

Standard Policy and Procedure to Identify and Assess Conflict Affected And High Risk Areas (CAHRAs)

PT. ARTHA CIPTA LANGGENG, Implements due diligence as a continual, on during process. The process complies with the **OECD** Guidance for Identification and Assessment of Supply Chain Risk (s). All sources are reviewed in accordance with this policy to assure compliance. Risk assessment and mitigation is based upon the criteria listed in this policy. In order to identify and assess mineral supply chain risks. PT. ARTHA CIPTA LANGGENG has implemented the following process:

1. Identification of Supplier and Material Source
2. Identification of Conflict-affected and High-Risk Areas
3. Determination of the Scope of the Risk Assessment
4. Identification of Supply-Chain Risk(s)
5. Assessment of Supply-Chain Risk(s)

1. Identification of Supplier and Material Source

We ensure all supplier and material are identified and sufficient documentation is obtained or the origin and chain of custody of material in accordance with the requirements of RMI-RMAP standard and its Annexes.

Our source is from own mines located only in Bangka-Belitung provinces, Indonesia. We not purchase ore from secondary supplies. As such it assures that the supply chain for the primary raw materials, as defined by the RMI-RMAP standard, are consistent with a supplier with the definitions listed for each category of material.

a. Identifications of counterparty

We establish and implement the basic Know Your Counterparty (KYC) requirements to determine the identity, type of business relationship and legality of business operations for each artisanal miner and transporter of the tin concentrates from its mines. The KYC process include verification of individuals and entities. The KYC is performed on all suppliers before entering in to a business relationship with a supplier as long business relationship.

b. Identifications of material

We identify the origin of materials and categorize the materials in accordance with their source using Table 4 of the RMI-RMAP Tin & Tantalum Standard. Full disclosure requirements on the origin and chain of custody of material will be demonstrated by the Delivery Orders issued for each delivery in to the smelter. The documentation required is determined in accordance with the category and source of the material using annex I for guidance on the documentation requirements.

2. Identification of Conflict-Affected and High-Risk Areas

PT. Artha Cipta Langgeng has established a procedure to identify CAHRAs. The objective of the following procedure is to allow the company to identify possible Conflict-Affected and High-Risk Areas (CAHRAs) and will apply to all cassiterite providers (including origin and transit routes for all primary material and the identification of any Conflict-Affected and High-Risk Areas in their supply chains).

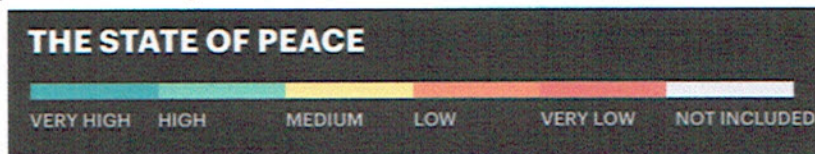
PT. Artha Cipta Langgeng determines qualification once a year or if there are any relevant occurrences, whether or not the country of operation of smelter and mine is considered a CAHRA, based on the following criteria as identified by the OECD Due Diligence Guidance, from the link below:

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

a. Conflict

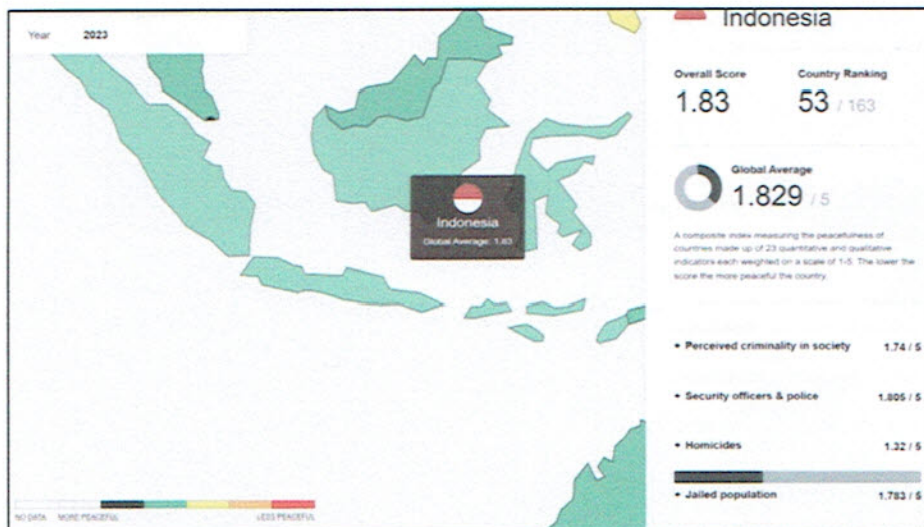
GPI is the world's leading measure of global peacefulness. Its report presents the most comprehensive data-driven analysis to date on trends in peace, its economic value, and how to develop peaceful societies.

