



PT. BANGKA PRIMA TIN

MINING - SMELTING - REFINERY - TRADING

STEP 5 DUE DILIGENCE REPORT

1. Company Information

PT Bangka Prima Tin was established in 2008. The company is located at Jl. Raya Pangkol, Central Bangka Regency, Province Bangka Belitung. The company processes tin products whose tin ore comes from its own mine and cooperation company. In 2022, PT Bangka Prima Tin has undergone the RMAP assessment and got the conformant status.

Check on: <https://www.responsiblemineralsinitiative.org/tin-smelters-list/conformant-tin-smelters/>

Details information of the assessment:

RMI ID : CID002776

Date of Assessment : 10/17/2022 – 10/17/2022

Audit Types : Re-audit

Assessment Company : Arche Advisors

Assesment Status : completed

Report Summary :

https://assets.zyrosite.com/m6LPaelbz1iEjZMx/assessment-summary-report_021520232117473735877-YKba6Ka7VjfRJqXW.pdf

This report covers our activities from September 3th, 2022 to September 2th, 2023.

2. Company Supply Chain Policy

In accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, PT Bangka Prima Tin (PT BPT) commits to do the responsible mineral sourcing of minerals and prevent as well as avoid the risks throughout our supply chain by do actions as follows:

1. Only uses minerals sourced from Indonesia (no sourcing from the countries listed in the EU CAHRA list and the countries listed in the Dodd-Frank Act list).
2. Strongly condemns all activities, and will refuse any material, which we assessed benefitted or supported armed rebels/terrorist groups through illegal finance or other activities or involved serious human rights violations associated with the extraction, handling, transport or trade of minerals, including:



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- Serious abuses (i.e. torture, cruel, inhuman and degrading treatment; forced for compulsory labor; worst forms of child labor; human rights violations and abuses such as widespread sexual violence; war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide).
 - Direct or indirect support to non-state armed groups.
 - Direct or indirect support to public or private security forces.
 - Bribery and fraudulent misrepresentation of the origin of minerals.
 - Money laundering.
 - Non-payment of taxes, fees and royalties to governments.
3. Follows OECD Annex I (Five-Step Framework for Risk-Based Due Diligence in the Mineral Supply Chain) by:
- Establish a strong company management system.
 - Identify and assess risks in the supply chain.
 - Design and implement a strategy to respond to identified risks.
 - Carry out independent third-party audit of supply chain due diligence.
 - Report annually on supply chain due diligence.

This policy is available on <https://bangkaprimatin.id/>

3. Company Management System

Management system to support supply chain due diligence:

PT Bangka Prima Tin implements due diligence as a continual, on going process. To support supply chain due diligence, PT Bangka Prima Tin has implemented management system:

- The Director has assigned a General Manager, Mr. Andi Kurniawan to oversee the due diligence program and risk management design and implementation, to coordinate the work of the relevant departments to ensure each department fulfil their roles and responsibilities to implement the due diligence program and report any red flags and potential risks identified.
- The departments that have the potential risks of supply chain are warehouse and production. The company has assigned the procedure to minimize the potential risks by fully controls mine production, shipments from mine to smelter, and all processes up to tin ingot production. The company is not compatible with other producers of tin sand, or tin sand from other countries. The company also uses smelter lot numbers to



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indicates where the tin ore comes from. If data discrepancies are found, it will be reviewed by the management team and followed up.

- The company has assigned a Secretary of RMAP who takes responsible in administrative matters of RMAP.
- The company conducts due diligence management system training and management review once a year for key staff from all relevant departments required in due diligence program. If there are any mid-year updates or changes to the program, the company conducts additional training as necessary.
- The company committed to implement an internal record system with document retention for 5 years.
- The company committed to implement the policies for cashless transactions.
- The company committed to implement the KYC Procedure if necessary.

