






PT MERDEKA BATTERY MATERIALS TBK

TAILING POLICY

MBM-SUS-POL-012

Rev.	Prepared By: Principal Tailings	Reviewed and Approved By: Sustainability	Approved By: Vice President Director	Approved By: President Director
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I. PURPOSE

This policy reflects the commitment of PT Merdeka Battery Materials Tbk to ensure that tailings are generated, managed, and disposed of in a safe and responsible manner. We are committed to developing and implementing best practices in managing our tailings, with a focus on minimizing harm to workers, communities, and the environment.

II. SCOPE

This policy is applicable to PT Merdeka Battery Materials Tbk and subsidiaries under its operational control (hereinafter shall be referred to as “MBM”) 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. OUR COMMITMENT


We are committed to:

1. Complying with all prevailing Indonesian laws and regulations and implementing Best Industry Practice in tailing management.
2. Respecting the rights of communities and people and engaging them meaningfully at all phases of the tailings lifecycle.
3. Designing, constructing, managing, and monitoring tailings facilities in a manner that addresses and minimizes risks, reduces potential long-term impacts on people and the environment, and includes consideration of climate change.
4. Establishing a mechanism that promotes communication, knowledge sharing, and education on tailings management.
5. Developing a process for reporting and addressing concerns and implementing whistle-blower protections.
6. Carrying out independent reviews of the design, construction, operation, and closure of our tailing management facilities.
7. Developing and maintaining emergency preparedness and response plans and capabilities in consultation with relevant government agencies and communities.
8. Transparently disclosing information about our tailings management practices and performance.
9. Allocating appropriate resources to our operations, including necessary technical, operational, and financial resources through each facility lifecycle.
10. Continuously reviewing and improving our tailings management practices.

IV. MANAGEMENT, GOVERNANCE, AND OVERSIGHT

Independent Tailings Review Board (ITRB)

The Independent Tailings Review Board (ITRB) provides independent review and advice in terms of the design, operation, and management of the facilities, closure, and post-closure, including tailings standards, systems, performance, and auditing functions to the MBM Board of Directors via the Vice President Director.

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The ITRB comprises up to three eminent national and international experts, engaged on an annual basis (or as otherwise required by the Committee) and led by an appointed Chairman.

Tailings Review Committee (TRC)

The Tailings Review Committee, consisting of the Chief Operating Officer (COO) as the chair of the committee, Site General Manager – Operations, Head of Sustainability, Head of Risk and Compliance, Tailings Principal, Construction Manager, Processing Manager, Mining Manager, is responsible for implementing recommendations from the ITRB and providing updates, including reviewing performance while tailings facilities are under construction, in operation and closure. The COO chairs regularly scheduled internal tailings review meetings and reports directly to the Vice President Director.

Tailings Principal

The responsibilities of the Tailings Principal include ensuring that Committee requirements are included in annual budgets, commissioning an independent review of MBM's facilities by ITRB, coordinating the site visit logistics with the relevant Business Unit, coordinating feedback on draft ITRB reports, coordinating action plan development, reporting progress on action plans, and seeking written approval from TRC when action recommended by ITRB are not to be implemented.

Engineer of Record (EOR)

The Engineer of Record is responsible for the approval of designs and as-built construction, reviewing the site's monthly performance reports, preparing monthly Quantitative Performance Objective (QPO) reports, and conduct quarterly performance reviews of tailings facilities.

Tailings Facility Construction Manager

The Construction Manager prepares all the necessary documentation to facilitate the annual ITRB site visit or to support other ad hoc requests including support to TRC. In addition, the Construction Manager is also responsible for ensuring all recommendations from TRC and ITRB are followed up and implemented.


V. REVIEW

The policy will be reviewed regularly or when significant changes occur to tailing management practices at MBM.


VI. REFERENCES

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

1. MBM-SUS-POL-002 - Environmental Policy, PT Merdeka Battery Materials Tbk.
2. MBM-SUS-POL-003 - Sustainability Policy, PT Merdeka Battery Materials Tbk.
3. MCG-OPS-TMF-TOR-001 - Tailings Review Committee Charter and Independent Tailings Review Board Terms of Reference.
4. Global Industry Standard - Tailings Management (GISTM).
5. IFC's Performance Standards - Environmental and Social Sustainability.
6. ISO 14001:2015 - Environmental Management System.

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7. Global Reporting Initiative (GRI) Standards.
8. ICMM Mining Principles.
9. MSCI ESG Ratings.
10. Sustainalytics ESG Risk Ratings.
11. A Guide to the Management of Tailings Facilities, Version 3.2 March 2021, The Mining Association of Canada (MAC).
12. ICOLD Bulletin no.194 Version 1, Tailings Dam Safety, November 16, 2022.
13. ANCOLD 2012, Guidelines on Tailings Dams, Planning, design, construction, Operation and Closure, May 2012.
14. ANCOLD 2019, Guidelines on Tailings Dams, Planning, design, construction, Operation and Closure, Revision 1, July 2019.
15. Regulation of the Minister of Public Works and Housing of Indonesia Number 27 of 2015 Regarding Dams.
16. Republic of Indonesia Government Regulation Number 22 of 2021 concerning the Implementation of Environmental Protection and Management.

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REVISION HISTORY

Revision	Date	Description
1.0	29/11/2023	First Issue for Implementation