The 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 score is the more peaceful country.



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

PT. Artha Cipta Langgeng 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). All materials processed by PT. Artha Cipta Langgeng are from Indonesia. 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 of PT. Artha Cipta Langgeng are considering from the category **Low-Risk Area**.

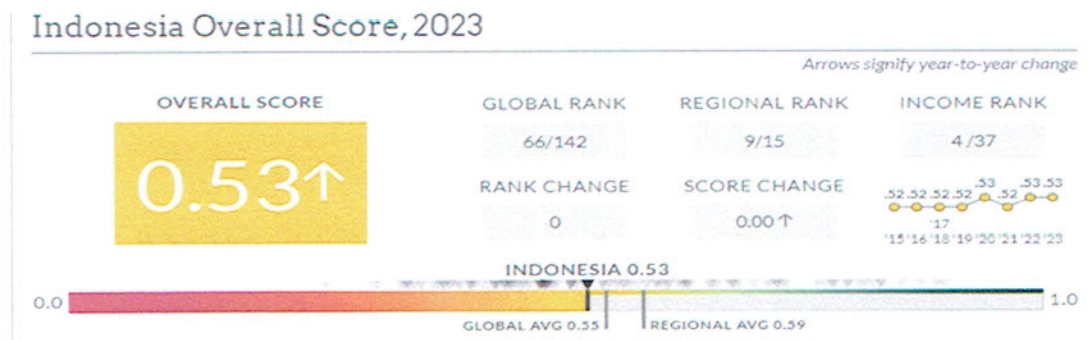


Source: <https://www.visionofhumanity.org/maps/#/>

b. Governance

The WJP is an independent, multidisciplinary organization working to advance the rule of law worldwide. The idea of rule of law, traceable to ancient scholars, resonates in most major legal traditions. WJP's definition of rule of law is built around four universal principles, developed in accordance with internationally accepted standards and norms, in consultation with a wide variety of experts worldwide. The rule of law is a durable system of laws, institutions, norms, and community commitment that delivers four universal principles: accountability, just law, open government, and accessible and impartial justice.

According to the World Justice Project, the overall global average index score in 2023 is 0,55. Indonesia has overall score 0,53 in 2023. PT Artha Cipta Langgeng determines if a country has the overall index score below the global average score, it will be stated as **High Risk Area**.



Source : <https://worldjusticeproject.org/rule-of-law-index/country/2023/Indonesia>

c. Human Rights

Fragile States Index (P3: Human Rights and Rule of Law) Human Rights and Rule of Law Indicator 2023, Based there are 4 groups of The Human Rights and Rule of Law in : Sustainable, Stable, Warning, , and Alert. The cut-off Score are P3: Human Rights and Rule of Law 10-39 for Sustainable, 40-69 for stable, 70–99 for Warning, and More than 100 for is Alert. (source: <https://fragilestatesindex.org/wp-content/uploads/2023/06/FSI-2023-Report-final.pdf>)

PT. Artha Cipta Langgeng determines if a country has a more than 70 score of Fragile States Index (P3: Human Rights and Rule of Law) it will be stated as a **High-Risk Area**. All materials processed by PT. Artha Cipta Langgeng are from Indonesia. Indonesia's P3: Human Rights and Rule of Law value for 2023 is 65, which put the country in the stable category, positioning it at 98 out of 179 countries and territories. It shows that the sources of PT. Artha Cipta Langgeng are considering the category **Low-Risk Area**.

(source: <https://fragilestatesindex.org/wp-content/uploads/2023/06/FSI-2023-DOWNLOAD.xlsx>)

2.1 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, the indicative list of CAHRAs provided by the European Commission pursuant to Article 14.2 of the European Union Regulation 2017/821 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 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. (source: <https://www.cahraslist.net/cahras>)

PT. Artha Cipta Langgeng determines the country mentioned on the list of The European Union (EU) will be automatically stated as **CAHRAs**.