PT Bangka Prima Tin is a company that operates its own mine and smelting plant. The tin ores processed at the PT Bangka Prima Tin smelter are coming from the mine process carried out by the company itself. Mining activities at PT Bangka Prima Tin have production operation mining business license (IUP OP) with a number 188.45/245.D/DPE/2013 at Kelambui Sea, South Bangka Regency, Indonesia with 498,6 Ha.

Internal System of Control:

PT Bangka Prima Tin has updated the due diligence management system to support OECD guidance and RMAP. In 2023, PT Bangka Prima Tin only uses tin ore from Kepulauan Bangka Belitung Province.

PT Bangka Prima Tin ensures that cooperating companies have passed Know Your Counterparty (KYC) and CAHRA's Identification. All tin ore deliveries must indicate the source of the delivery order with the number of trucks, driver's name, date of delivery, and rough quantity. All tin ores received by the smelter will be weighed against the delivery order, and a representative sample and weighed. All smelting and refinery processing up to ingot production are controlled by the Production Department which will perform a mass balance assessment throughout the production process to ensure the recovery target has been achieved.

During the reporting period PT Bangka Prima Tin had no suppliers and only uses materials from its own mines.



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Grievance Policy and Procedure:

PT Bangka Prima Tin commits to support and implement the grievance procedure from internal and external parties. All grievances can be delivered through:

1. Phone/WhatsApp : 0852-2808-1555 (Mr. Andi Kurniawan)
2. Email : bangkaprimatin77@gmail.com

The types of reporting that can be carried out by internal and external parties of the company are as follows:

1. If there are complaints about the services provided by the company
2. If there are suggestions intended for the company
3. If there is a violation of the SOP carried out by certain individuals
4. If there are identified potential supply chain risks
5. If there are identified red flags
6. If there are other issues you might concern.

All grievances will be handled by Mr. Andi Kurniawan as a General Manager and all management team of PT Bangka Prima Tin.

The grievances will be processed with following steps as follows:

1. General Manager will collect all grievances per a week.
2. General Manager will forward all grievances to HRD Team and let them reply to the respond of grievances to the senders, the reply will be informed within work hours and should be done overdue a week after the grievances received.
3. Common grievances will be discussed and evaluated in general meeting/management review.
4. Emergency report will be discussed, investigated, and handled immediately.

General Manager will announce the investigation result in a management review meeting as the evaluation of risk identification result and HRD Team will forward the result to the senders of grievance.

PT Bangka Prima Tin has not received any grievance from both internal and external parties during the September 3th, 2022 to September 2th, 2023.



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4. Risks Identification

As part of the requirements of the Responsible Minerals Assurance Process (RMAP) and in-line with the OECD Due Diligence Guidance, PT Bangka Prima Tin stated that the tin ores processed at the PT Bangka Prima Tin smelter are coming from the mine process carried out by the company itself. Mining activities at PT Bangka Prima Tin have production operation mining business license (IUP OP) with a number 188.45/245.D/DPE/2013 at Kelambui Sea, South Bangka Regency, Indonesia with 498,6 Ha.

In accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, PT Bangka Prima Tin strongly condemns all activities, and will refuse any material, which we assessed benefitted or supported armed rebels/terrorist groups through illegal finance or other activities or involved serious human rights violations associated with the extraction, handling, transport or trade of minerals, including:

- Serious abuses (i.e. torture, cruel, inhuman and degrading treatment; forced for compulsory labor; worst forms of child labor; human rights violations and abuses such as widespread sexual violence; war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide).
- Direct or indirect support to non-state armed groups.
- Direct or indirect support to public or private security forces.
- Bribery and fraudulent misrepresentation of the origin of minerals.
- Money laundering.
- Non-payment of taxes, fees and royalties to governments.

Know Your Counterparty (KYC) Policy and Procedure:

PT Bangka Prima Tin (PT BPT) is committed to implementing policies related to counterparty in accordance with RMAP standards. PT BPT has established the following policies and procedure to support the commitment as follows:

1. PT BPT will provide its KYC questionnaire to the suppliers.
2. Suppliers must fulfil the KYC questionnaire provided by PT BPT and give the supporting documents mentioned in the questionnaire.
3. PT BPT will identify the suppliers based on CAHRAs procedure, KYC questionnaire and supporting documents.
4. PT BPT will establish the supplier reports that have “high risk company” or “non-risk company” identification statement.
5. PT BPT will directly postpone the work contract with Suppliers by “high risk company” status.



