



BOARD OF DIRECTORS' DECREE
PT SILOAM INTERNATIONAL HOSPITALS TBK
NUMBER: 030/DIR--SIH/CORSEC/X/2021
CONCERNING
SUSTAINABLE PROCUREMENT POLICY

Considering : 1. Whereas, as part of PT Siloam International Hospitals Tbk (hereinafter, the “**Company**”, “**Siloam**”, “**We**”, “**Us**” or “**Our/Ours**”) commitment to our stakeholders to undertake responsible business practices, it is necessary to adopt a Sustainable Procurement Policy which adherence to the applicable laws and regulations, as well as to international standards;

2. Whereas, this Policy ensures that our Suppliers to support and respect the protection of human rights and the environment, and Siloam reserves the right to regularly ask Suppliers to confirm adherence to this Policy.

3. Whereas, this Policy ensures that our direct Suppliers (as defined in this Policy) to support our commitment to full compliance with this Policy through the development and implementation of a similar policy and risk-based due diligence process over their own supply chains.

Referring to in : 1. Law No. 11 of 2020 on Job Creation.
2. Law No. 32 of 2009 on Protection and Management of Environment.

H A S R E S O L V E D

To Enact : **SUSTAINABLE PROCUREMENT POLICY**

- First : To assign all related staff to conduct Procurement activities (as defined in this Policy) in adherence to this Policy.
- Second : This Decree is effective from the date of stipulation and if in the foreseeable future there is an error in this Decree, it will be amended accordingly.

Stipulated in : Tangerang

Dated : 27 October 2021



Darjoto Setyawan

President Director



Caroline Riady

Vice President Director



SUSTAINABLE PROCUREMENT POLICY

PT SILOAM INTERNATIONAL HOSPITALS TBK
EDITION 01 / YEAR OF 2021

SUSTAINABLE PROCUREMENT POLICY

No. GEN-HO-BOD-004

I. Summary

This Policy regulates the provisions and prohibitions to Siloam's Suppliers in respect of the protection of human rights, socials, and the environment in accordance with Siloam's commitment to full compliance to achieve sustainable procurement in Siloam's supply chain through the development and implementation of a similar policy and risk-based due diligence process over their own supply chains.

II. Scope

- II.a. This Policy applies to internal directorate/division handling Procurement (as defined in this Policy) within the organization of the Company or its Subsidiaries.
- II.b. This Policy applies to Siloam's Suppliers, supplier or subcontractor of Suppliers, workers or employees of any of those supplier (including permanent, temporary, contract agency and migrant workers). This includes all workers providing work at a supplier location, such as under an employment agency or service provider.

III. Document Control

Document Control	
Document Type	General Policy
Document Ownership	SHG
Divisi	-
Document Status	Approved
Version	01.2021
Approved by	Board of Directors PT Siloam International Hospitals Tbk
Effective Date	27 October 2021
Next Review Date	27 October 2024
Review Frequency	3 years
Replacing Document	-

Relevant Document	1. Standard Operating Procedure No. 001.P.01/2021 dated January 1, 2021
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CHAPTER 1
PURPOSES, OBJECTIVES AND
ACCOUNTABLE IMPLEMENTATION

1.1 Purposes

1.1.1 We expect our direct Suppliers to support our commitment to full compliance with this Policy via the development and implementation of a similar policy and risk-based due diligence process over their own supply chains.

1.1.2 Siloam expects its Suppliers to support and respect the protection of human rights and the environment and reserves the right to regularly ask Suppliers to confirm adherence to this Policy.

1.2 Objectives

1.2.1 Siloam will require all Suppliers with whom it has a direct relationship to comply with all relevant laws, rules and regulations in the countries in which they operate and with this Policy.

1.2.2 Siloam will regularly review its supplier arrangements and encourage Suppliers to be open and honest about the challenges they face so Siloam can support them in finding practical solutions. Siloam is committed to working with its Suppliers to implement improvement plans and help them achieve compliance.

1.2.3 Siloam will require its direct Suppliers to communicate this Policy to their own direct Suppliers and should use best efforts to extend the principles of this Policy through their entire supply chain.

1.2.4 If a supplier is unable to demonstrate a commitment to comply with this Policy, Siloam will seek corrective action and will have the right to cease its relationship with the supplier if the Supplier cannot meet the standards of the Policy in an agreed period of time.

1.3 Accountable Implementation

1.3.1 Implementation of the Policy shall be organized within Siloam's Procurement team, including but not limited to purchasing, pharmacy, fast track, facility management, general affairs, commercial, clinical, and human capital, or any other function that procure goods and/or services externally

from Siloam, which will have the responsibility to ensure compliance with the policy based on each supplier.

- 1.3.2 Siloam will work to raise the supplier's awareness of the Policy including by determining the key factors for which compliance will decrease the probability of the supplier's violation of material ESG factors or applicable local laws.
- 1.3.3 Siloam will communicate to all its employees why it has adopted this Policy and will place the policy on its repository portal. Siloam will collect internal and external feedback and periodically review the policy and update as necessary.

