



# **Risk Management Policy**

PT Prodia Widyahusada Tbk

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## **Risk Management Policy**

PT Prodia Widyahusada Tbk ("The Company") is committed to consistently implementing a good risk management system to address various risks in carrying out the Company's activities. With a good risk management system in place, it is expected that all risks can be identified, managed, and mitigated appropriately, so as not to create negative impacts on the achievement of the Company's strategic objectives. The Company believes that the implementation of good risk management can support in enhancing the trust of stakeholders in the Company.

## **The Objective and Implementation of Risk Management**

Risk management is a series of processes used to manage risks, including risk identification, risk measurement, determining risk responses, risk control activities, risk communication, and risk monitoring of every activity carried out by the company. The company identifies 5 (five) groups of risks, namely: Strategy Risk, Financial Risk, Legal and Compliance Risk, Infrastructure Risk, as well as Environmental Safety Risk (ESS). Of these five types of risks, each has various risk lists, which will be managed as Corporate Risks and Department Risks.

## **Risk Management Evaluation**

The Company regularly reviews its risk management systems and policies to align them with the Company's business developments. Identification and evaluation of the effectiveness and consistency of the Company's risk management activities are conducted to mitigate the risks faced by the Company in its operations. All risks are monitored quarterly, and appropriate treatment plans are implemented to address them. Furthermore, recommendations for follow-up risk management activities are made based on the evaluation results for the future.

As part of the implementation of Good Corporate Governance (GCG), the Company has a Risk Management Committee (RMC) established to assist the Board of Commissioners in managing and mitigating the risks faced by the Company. In carrying out its functions, the Risk Management Committee has the following duties and responsibilities:

1. Conducting a review of the Board of Directors' request to the Board of Commissioners for approval of corporate action plans, including:
  - a) Investment
  - b) Subsidiary Formation
  - c) Company's Long-Term Plans
  - d) Operational Cooperation Contracts
  - e) Asset Management
  - f) Asset Guarantees
2. Conduct evaluation of risk management policies and strategies for both operational and business development of the Company.
3. Monitor and evaluate the implementation of risk management and its mitigation for the Company's business and investment plans as well as operational execution reviewed from financial and legal perspectives.
4. Report monitoring and evaluation results and provide recommendations on matters that require the attention of the Board of Commissioners.

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