






# PT MERDEKA COPPER GOLD TBK

## RISK AND OPPORTUNITY MANAGEMENT POLICY

MCG-SUS-POL-004

REV.	Prepared and Approved By: Risk & CMS Manager	Reviewed and Approved By: Risk & Compliance	Approved By: Sustainability	Approved By: Vice President Director PT MCG	Approved By: President Director PT MCG
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## I. PURPOSE

PT Merdeka Copper Gold Tbk and its subsidiaries are committed to ensuring that Risk and Opportunity Management (ROM) is an integral part of all aspects of the business. This risk and opportunity management policy adopts a proactive and collaborative approach in managing risk and opportunity to achieve the company's strategic objectives consistent with the values and culture of Merdeka Copper Gold.

Through risk and opportunity management we provide certainty and confidence in our business operations and business continuity, and establish mitigation plans to mitigate risks and enhance opportunities.

This policy sets the foundation for how we operate in a responsible manner, create value for our stakeholders, and generate positive impacts on the economy, environment, people, and communities where we operate. We do this by:

- Ensuring the achievement of both our long-term and single-year targets.
- Providing a systematic approach to identify, analyze, evaluate, treat, monitor and report on all risks and opportunities.
- Providing a framework that encourages enterprise/ business and innovation, and assists management to make appropriate decisions.
- Ensuring the risk and opportunity register is regularly updated to describe current risks and opportunities in each area of our operations.
- Ensuring activities are undertaken within approved risk and opportunity tolerance levels to protect, among others, our profitability, assets and reputation.
- Providing the necessary resources and support mechanisms to ensure commitment toward risk and opportunity management is achieved.

## II. SCOPE

This policy is applicable to PT Merdeka Copper Gold Tbk and subsidiaries under its operational control (hereinafter shall be referred to as "MCG") and its business partners. We will work together and encourage our joint ventures and business partners, that are not within our operational control, to align their practices with this policy.

## III. COMMITMENT

We are committed to:

1. Integrating risk and opportunity management into organizational activities.
2. Adopting a structured and comprehensive risk and opportunity management system which provides consistent and comparable results.
3. Involving all relevant stakeholders inclusively thereby enabling their knowledge, views, and perceptions to be considered, resulting in improved awareness and informed risk and opportunity management decisions.
4. Taking into account human behavior and culture that significantly influences all aspects of the risk and opportunity management process at each level and stage.

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5. Appropriate and timely anticipation, detection, acknowledgement, and response to the risks related to the company's external and internal contexts and changes.
6. Continually improving risk and opportunity management procedures through learning and experience.

#### IV. RISK AND OPPORTUNITY MANAGEMENT PROCESS

We are committed to a systematic risk and opportunity management process to establish the context in which every risk owner and their subordinates can identify, analyze, evaluate and treat their risks and opportunities, while communicating and consulting with stakeholders and continuously monitoring and reviewing the elements of the process.

#### V. RESPONSIBILITY AND OVERSIGHT

##### 5.1. Board of Directors

The Board of Directors oversees the implementation of the Policy through regular reports from the Risk and Opportunities Management Committee.

##### 5.2. Risk and Opportunity Management Committee

A Committee formed by MCG Board of Directors which is chaired by the Vice President Director with members consisting of Executives, general managers, and Risk Manager, is responsible for the regular review of MCG's risk and opportunity management policy, strategy, targets and guidelines. The committee is to regularly review social, environmental, health and safety, operational, and climate change risks that may impact MCG's business as well as to review and approve mitigation actions to mitigate extreme and high risks.

##### 5.3. Risk Manager

A Risk Manager is a functional or structural position in the organization who is accountable for facilitating the ROM process and implementation of analyzing, assessing, and mitigating the risks faced by the organization. The Risk Manager assists the risks owners regarding any types of risks that might affect the target and objectives of the organization and develops strategies and processes for managing those business risks and ensuring successful business continuity.

##### 5.4. Risk Owner / Leaders

A Risk Owner is an accountable point of contact for the risk register at the department head, manager level at site, or head office, who manages and coordinates efforts to mitigate the risk and enhance the opportunity with various individuals who own parts of the risk. Risk and Opportunity Owner should be someone for whom the risk and opportunity are relevant to their job and who has the authority to act.

##### 5.5. Risk Champion

A Risk Champion is a functional or structural position in the organization who promotes risk and opportunity management across the organization, or specifically within a particular organization function or project. The Champion may hold any position within the organization (site or head office) and is appointed by the head of department or manager.

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## VI. REFERENCES

The development of this policy was guided by the following documents:

1. Decree of the Director General of Minerals and Coal No: 185.K/37.04/DJB/2019 - Technical Guidelines for the Implementation of Mining Safety and the Implementation, Assessment, and Reporting of Mineral and Coal Mining Safety Management Systems.
2. ISO 31000:2018 – Risk Management.
3. ISO 45001:2018 – Occupational Health and Safety (OHS) Management System.
4. ISO 14001:2015 – Environmental Management System.
5. MCG-SUS-POL-001 – Occupational Health and Safety (OHS) Policy, PT Merdeka Copper Gold Tbk.
6. MCG-SUS-POL-002 – Environmental Policy, PT Merdeka Copper Gold Tbk.

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### REVISION HISTORY

Revision	Date	Description
1.0	17/10/2023	First Issue for Implementation