

PT MERDEKA COPPER GOLD TBK

SUPPLIER SUSTAINABILITY CODE OF CONDUCT

MCG-SCM-COC-001

Rev.	Prepared By: Sustainability Manager	Reviewed and Approved By: Sustainability	Reviewed and Approved By: Supply Chain Mgt GM	Approved By: Vice President Director	Approved By: President Director
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I. OBJECTIVE

This Supplier Sustainability Code of Conduct sets forth requirements for all suppliers doing business with PT Merdeka Copper Gold Tbk and Its Subsidiaries (“hereinafter referred to as “MCG”).

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

II. SCOPE

This Supplier Sustainability Code of Conduct defines suppliers as all business entities, organizations, or individuals that provide goods or services to MCG (“suppliers”). MCG commits to doing business only with suppliers who can demonstrate compliance with the requirements contained in this Supplier Sustainability Code of Conduct.

III. BUSINESS ETHICS AND INTEGRITY

MCG 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 require our suppliers to have the same commitment to ethics and integrity. Our Suppliers must:

1. Adhere to prevailing Indonesian laws and regulatory requirements on business ethics and integrity.
2. Avoid engaging in bribery, corruption, facilitation payments, and any other prohibited business practices.
3. Comply with anti-corruption and anti-money laundering laws and regulations and MCG’s Anti-Corruption and Bribery Policy.
4. Avoid any action that can cause a conflict of interest.
5. Maintain the confidentiality of all non-public information about MCG including those obtained by suppliers in the performance of their duties
6. Comply with applicable privacy and personal data protection laws and regulations.

IV. ENVIRONMENTAL MANAGEMENT

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

1. Adhere to prevailing Indonesian laws and regulatory requirements on environmental stewardship.
2. Implement an effective environmental management system
3. 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.
4. Work together with MCG to identify opportunities and carry out programs to reduce water consumption and toxic and non-toxic waste.
5. Identify opportunities for the reduction of energy consumption and greenhouse gas emissions.

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V. OCCUPATIONAL HEALTH AND SAFETY (OHS)

MCG places the health and safety of MCG’s employees, suppliers, contractors, and business partners at the highest priority in line with MCG’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:

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

VI. LABOR AND HUMAN RIGHTS

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

MCG is committed to respecting human rights in line with the United Nations Guiding Principles on Business and Human Rights.

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

1. Adhere to all prevailing Indonesian labor laws and regulations.
2. Implement fair terms of conditions of employment, including wage, working hours, rest period, and paid leave.
3. Prohibit all forms of forced labor and child labor in their operations.
4. Uphold workers’ right to freedom of expression and freedom of peaceful assembly and association.
5. Apply an anti-discrimination policy and treat their workers equally regardless of religion, race, gender identification, and sexual orientation.
6. Treat all their employees with dignity and respect, avoid using violence, and prohibit physical or verbal abuse, as well as sexual or other harassment.
7. 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.
8. Establish effective grievance mechanisms for the suppliers’ employees, business partners, and communities whose rights might have been affected by the suppliers’ activities.
9. Enable the remediation of human rights impacts that the suppliers may cause or to which they contribute.

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VII. COMMUNITY ENGAGEMENT

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

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

1. Strive to live in harmony with the local communities in all areas of MCG's operations.
2. Avoid using violence and conflicts with the local communities in all areas of MCG's operations.
3. Respect the culture, beliefs, and values of the indigenous people and local communities throughout MCG's operational areas.
4. Conduct a respectful dialogue and consult with local communities and indigenous people throughout MCG's operational areas.
5. Maintain positive communication with communities in resolving disagreements, issues, and challenges to ensure a fair and mutually beneficial outcome.
6. Regularly assess the potential and actual impacts of their activities on neighbouring communities, integrate measures to mitigate the potential impacts, and address the actual impacts into their work plans.

VIII. GRIEVANCE MECHANISM

Suppliers can submit their grievances about any unethical actions by MCG's employees and other relevant parties that could prevent the suppliers from adhering to this Supplier Sustainability Code of Conduct through MCG'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 Sustainability Code of Conduct can be resolved in accordance with the dispute resolution clauses in the contract between the suppliers and MCG.

IX. MONITORING, ASSESSMENT, AUDITS, AND REVIEWS

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

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

This Supplier Sustainability Code of Conduct will be reviewed regularly and updated as required.

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X. REFERENCES

The development of this Supplier Sustainability Code of Conduct is guided by the following documents:

1. United Nations Guiding Principles - Business and Human Rights.
2. ILO Declaration - Fundamental Principles and Rights at Work.
3. OECD Due Diligence Guidance for Responsible Business Conduct.
4. OJK Regulation No. 21/POJK.04/2015 dated 16 November 2015 concerning the Implementation of Corporate Governance Guidelines in Public Companies
5. Regulation of the Financial Services Authority (OJK) No. 51/POJK.03/2017 - the Implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies.
6. Global Reporting Initiative (GRI) Standards 2021.
7. ISO 14001:2015 – Environmental Management System.
8. ISO 45001:2018 – Occupational Health and Safety (OHS) Management System.
9. MCG’s Code of Conduct.
10. MCG’s Guidelines for Good Corporate Governance.
11. MCG-SUS-POL-003 - Sustainability Policy, PT Merdeka Copper Gold Tbk.
12. MCG-SUS-POL-002 - Environmental Policy, PT Merdeka Copper Gold Tbk.
13. MCG-HRS-POL-001 - People Policy, PT Merdeka Copper Gold Tbk.
14. MCG-HRS-POL-002 - Diversity, Equity, and Inclusion Policy, PT Merdeka Copper Gold Tbk.
15. MCG-HRS-POL-004 - Anti-Money Laundering Policy, PT Merdeka Copper Gold Tbk.
16. MCG-HRS-POL-003 - Anti-Corruption and Bribery Policy, PT Merdeka Copper Gold Tbk.
17. MCG-HRS-POL-006 - Speaking Up and Anti-Retaliation Policy, PT Merdeka Copper Gold Tbk.
18. MCG-HRS-POL-005 - Conflict of Interest Policy, PT Merdeka Copper Gold Tbk.
19. MCG-SUS-POL-001 – Occupational Health and Safety (OHS) Policy, PT Merdeka Copper Gold Tbk.
20. MCG-SUS-POL-014 – Human Rights Policy, PT Merdeka Copper Gold Tbk.
21. MCG-EXA-POL-001 – Community Policy, PT Merdeka Copper Gold Tbk.

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REVISION HISTORY

Revision	Date	Description
1.0	19/12/2022	First Issue for Implementation
2.0	18/12/2023	Add a requirement under the Ethics and Business Integrity section to comply with MBM's Anti-Corruption and Bribery; change in formatting and revision of the reference section