2.2 Section 1502 of The U.S. Dodd-Frank Act

United States Dodd Frank Act section 1502 requires listed companies to disclose whether they use “conflict minerals” (tin, tungsten, tantalum and gold) and whether those minerals originated 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. We determine if any sourced from the Democratic Republic of the Congo and or its nine adjoining countries as outlined in Section 1502 of the Dodd Frank Act automatically as **CAHRAs**.

2.3 Conclusion

We 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 is no longer sufficient.

3. Determination of the Scope of the Risk Assessment

We review the information noted in steps 1 and 2 above on the category and source of material to identify CAHRA and will note any red flags, inconsistencies, or discrepancies related to the counterparty or material, especially with respect to primary raw material sources. The proper corrective actions will be taken in accordance with the standard and the guidelines.

a. Grievances

We had an opened door policy for any instead party to report concerns regarding circumstances as they related to the supply chain. The concern can be sent to the Managing Director of the Company (Mr. Isa M. Suhardiman) to file. The concern received will be documented and investigated and if applicable, corrective actions will be implemented in accordance with the RMI-RMAP standard.

b. Reviewer for Discrepancies

- Shall determine whether there are any inconsistencies or discrepancies related to the material and KYC, origin and/or transportation documentation submitted by the supplier
- Shall validate links between documents
- Shall inspect all material received for conformity with information available on the type of material, weight and quality of the material.
- Shall implement a procedure to investigate and address any discrepancies, inconsistencies or other issues identified during the review of material and documentation received.

c. Determine plausibility

We assess the plausibility of material coming from the declared sources to confirm that it matches the expectations set at the time of purchase.

If necessary

- Efforts will be made to understand production and sources for all primary material.
- Consider the type, volume and tin content of material received to assure compliance with the definitions of the standard.

d. Assess Red Flags

Although we only sources from own mines located in Bangka-Belitung province, we will still assess the occurrence of OECD red flags related to primary material origin, transit and suppliers.

OECD red flags are defined by the OECD Guidance Supplement on Tin as:

- The minerals originate from or have been transported via CAHRA.
- The minerals are claimed to originate from a country that has limited know reserves, likely resources, or expected production levels of the mineral in question (i.e. the declared volumes of mineral from that country are out of keeping with its know reserves or expected production levels).
- The minerals are claimed to originate from a country where materials from CAHRAs areas are know to transit, legally or illegally.

- The company’s suppliers or other know upstream companies have shareholder or other interests in companies that supply minerals from or operate oi one of the above mentioned red flag locations of mineral origin and transit.
- The company’s suppliers and/or other upstream companies are known to have sourced minerals from red flag location of mineral origin and transit in the last 12 months. (if using an upstream assurance mechanism, they may have this information).

We shall also take into account any other red flag(s) based on industry knowledge or external resources related to CAHRAs and any publicly available information.

e. Determine Sourcing Risk Level

We will determine the sourcing risk level for each transaction of primary material in accordance with table 5 of the RMI-RMAP Protocol.

Primary Material Risk Level

Type of Material	Sourcing Risk Level	Definition
Primary Material	Low-Risk	For low-risk supply chains, all of the following criteria apply: 1. Supply chains where tin or tantalum material is not mined or transported through a CAHRA; AND 2. Material originates in a country with know active ore production for tin and/or tantalum; AND 3. There are no red flags identified
	High-Risk	For high-risk chains, all of the following criteria apply: 1. Supply chains where tin or tantalum material is mined or transported through a CAHRA; and/or tantalum; and/or there are discrepancies, inconsistencies or other issues identified during the review of material and documentation that have not been addressed; 2. There is one or more red flag identified.

4. Identification of Supply-Chain Risk(s)

Any High-Risk sources as identified in table 5 of the protocol will require completion of the audit High-Risk Sources workbook prior to the audit program. In accordance with the RMI-RMAP protocol. Given the supply chain. We currently use the Low-Risk workbook.

5. Assessment of Supply-Chain Risk(s)

We will assess presences and severity of risks in the supply chain by comparing the tactual circumstances against the risks included in the OECD Guidance Annex II Model Supply Chain Policy.

a. Supplier Engagement

We required its primary material counterparties to engage in the basic KYC screening process. Supply Chain promotes the basis KYC with all its counterparties.

This Policy and Procedure has been effective since January, 08th 2024 and will be reviewed annually.

Sungailiat, January 08th 2024

The ACL logo is repeated, but with a blue ink signature scribble over it. Below the logo, the text 'PT. ARTHA CIPTA LANGGENG' is printed in a smaller font.

Isa M. Suhardiman

Director