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## PT. Artha Cipta Langgeng Step 5 Public Due Diligence Report

### 1. Company Information

PT. Artha Cipta Langgeng was established in 2008 as a tin smelter company, located at Kenanga, Sungailiat, Bangka Regency, Bangka Belitung Province. The profile company of PT. Artha Cipta Langgeng can be found on website : [www.acltin.com](http://www.acltin.com)

PT. Artha Cipta Langgeng has no RMAP Assessment on 2023. The company RMI ID is CID001399. The assessment summary report is published on the RMI website : <http://www.responsiblemineralsinitiative.org/tin-conformant-smelters/>

This report covers our activities from January 1<sup>st</sup>, 2023 to December, 31<sup>st</sup> 2023.

### 2. Company Supply Chain Policy

To avoid the use of conflict minerals, which directly or indirectly finance or benefit armed groups and/or involve other serious human right abuses in high-risk and conflict-affected regions, PT. Artha Cipta Langgeng has developed a supply chain policy. The supply chain policy is developed referring to Annex II in "OECD Due Diligence" for CAHRAs responsible mineral supply chain and responsible mineral initiative assurance (RMI) process, tin processes, and tantalum standards. As the tin company that running with extracting, trading, handling, and exporting minerals, PT. Artha Cipta Langgeng is aware there are risks on responsible sourcing of minerals and we commit to prevent and avoid those risks by implementing the acts referred to our supply chain policy. We declare that the products and raw materials we use, and produce are free from conflict-affected and high-risk areas. Our supply chain policy is published on our company website: [www.acltin.com](http://www.acltin.com)

### 3. Company Management Systems.

#### 3.1 Management Structure

PT. Artha Cipta Langgeng follows through on its commitments in the supply chain policy and has developed and internal procedure for due diligence with the following aspects:

- The company's CEO and management team is responsible to oversee the due diligence program and risk Management design and implementation.
- The company has management team to coordinate the work of the relevant departments (including the Purchasing Department, Quality Department, Production Department, and Warehouse Management Department) to ensure each department follows up on their roles and responsibilities to implement the due diligence program and report any red flags and potential risks identified.
- The company conducts due diligence management system training once a year for key staff from all relevant departments required in due diligence program. If there is an update of the program, the company conducts additional training as necessary.

### 3.2 Internal Systems of Control

PT. Artha Cipta Langgeng is a company that operates its own mine and smelting plant. In 2023, tin ore processing comes from the mining process carried out by PT. Artha Cipta Langgeng and Affiliated Companies. Mining Activities at PT. Artha Cipta Langgeng and affiliated companies have production operation mining business licenses (IUP OP) with:

1. PT. Artha Cipta Langgeng with a number of 188.4/176/ESDM/DPMPSTSP/2017 at Penyusuk Luar Sea, Belinyu, Bangka Regency with 249 Ha;
2. PT. Artha Persada Sejahtera with a number of 188.4/178/ESDM/DPMPSTSP/2017 at Penyusuk Dalam Sea, Belinyu, Bangka Regency with 325 Ha;
3. PT. Semesta Surya Persada with a number of 188.4/177/ESDM/DPMPSTSP/2017 at Simpung Sea, Belinyu, Bangka Regency with 190 Ha;

PT. Artha Cipta Langgeng fully controls mine production, shipments from mine to smelter, and all processes up to tin ingot production. PT. Artha Cipta Langgeng ensures that affiliated company and cooperating company have passed KYC (Know Your Counterparties) procedure and CAHRAs Identification.

### 3.3 Record Keeping System

PT. Artha Cipta Langgeng requires that all records relating to the due diligence program are maintained at least for five years. The list of retention times can be found in Formulir Daftar Induk Dokumen Mutu with document code F-MJM-ACL-12.

## 4. Risks Identifications

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)

### 4.1 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.

#### 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. Based on KYC identification of PT Artha Cipta Langgeng and its affiliates, the individuals and entities are free from the sanctions list of the United Nation (UN), the European Union (EU), the United States (US), and the United Kingdom (UK). Also Indonesia is not listed as Country Subject to Comprehensive Sanctions.

#### 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. Based on materials identification, all material sources used for PT. Artha Cipta Langgeng are free from any issues listed in the RMI-RMAP Tin & Tantalum Standard

#### 4.2 Identification of Conflict-Affected and High-Risk Areas

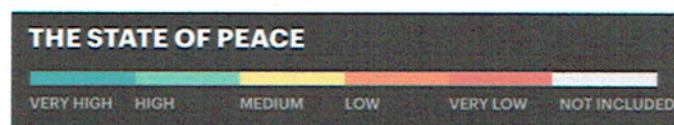
PT. Artha Cipta Langgeng has established a procedure to identify CAHRAs. The objective of the following procedure is to allow the company to identify possible Conflict-Affected and High-Risk Areas (CAHRAs) and will apply to all cassiterite providers (including origin and transit routes for all primary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