CHAPTER 2

POLICY REQUIREMENTS

- 2.1. All Suppliers are required to agree to the principles in the Sustainable Procurement Policy.
- 2.2. Siloam will regularly review its supplier arrangements and encourage Suppliers to be open and honest about the challenges they face so Siloam can support them in finding practical solutions. Siloam is committed to working with its Suppliers to implement improvement plans and help them achieve compliance. If Suppliers are unable to demonstrate compliance with the Policy over a reasonable period, Siloam reserves the right to terminate any supply agreement.
- 2.3. Suppliers must complete a periodic self-assessment and Siloam may, at its discretion, require an independent audit of compliance with this policy.
- 2.4. Suppliers are required to use best efforts to provide records which will permit an independent audit if requested.

CHAPTER 3

SUPPLIER'S LEGAL REQUIREMENTS

- 3.1 Suppliers under the direct control on the company or its direct manufacturers should comply with all local laws and regulations regarding labour, health, safety and the environment in addition to this Policy. Suppliers should work with their (parent) suppliers to do the same and the company will support their efforts to do so.
- 3.2 Prior to engagement with Siloam, Suppliers will be requested to sign the Statement Letter of Ethics as attached in Appendix 1 of this Policy.



- 3.3 Each Supplier shall provide in writing reasonable cause, to Siloam satisfaction, if such Supplier cannot sign the Statement Letter as described in Article 3.2 of this Policy.

CHAPTER 4

BUSINESS INTEGRITY

- 4.1. Suppliers must engage professional business ethics in all dealings and provide transparent documentation and records, including but not limited to the KYC processes conducted by Siloam.
- 4.2. Bribes, favours, benefits or other similar unlawful or improper payments, in cash or in kind, are strictly prohibited, whether given to obtain business or otherwise.

CHAPTER 5

WAGES AND BENEFITS / WORKING HOURS

- 5.1. Wages and benefits paid for a standard working month must be paid in accordance and in compliance with the applicable government laws and regulations.
- 5.2. All workers must be provided with written and understandable information about their employment conditions in respect to wages, before they enter employment.
- 5.3. Record keeping on hours worked must be accurate, complete, and transparent.
- 5.4. All employment must be freely chosen by the employee and the Supplier shall ensure there is no forced, bonded or involuntary prison labour. To that end, workers must not be required to lodge "monetary deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

CHAPTER 6

SUB-CONTRACTING AND SUPPLY CHAIN

- 6.1. All sub-contracting from the direct manufacturers must be documented and made available for review by Siloam or an independent auditor if requested, including but not limited to records of subcontractors' names and locations.
- 6.2. Suppliers must use their best efforts to have adequate policies and processes in place for properly managing subcontracting, to ensure subcontractors operate in accordance with applicable laws, regulations, and this Policy.
- 6.3. Siloam direct Suppliers must use their best efforts to communicate this Policy to their own Suppliers and should use their best efforts to extend the principles of this Policy

through their supply chain. Siloam is committed to working with Suppliers throughout the supply chain to implement improvement plans and help them achieve compliance.

CHAPTER 7

SAFE WORKING CONDITIONS

- 7.1. Plant and systems of work which are safe and without risk to health will be provided.
- 7.2. Suppliers will provide workers with a safe and clean working environment taking into consideration the prevailing knowledge of the industry and of any specific hazards.
- 7.3. Workers must receive adequate, recorded training to perform their jobs in a safe manner.

CHAPTER 8

ANTI CHILD LABOUR

- 8.1. Suppliers must not use child labour as defined by relevant national and local laws.
- 8.2. Suppliers must be able to verify the age of all employees to ensure no child labour is used pursuant to local law.

CHAPTER 9

ENVIRONMENT AND ENVIRONMENTAL SUSTAINABILITY

- 9.1. Suppliers must comply with local and national environmental laws and regulations.
- 9.2. Suppliers must use reasonable endeavors to comply with international standards on environmental protection.
- 9.3. Resource consumption, pollution prevention and waste minimization: Business is conducted in a manner which proactively embraces sustainability. Suppliers shall optimize their consumption of natural resources, including energy and water.
- 9.4. Environmental impact management: Business is conducted in a manner which reduces environmental impact. As such, Suppliers will seek to minimize the environmental impact of their facilities and operations, including air and greenhouse gas emissions, water (whether in a production process, for irrigation, or for other uses), contamination and waste.
- 9.5. Hazardous materials and product safety: Suppliers shall identify and reduce the use of hazardous materials, chemicals, and substances. Suppliers will also ensure their safe

handling, storage and disposal. All applicable employees shall be aware of and trained in related safety procedures.

CHAPTER 10

DOCUMENTATION AND POLICIES

Documentation is in place to ensure effective ethical management practices and successful sustainable procurement within Siloam's supply chain.