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6. PT BPT will continue the work contract with Suppliers by “non-risk company” status.
7. Suppliers must comply to work agreement and RMAP standard with awareness.
8. If there is any violation found, PT BPT will give penalty, terminate the contract or other punishment based on the work contract.
9. Suppliers must fulfil the KYC questionnaire again annually during the period of work agreement if there’s any change of information.

Procedure for identification of conflict-affected and high-risk areas (CAHRA):

PT Bangka Prima Tin implements due diligence as a continual, on going 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.

As part of the requirements of the Responsible Minerals Assurance Process (RMAP) and in-line with the OECD Due Diligence Guidance, PT Bangka Prima Tin has implemented a procedure for identification of CAHRA and risk mitigation for contributing to violent conflicts and serious human abuse. The PT Bangka Prima Tin’s CAHRA Identification Procedure consist of two steps:

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 five step 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



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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.

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/#/>



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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).

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.

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 : General 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.



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CAHRAs Assessment:

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

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

PT Bangka Prima Tin is located in **Indonesia**, specifically in Kelambui Sea, South Bangka Regency, Bangka Belitung Province. No sourcing origin of BPT comes from the countries listed in the EU CAHRA list. PT Bangka Prima Tin determines the country mentioned on the list of The European Union (EU) will be automatically stated as **CAHRAs**. It means that, PT Bangka Prima Tin is not CAHRAs.

1.2 Dodd Frank Act

PT Bangka Prima Tin is located in **Indonesia**, specifically in Kelambui Sea, South Bangka Regency, Bangka Belitung Province. No sourcing origin of BPT comes from the countries listed in the Dodd Frank Act list. 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**. It means that, PT Bangka Prima Tin is not CAHRAs.

1.3 Global Peace Index

(the identification is based on conflict issues)

PT Bangka Prima Tin is located in **Indonesia**, specifically in Kelambui Sea, South Bangka Regency, Bangka Belitung Province. 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). In 2023, Indonesia has a global average score of 1.83 out of a range of 1-5 and ranks 53 out of 163 countries. It shows that the sources from PT Bangka Prima Tin is considering from the category **Low-Risk Area**.



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

1.4 Fragile States Index

(identification based on governance issues)

PT Bangka Prima Tin is located in **Indonesia**, specifically in Kelambui Sea, South Bangka Regency, Bangka Belitung Province.



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

PT Bangka Prima Tin determines that the country was stated as High Risk Area if the score above to 70. In 2023, Indonesia has score 65,6 and it shows that the sources from PT Bangka Prima Tin is considering from the category **Low-Risk Area**.



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

PT Bangka Prima Tin is located in **Indonesia**, specifically in Kelambui Sea, South Bangka Regency, Bangka Belitung Province. 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**. All materials processed by PT Bangka Prima Tin are from Indonesia. Indonesia's HDI value for 2022 is 0.705, which put the country in the High human development category, positioning it at 114 out of 189 countries and territories. It shows that the sources from PT Bangka Prima Tin is considering from the category **Low-Risk Area**.

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

2. 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.

Based on 5 criterias above, PT Bangka Prima Tin is on the category Low-Risk Area and not CAHRAs.

5. Risk Assessment and Risk Management

Since PT Bangka Prima Tin supplies tin ore from its own mines, there are no risks associated with CAHRAs. 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.

PT Bangka Prima Tin supplies tin ore from its own mines and cooperation company, there are no risks associated with CAHRA. But 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 of any high-risk sourcing because all the raw materials applicable to the production is from own mine and cooperation company that is coming from Indonesia also.



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This Report is published on November 27th, 2023, and next reporting will be in 2024.

Director



Budiharto.