



# PT. BANGKA PRIMA TIN

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## **Standard Policy & Procedure to Identify & Assess Conflict-Affected and High Risk Areas (CAHRA)**

PT Bangka Prima Tin implements due diligence as a continual, ongoing process. The process complies with the OECD Guidance for Identification and Assessment of Supply-Chain Risk(s). All purchases will be reviewed in accordance with this policy to assure compliance.

In order to respect human rights, avoid conflicts caused or facilitated by mineral resources procurement, maintain the transparency of the raw material supply chain and the continuous development of enterprises and prevent trading of mineral resources from becoming conflicts. The company's risk management policy is as follows:

1. Determine the type of risk associated with all company activities;
2. Determine the use of risk management measurement methods;
3. Setting risk tolerance;
4. Establish risk rating and priority assessment.

### **1. Identification of country of origin including the region and transit countries.**

PT Bangka Prima Tin applies The European Union CAHRAs list, The Dodd-Frank Act list, and three internationally recognized resources to identify suspected CAHRA countries (recommended by RMAP): Global peace index, fragile states index, and human rights issues.

<http://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/conflict-affected-and-high-risk-areas/>

### **1.1 Identifying Conflict-Affected and High-Risk areas for EU importers of minerals**

The European Union (EU) is committed to ensuring that its imports of minerals and metals are sourced responsibly and align with European policies on conflict prevention and development. In light of this commitment, Regulation (EU) 2017/821 ("the Regulation") requires EU importers of tin, tantalum, tungsten and gold (and the minerals containing them) to carry out supply chain due diligence based on the fivestep approach established by the OECD. The list of EU CAHRAs as of 2023 are: Afghanistan, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Colombia, Democratic Republic of the Congo, Egypt, Eritrea, Ethiopia, India, Libya, Mali, Mozambique, Myanmar, Niger, Nigeria, Pakistan, Philippines, Somalia, South Sudan, Sudan, Turkey, Ukraine, Venezuela, Yemen, Zimbabwe.



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PT Bangka Prima Tin determines the country mentioned on the list of The European Union (EU) will be automatically stated as **CAHRAs**.

## 1.2 Dodd Frank Act

Section 1502 of U.S. Dodd Frank Act requires U.S. listed companies to disclose whether they use “conflict minerals” (tin, tungsten, tantalum and gold) and whether these minerals originate in the Democratic Republic of the Congo (DRC) or its nine adjoining countries as outlined in Section 1502 of the Dodd Frank Act, namely Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.

PT Bangka Prima Tin determines the sources from Democratic Republic of the Congo (DRC) or its nine adjoining countries as outlined in Section 1502 of the Dodd Frank Act will be automatically stated as **CAHRAs**.

## 1.3 Global Peace Index (identification based on conflict issues)

GPI is the world's leading measure of global peacefulness. Its report presents the most comprehensive data-driven analysis to date on trends in peace, its economic value, and how to develop peaceful societies. The 2021 GPI reveals a world in which the conflicts and crises that emerged in the past decade have begun to abate, only to be replaced with a new wave of tension and uncertainty as a result of the COVID-19 pandemic and rising tensions between many of the major powers.

The Global Peace Index (GPI) measures more than just the presence or absence of war. It captures the absence of violence or the fear of violence across three domains: Safety and Security, Ongoing Conflict, and Militarisation. Both the Ongoing Conflict and Safety and Security domains recorded deteriorations, with only the Militarisation domain recording an improvement. GPI is a composite index measuring the peacefulness of countries made up of 23 quantitative and qualitative indicators each weighted on a scale of 1-5. The lower the score the more peaceful the country.



Source: <https://www.visionofhumanity.org/maps/#/>

PT Bangka Prima Tin determines that the country stated as **High-Risk Area** if its global average score is 2.35 and above (indicated by the orange until the red colour from The State of Peace Bar).



