






# PT MERDEKA COPPER GOLD TBK STANDARD

## MCG-HSE-STD-012 SUPPLIER SUSTAINABILITY CODE OF CONDUCT

REV	DATE	DESCRIPTION	PREPARED BY	REVIEWED BY	REVIEWED BY	APPROVED BY	APPROVED BY
1.0	19/12/2022	First issue for implementation	Bahtiar Manurung (Sustainability Manager)	Azlan Ismail (HSE, Risk & Sustainability)	Tongam Tobing (Supply Chain Management General Manager)	Eric Rahardja (Chief Commercial and Business Support)	Albert Saputro (President Director)
							

	<b>STANDARD</b>	
	<b>SUPPLIER SUSTAINABILITY CODE OF CONDUCT</b>	
No. Document: <b>MCG-HSE-STD-012</b>	Effective Date: <b>19/12/2022</b>	Revision No: <b>1.0</b>

This Supplier Sustainability Code of Conduct ("Supplier Code") sets forth our requirements for all suppliers doing business with PT Merdeka Copper Gold Tbk and its subsidiaries (hereinafter shall be referred to as "Merdeka").

This Supplier Code is part of Merdeka's commitment to good corporate governance and sustainability throughout Merdeka's operations as set out in Merdeka's Code of Conduct and Sustainability Policy.

## 1. Scope

This Supplier Code defines suppliers as all business entities, organizations, or individuals that provide goods or services to Merdeka. Merdeka commits to doing business only with suppliers who can demonstrate compliance with the requirements contained in this Supplier Code.

## 2. Business Ethics and Integrity

Merdeka commits to upholding the highest standards of ethics and integrity in conducting its business and requires its employees to work honestly and avoid corruption and bribery of any kind. We expect our suppliers to have the same commitment to ethics and integrity. Our Suppliers must:

- Avoid engaging in bribery, corruption, facilitation payments, and any other prohibited business practices.
- Comply with anti-corruption and anti-money laundering laws and regulations.
- Avoid any action that can cause a conflict of interest.
- Maintain the confidentiality of all non-public information about Merdeka including those obtained by suppliers in the performance of their duties
- Comply with applicable privacy and personal data protection laws and regulations.

## 3. Environmental Management

Merdeka commits to protecting the environment and seeking to avoid and remediate environmental impacts that Merdeka's operations may cause. Similarly, our suppliers must strive to implement environmental stewardship best practices. Our suppliers must:

- Adhere to prevailing Indonesian laws and regulatory requirements on environmental stewardship.
- Implement an effective environmental management system
- Have processes in place to identify and assess opportunities to reduce or eliminate their activities' environmental impacts, the goods they supply, and the services they deliver.
- Work together with Merdeka to identify opportunities and carry out programs to reduce water consumption and toxic and non-toxic waste.
- Identify opportunities for the reduction of energy consumption and greenhouse gas emission.

## 4. Occupational Health and Safety (OHS)

Merdeka places the health and safety of Merdeka's employees, suppliers, contractors, and business

 <b>MERDEKA</b> COPPER GOLD	<b>STANDARD</b>	
<b>SUPPLIER SUSTAINABILITY CODE OF CONDUCT</b>		
No. Document: <b>MCG-HSE-STD-012</b>	Effective Date: <b>19/12/2022</b>	Revision No: <b>1.0</b>

partners at the highest priority in line with Merdeka's operational health and safety goal of "Everyone Safe Always!"

We expect our suppliers to prioritize health and safety in everything they do. Our supplier must:

- Comply with all prevailing Indonesian laws and regulations on OHS.
- Implement an effective OHS management system.
- Provide a safe and healthy working environment for their workers, including providing appropriate personal protective equipment at no cost.
- Strive to eliminate workplace fatalities, injuries, and health deterioration of their employees.
- Endeavor for continual improvement in safety performance by regularly reviewing and updating their safety programs and practices.
- Develop a mechanism for their employees to communicate and submit their grievances on OHS issues.

## 5. Labour and human rights

Merdeka believes that employees are the most valuable asset who have a strategic role in supporting business sustainability and Merdeka commits to continuously developing Merdeka's employees' competencies.

Merdeka strives to treat all individuals that include employees, suppliers, contractors, other business partners, and communities with respect and dignity.