CHAPTER 11

TRANSITIONAL PROVISION

11.1 At the time of the enactment of this Policy:

- a. all existing Suppliers' contracts that have been signed and engaged with are still valid and remain effective until the agreed period.
- b. any renewal or amendment to existing contract with Suppliers shall adjust to the provision in this Policy.
- c. Suppliers who are still in the negotiation process shall adjust to the provision in this Policy.

DEFINITIONS

The following are the terms used in this Policy:

- Board of Directors : The Company's Board of Directors in accordance with the applicable articles of association.
- General Policy : An umbrella policy and is a derivative regulation from Charter or other external regulations which is required to be implemented by the Company in the form of Company's policy.
- Company or Siloam : PT Siloam International Hospitals Tbk
- ESG : Environmental, Social, and Governance.
- KYC or Know Your Counterparty : Shall means an internal identifying process conducted by the Company on the external parties as set forth in the Standard Operating Procedure No. 001.P.01/2021 dated January 1, 2021.
- Procurement : Any division, directorate, or any function within Siloam's internal organizations that purchases goods and related services externally from Siloam.
- Supplier or Suppliers : Any person or entity that is the source for goods or services, back to the primary production level. It includes all workers and employees of any of those Suppliers (including permanent, temporary, contract agency and migrant workers) – including all workers providing work at a supplier location, such as under an employment agency or service provider.
- Statement Letter of Ethics : as attached in Appendix 1 of this Policy.

SURAT PERNYATAAN ETIKA

Kami yang bertandatangan di bawah ini:

Nama :

Jabatan:

Alamat :

(selanjutnya disebut “Perseroan”)

Bahwa sehubungan dengan kerjasama antara Perseroan dengan PT Siloam International Hospitals Tbk dan/atau anak perusahaannya (“Siloam Hospitals Group”), dengan ini Perseroan menyatakan hal-hal sebagai berikut:

1. *Jaminan Harga Adil dan Wajar*

- a. Harga yang kami tawarkan tersebut sudah termasuk manfaat dan semua pajak/manfaat yang berlaku serta semua unsur biaya yang telah diatur dalam dokumen pengadaan dan belum/tidak termasuk Pajak Pertambahan Nilai (PPN 11%).
- b. Bahwa harga yang kami berikan adalah wajar. Apabila dikemudian hari diketahui bahwa harga yang kami berikan menunjukkan/mengindikasikan ketidakwajaran, maka kelebihan harga tersebut dapat kami pertanggungjawabkan dan kembalikan kepada Siloam Hospitals Group dan dapat dikenakan sanksi (berlaku untuk perusahaan, pemiliknya, dan manajemennya) sesuai dengan ketentuan perundang-undangan yang berlaku.

2. Perusahaan tidak akan menawarkan, memberikan atau menyetujui untuk memberikan hadiah, komisi yang tidak wajar, atau bentuk keuntungan lainnya di luar Kerjasama yang disepakati kepada Siloam Hospitals Group dan karyawannya atau siapapun yang bekerja untuk Siloam Hospitals Group, dengan tujuan untuk menjamin atau melaksanakan pekerjaan, termasuk menyembunyikan segala bentuk kecacatan, kesalahan dan/atau kegagalan dalam memenuhi persyaratan pekerjaan.

3. Perseroan setuju untuk menerapkan nilai-nilai atau prinsip-prinsip yang terkandung dalam Tata Kelola Perusahaan yang Baik dan Kode Etik yang berlaku di Siloam Hospitals Group.
4. Bahwa Perseroan dan karyawannya tidak mempunyai benturan kepentingan dengan Siloam Hospitals Group yang membuat Perseroan tidak dapat menjadi mitra dari Siloam Hospitals Group.
5. Perseroan atau karyawan Perseroan, baik yang mengatasnamakan perorangan dan/atau perusahaan dilarang berkolusi atau korupsi dalam bentuk apapun dan dengan cara apapun dengan karyawan Siloam Hospitals Group. Jika ketentuan ini terbukti secara jelas dilanggar atau tertangkap tangan dengan bukti yang sah dan diakui secara hukum, maka disepakati bahwa Siloam Hospitals Group berhak untuk menjatuhkan sanksi secara sepihak.
6. Dalam hal Perseroan atau karyawan Perseroan melanggar salah satu pernyataan tersebut di atas, maka Perseroan dengan ini membebaskan Siloam Hospitals Group (untuk seluruh entitas Siloam Hospitals Group, termasuk Direksi, Dewan Komisaris, dan seluruh karyawannya) dari segala permasalahan hukum, tuntutan hukum dan/atau tuntutan yang timbul sehubungan dengan pelanggaran tersebut dan bertanggung jawab penuh atas akibat yang timbul sehubungan dengan pelanggaran tersebut.

Demikian Pernyataan Etik ini dibuat dan ditandatangani pada tanggal sebagaimana tercantum di bawah ini, tanpa paksaan dari pihak manapun, khususnya Siloam Hospitals Group, dan akan dilaksanakan dengan penuh tanggung jawab.

[Tempat], [Waktu]

Materai Rp. 10,000,-

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[Jabatan]