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Source: <https://www.visionofhumanity.org/maps/#/>

## 1.4 Fragile States Index (identification based on governance issues)

The Fragile States Index (FSI) produced by The Fund for Peace (FFP), is a critical tool in highlighting not only the normal pressures that all states experience, but also in identifying when those pressures are outweighing a states' capacity to manage those pressures. By highlighting pertinent vulnerabilities which contribute to the risk of state fragility, the Index — and the social science framework and the data analysis tools upon which it is built — makes political risk assessment and early warning of conflict accessible to policy-makers and the public at large.

Content Analysis used with each of the twelve indicators of the CAST framework are broken down into sub-indicators, and for each of these, hundreds of Boolean search phrases are applied to global media data to determine the level of saliency of issues for each of those sub-indicators in each country. The overall assessment is based on 4 indicators including: cohesion indicators, economic, political, and social.



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Source: <https://fragilestatesindex.org/>

PT Bangka Prima Tin determines that the country was stated as High Risk Area if the score above to 70.

## 1.5 United Nations Developments Program – International Human Development Indicators (identification based on human rights issues)

Human Development Index (HDI) is a composite index measuring average achievement in three basic dimensions of human development – a long and healthy life, knowledge and decent standard of living. Based on Human Development Report 2022, there are 4 groups of Human Development: Very high human development, high human development, medium human development, and low human development. The cut-off points are HDI of less than 0.550 for low human development, 0.550–0.699 for medium human development, 0.700–0.799 for high human development, and 0.800 or greater for very high human development.

(source: <https://hdr.undp.org/reports-and-publications/2022-human-development-report/>)

PT Bangka Prima Tin determines if a country has a less than 0.550 score of HDI (Low Human Development Category) it will be stated as a **High-Risk Area**.

(source: <https://hdr.undp.org/data-center/country-insights#/ranks>)



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## 1.6 Conclusion

PT Bangka Prima Tin conclude if 2 out of 3 criteria was found to be “High Risk Area”, then the area will be considered as CAHRAs and will not source any materials from that CAHRAs. The areas listed in European Commission pursuant to Article 14.2 of the European Union Regulation 2017/821 and Section 1502 of the Dodd Frank Act will automatically state them as CAHRAs and will not source any materials from that CAHRAs. The following procedure is used to review the new supply chain if the current supply chain alone is no longer sufficient.

Responsible person in charge : Andi Kurniawan  
Title : Senior Manager  
To be reviewed and updated : Yearly

## 2. Identify CAHRAs Using Resources

In addition to PT Bangka Prima Tin’s standard process for Supplier Selection and Qualification (evaluating/ selecting supplier per ISO standard), due to the additional risk related to responsible sourcing of tin ore further reviews and documentation are included in the selection of prospective new suppliers of tin ore. All supplier of tin ore are required to complete an extended supplier form as well as sign a supplier declaration stating that any material sold to PT Bangka Prima Tin is sourced according to PT Bangka Prima Tin Supplier Policy, and Code of Product, and Responsible Sourcing Policy and will cooperate with requests for additional information on the origin of the product sold to PT Bangka Prima Tin.

Based on the information provided above, PT Bangka Prima Tin perform a check of all suppliers on national and international sanctioned parties and denied person lists through SAP Global Trade Services (GTS) compliance system. This screening covers official lists of the US, EU, Germany and other countries as updated from time to time. The countries exist on the list of SAP Global Trade Services will be stated as CAHRA.

## 3. Risk Assessment and Risk Management

Since PT Bangka Prima Tin supplies tin ore from its own mines, there are no risks associated with CAHRA. But if in the future PT Bangka Prima Tin supplies tin ore from other suppliers and risks are found, PT Bangka Prima Tin will identify and follow up according to the rules and suggestions from RMI Organization.

If in the future there is an update of data from the indicators used and shows BPT as a high risk area, BPT will identify and follow up according to the rules and suggestions from the RMI Organization. BPT won't be involved into the procurement



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of any high-risk sourcing because all the raw materials applicable to the production is from own mine.

This Policy and Procedure is effective since November 20<sup>th</sup>, 2023 and will be revised immediately if there's any update.

Director



Budiharto.