We expect our suppliers to respect the rights of all employees, business partners, and communities affected where they operate. Our supplier must:

- Adhere to all prevailing Indonesian labor laws and regulations.
- Implement fair terms of conditions of employment, including wage, working hours, rest period, and paid leave.
- Prohibit all forms of forced labor and child labor in their operations.
- Uphold workers' right to freedom of expression and freedom of peaceful assembly and association.
- Apply an anti-discrimination policy and treat their workers equally regardless of religion, race, gender identification, and sexual orientation.
- Treat all their employees with dignity and respect, and prohibit physical or verbal abuse and sexual or other harassment.
- Respect internationally recognized human rights as expressed in the Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and other prevailing international human rights principles and Indonesian laws and regulations regarding human rights
- Establish effective grievance mechanisms for the suppliers' employees, business partners, and communities whose rights might have been affected by the suppliers' activities.
- Enable the remediation of human rights impacts that the suppliers may cause or to which they contribute.

## 6. Community Engagement

Merdeka believes that engagement with communities is essential in ensuring Merdeka's operational success and maintaining the social license to operate.

Merdeka commits to maintaining a robust engagement with the communities and contributing to the welfare improvement of the community where Merdeka operates. We expect our suppliers to have the same commitment. Our suppliers must:

- Strive to live in harmony with the local communities in all areas of Merdeka's operations.
- Respect the culture, beliefs, and values of the indigenous people and local communities throughout Merdeka's operational areas.
- Conduct a respectful dialogue and consult with local communities and indigenous people throughout Merdeka's operational areas.
- Maintain positive communication with communities in resolving disagreements, issues, and challenges to ensure a fair and mutually beneficial outcome.
- Regularly assess the potential and actual impacts of their activities on neighboring communities, integrate measures to mitigate the potential impacts, and address the actual impacts into their work plans.

## 7. Grievance Mechanism

Suppliers can submit their grievances about any unethical actions by Merdeka's employees and other relevant parties that could prevent the suppliers from adhering to this Supplier Code through Merdeka's speak up system can be accessed on the following website:

<https://mcg.whispli.com/SpeakUp?locale=en>

In addition, any dispute on suppliers' compliance with this Supplier Code can be resolved in accordance with the dispute resolution clauses in the contract between the suppliers and Merdeka.

## 8. Monitoring, Assessment, Audits, and Reviews

Suppliers are expected to conduct self-monitoring of their compliance with this Supplier Code.

In addition, Merdeka will carry out regular assessments of this Supplier Sustainability Code of Conduct implementation, including through independent third-party audits.

This supplier code will be reviewed regularly and updated as required.

 <b>MERDEKA</b> COPPER GOLD	<b>STANDARD</b>		
	<b>SUPPLIER SUSTAINABILITY CODE OF CONDUCT</b>		
No. Document: <b>MCG-HSE-STD-012</b>	Effective Date: <b>19/12/2022</b>	Revision No: <b>1.0</b>	

## 9. References

- United Nations Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- Global Reporting Initiative (GRI) 2021.
- Regulation of the Financial Services Authority (OJK) No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies.
- ISO 14001:2015 – Environmental Management System.
- ISO 45001:2018 – Occupational Health and Safety (OHS).
- Merdeka's Code of Conduct, dated 1 April 2022.
- Merdeka's Guidelines for Good Corporate Governance, the year 2020.
- Merdeka's Sustainability Policy, No. MCG-HSE-POL-003, dated 4 November 2022.
- Merdeka's Anti-Money Laundering Policy, No. POL-IR-07-00, dated 1 August 2022.
- Merdeka's Anti-Bribery Policy, No. POL-IR-06-00, dated 1 August 2022.
- Merdeka's Conducive and Positive Work Environment Policy, No. POL-IR-08-00, dated 1 August 2022.
- Merdeka's Speaking Up and Anti-Retaliation, No. Policy POL-IR-10-00, dated 1 August 2022.
- Merdeka's Conflict of Interest Policy, No. POL-IR-09-00, dated 1 August 2022.
- Merdeka's Anti-Corruption Policy, No. POL-IR-05-01, dated 1 November 2022.
- Merdeka's Anti-Discrimination and Gender Equality Policy, No. POL-IR-01-00, dated 1 December 2021
- Merdeka's Environmental Policy, September 2021.
- Merdeka's Net Zero Statement.
- Merdeka's Occupational, Health, and Safety Policy, September 2021.
- Merdeka's Child Labour Protection Policy No. POL-IR-02-00, dated 1 December 2021.
- Merdeka's Abolition of Forced Labour Policy, No. POL-IR-03-00, dated 1 December 2021
- Merdeka's Freedom of Association and Protection of Organization Policy, No. POL-IR-04-00, dated 1 December 2021.
- Merdeka's Human Rights Policy, dated 12 August 2022.
- Merdeka's Communities Policy
- Merdeka's Community Development and Empowerment Standard