Company personnel are not allowed to hold concurrent positions in other companies without the permission of the Board of Directors and provisions.
5. It is not permissible to abuse position, authority and influence in the Company for the sake of helping outsiders or for their own interests.

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	13 of 16
Revision	2	Date	November 30 th , 2021


3.7 Accepting and Giving Gifts

To maintain objectivity, avoid conflicts of interest, and maintain public confidence in the integrity of the Company, all Company personnel are required to:

1. Do not accept, directly or indirectly, gifts in the form of cash or other forms (valuable items, travel gifts or other valuable gifts) or loans from external parties related to the Company. Acceptance of gifts in forms other than cash (for example: merchandise, mementos and other non-cash gifts) may be permitted as long as following the provisions in the KSEI Gratification Control Guidelines.
2. It is prohibited to give or promise gifts in the form of money or other forms (valuable goods, travel gifts or other valuable gifts), on behalf of the Company or on behalf of themselves to parties related to the Company such as: government agencies, goods/services providers and users of the Company's services and others, with the aim of influencing these parties to do or not do something in relation to their capacity of office. Provisions related to giving follow the provisions in the KSEI Gratification Control Guidelines.
3. Companies can make donations or contributions if they are made with clear and accountable objectives and through an expenditure authorization mechanism in accordance with Company policies and regulations.

3.8 Political Activity


Company personnel, namely the Company's Employees, Board of Directors and Board of Commissioners, are neutral towards all political parties. Employees, Board of Directors and Board of Commissioners of the Company are not allowed to be active in practical politics, such as: becoming administrators or members of political parties, being nominated by political parties and other political activities that risk harming the reputation of the Company. However, as part of Indonesian citizens,

		Code of Business Ethics and Code of Conduct	
No. Document	PM-004	Page	14 of 16
Revision	2	Date	November 30 th , 2021

Company personnel have the right to cast their votes in general elections (national and regional).

3.9 Prohibition of Family Relations

With the aim of maintaining the objectivity and professionalism of the Company's Employees, Directors and Board of Commissioners, and to prevent collusion and other negative things that can occur in the work environment, if there is a family relationship between Employees and fellow Employees, Directors and Commissioners The Company, either because of marital or hereditary relations up to the second degree, both horizontally and vertically, the Company will rearrange the division of tasks and authorities for each.

		Corporate Governance Guidelines	
No. Document	PM-003	Page	15 of 43
Revision	2	Date	January 11 th , 2023


CHAPTER 4. IMPLEMENTATION AND ENFORCEMENT

4.1 Organization

1. The Board of Commissioners is responsible for complying with the Code of Business Ethics and Code of Conduct within the Company.
2. The Board of Directors is responsible for implementing the Code of Business Ethics and Code of Conduct within the Company, assisted by the Corporate Secretary and the Audit and Risk Management Unit.
3. Division heads, unit heads, and interim division heads are responsible for implementing the Code of Business Ethics and Code of Conduct within their respective work units.
4. Every Employee, Board of Directors and Board of Commissioners of the Company receives one copy of the Code of Business Ethics and Code of Conduct and signs the Integrity Pact.

4.2 Socialization and Internalization

1. The Company prepares a Standard Operating Procedure (SOP) according to the needs of each function in the Company as a guideline for implementing the provisions in this Code of Business Ethics and Conduct so as to facilitate its implementation.
2. The company is obliged to socialize and internalize business ethics and code of conduct to all employees, directors and commissioners of the company.
3. Each employee, Board of Directors and Board of Commissioners of the Company can ask for an explanation or submit questions related to business ethics and code of conduct to their direct superiors or to the Company through the Company's whistleblowing policy mechanism.

		Corporate Governance Guidelines	
No. Document	PM-003	Page	16 of 43
Revision	2	Date	January 11 th , 2023

4.3 Violations


Violations are attitudes, actions or actions that deviate from the Code of Business Ethics and Company Code of Conduct. In order to enforce, maintain and improve the Company's code of conduct and work discipline of the Company's Employees, Board of Directors and Board of Commissioners, the Company may impose sanctions on Company Employees, Board of Directors and Board of Commissioners who commit violations, in the form of:

1. Verbal reprimand
2. Written warning
3. Administrative sanctions
4. Termination of employment (PHK)

Details of sanctions in more detail can be seen in the Company Regulations.

4.4 Enforcement of Business Ethics and Code of Conduct through a Whistleblowing Policy

1. Every Employee, Board of Directors and Board of Commissioners of the Company must report any facts of deviations from business ethics and code of conduct in accordance with the Company's whistleblowing policy.
2. The company guarantees the confidentiality of the identity of the reporter and the contents of the report.
3. The company will follow up on any reports of violations supported by sufficient preliminary evidence.
4. The company is committed to protecting reporters and anyone who assists in the investigation of violations from possible retaliation from other parties. Corporate protection also includes legal protection when necessary.
5. Employees, Board of Directors and Board of Commissioners of the Company who are proven to have violated still have the right to explain or defend the alleged violation before being given sanctions


		Corporate Governance Guidelines	
No. Document	PM-003	Page	17 of 43
Revision	2	Date	January 11 th , 2023

according to Company policy.

6. The imposition of sanctions is carried out by the Board of Directors by considering the proposal of the Head of the Internal Audit Unit (as the investigation coordinator) and the employee's direct supervisor.

4.5 Whistleblowing Mechanism

Mechanisms and reporting stages regarding whistleblowing are further regulated in the Company's Whistleblowing Policy.

		Corporate Governance Guidelines	
No. Document	PM-003	Page	18 of 43
Revision	2	Date	January 11 th , 2023

CHAPTER 5. CLOSING

This Code of Business Ethics and Code of Conduct is effective from the time it is ratified and will be evaluated periodically by the Company's Board of Commissioners and Board of Directors to comply with the laws and regulations as well as Company regulations.

Jakarta, 30 November 2021

Board of Directors

Uriep Budhi Prasetyo
President Director

Syafruddin
Director

Supranoto Prajogo
Director