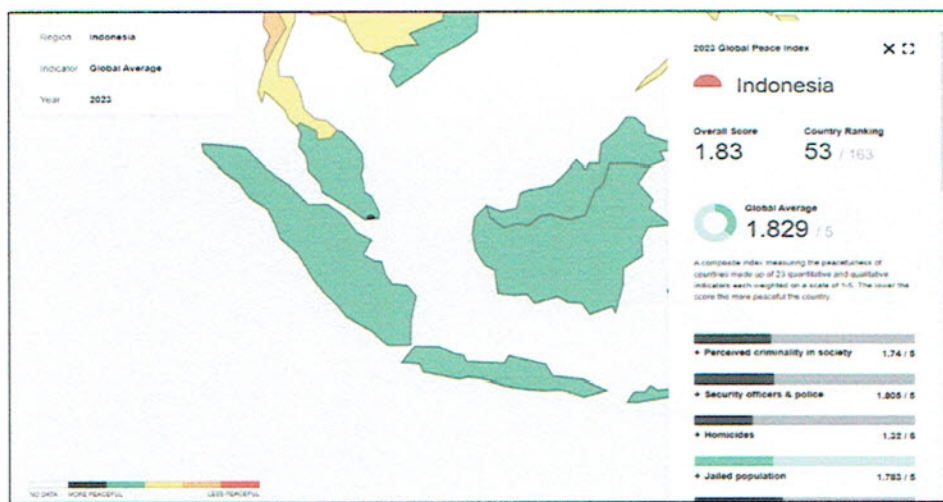
##### a. Conflict

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/#/>

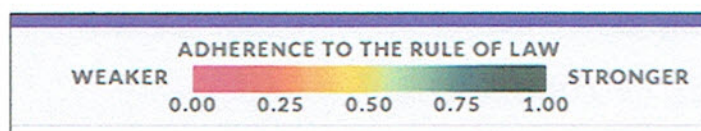
PT. Artha Cipta Langgeng determines that the country stated as **High-Risk Area** if its global average score is 2.35 and above (indicated by the orange until the red colour from The State of Peace Bar). All materials processed by PT. Artha Cipta Langgeng are from Indonesia. In 2023, Indonesia has a 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

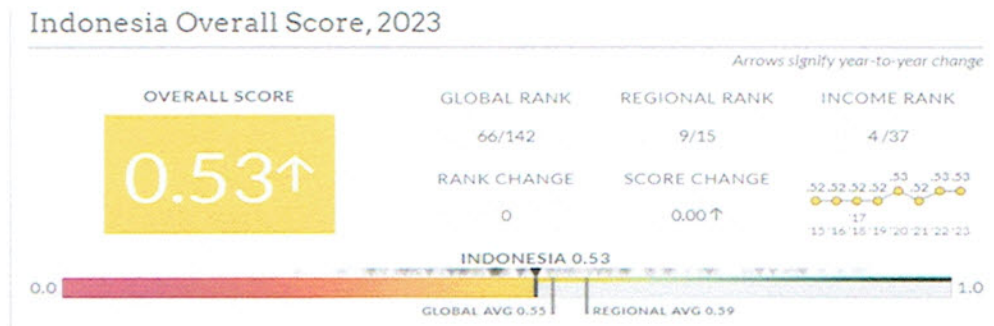
The WJP is an independent, multidisciplinary organization working to advance the rule of law worldwide. The idea of rule of law, traceable to ancient scholars, resonates in most major legal traditions. WJP's definition of rule of law is built around four universal principles, developed in accordance 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.



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

According to World Justice Project Rule of Law Index, the adherence to the rule of law global average score is 0,55 in 2023. PT. Artha Cipta Langgeng determines if a country has

adherence score of law rule under global average, it will be stated as **High Risk Area**. Indonesia is 0,53 in 2023 which is positioning it at global rank 66 out of 142 countries. It shows that the sources of PT. Artha Cipta Langgeng are in **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>)

### d. 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. Based on EU identification, Indonesia is not listed as the EU CAHRAs in 2023.

(source: <https://www.cahraslist.net/cahras>)

#### **e. 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. Based on Section 1502 of The U.S. Dodd-Frank Act identification or its nine adjoining countries, Indonesia is not listed as CAHRAs.

#### **f. 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 stated as CAHRAs and will not source any materials from that CAHRAs. Based on all of CAHRAs identifications, PT. Artha Cipta Langgeng get High Risk Area just in 1 criteria, it means that all materials used for PT. Artha Cipta Langgeng are free from conflict affected and high risk areas.

#### **4.3 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 regard to the primary raw material sources. The proper corrective actions will be taken in accordance with the standard and

the guidelines. Based on steps 1 and 2 identifications, there are no red flags, inconsistencies, or discrepancies related to the counterparty or material, especially with regard to the primary raw material sources.

We 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.

Based on Risk Level Identification, all material sources from PT. Artha Cipta Langgeng is not mined and transported through CAHRAs, material originates in a country with know active ore production for tin which is Indonesia, and there are no red flags identified. It shows that PT. Artha Cipta Langgeng is on **Low-Risk Level**.



#### 4.4 Identification of Supply-Chain Risk(s)


Each 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 and considered with our supply chain, we currently use the Low-Risk workbook.

#### 4.5 Assessment of Supply-Chain Risk(s)

We 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.

This report is published on January, 08<sup>th</sup> 2024 and the next report will be published annually. The 2024 report will be published in January 2025.

Sungailiat, January 08<sup>th</sup> 2024



PT. ARTHA CIPTA LANGGENG

**Isa M. Suhardiman**  
Director