



PT. ARSED INDONESIA

Jalan Jendral Sudirman No. 050 RT 001 RW 003 Kel. Gabek 1 Kec. Gabek
Kota Pangkalpinang - Provinsi Kepulauan Bangka Belitung
Email : arsedindonesia@gmail.com | Telpon : 0717-9109070

OECD Guidance: Standard Policy & Procedure to Identify & Assess Conflict-Affected and High-Risk Areas (CAHRA)

PT. Arsed Indonesia engages due diligence as a continual, ongoing process which the process complies with 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 a part of requirements of the Responsible Minerals Assurance Process (RMAP) and in-line with the OECD Due Diligence Guidance, PT. Arsed Indonesia has executed a procedure for CAHRA identification and risk mitigation for contributing to violent conflicts and serious human abuse. PT. Arsed Indonesia's CAHRA Identification Procedure consists of two steps, specifically the identification of country of origin including the region and transit countries and CAHRA identification using resources.

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

PT. Arsed Indonesia is applying three internationally recognized resources for identifying countries with suspected CAHRA (recommended by RMI-RMAP) from <http://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/conflict-affected-and-high-risk-areas/>

a. 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 2024 are: Afghanistan, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Colombia, Democratic Republic of the Congo, Eritrea, Ethiopia, India, Lebanon, Libya, Mali, Mozambique, Myanmar, Niger, Nigeria, Pakistan, Philippines, Russia, Somalia, South Sudan, Sudan, Ukraine, Venezuela, Yemen, Zimbabwe. We stated that if a country of the raw materials sourced is in above mentioned list, it will be declared as CAHRA.

Refer to the website: <https://www.cahaslist.net/cahas>

b. Worldwide Governance Indicators identification based on Government



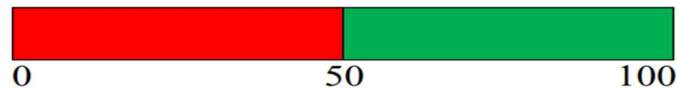
PT. ARSED INDONESIA

Jalan Jendral Sudirman No. 050 RT 001 RW 003 Kel. Gabek 1 Kec. Gabek
Kota Pangkalpinang - Provinsi Kepulauan Bangka Belitung
Email : arsedindonesia@gmail.com | Telpon : 0717-9109070

Effectiveness

Worldwide Governance Indicators (WGI) is a compilation of the perceptions of a diverse group of respondents, collected through many surveys and other cross-country governance assessments. In this case, we measure the level of government effectiveness to see perceptions of the quality of public services, the quality of civil services, their degree its independence from political pressure, the quality of policy formulation and implementation, and the credibility of government commitment to the policy.

According to PT Arsed Indonesia, a state or region with a score below 50 is considered to be at high risk.



Referred to the website <https://www.govindicators.org/interactive-data-access>

c. 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 2024 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.

PT. Arsed Indonesia stated that if a country or region has a score more than 2.35 ("Low" to "Not Included") peace state, then it is declared as high risk.



Refer to the website: <https://www.visionofhumanity.org/resources/?type=research>

d. Dodd Frank Act



PT. ARSED INDONESIA

Jalan Jendral Sudirman No. 050 RT 001 RW 003 Kel. Gabek 1 Kec. Gabek
Kota Pangkalpinang - Provinsi Kepulauan Bangka Belitung
Email : arsedindonesia@gmail.com | Telpon : 0717-9109070

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 an adjoining country.

PT. Arsed Indonesia stated that if a country of the raw materials sourced is in above mentioned Dodd Frank Act list, it will be declared as CAHRA.

e. World Justice Project – Fundamental Rights Index (the identification is based on human rights issues)

The *WJP Rule of Law Index 2024* presents a portrait of the rule of law in 142 countries and jurisdictions by providing scores and rankings based on eight factors: Constraints on Government Powers, Absence of Corruption, Open Government, Fundamental Rights, Order and Security, Regulatory Enforcement, Civil Justice, and Criminal Justice. **Fundamental Rights** recognizes that a system of positive law that fails to respect core human rights established under international law is at best “rule by law,” and does not deserve to be called a rule of law system. This factor focuses on a relatively modest menu of rights that are firmly established under the United Nations Universal Declaration of Human Rights and are most closely related to rule of law concerns.



Source: World Justice Project

PT. Arsed Indonesia states if a country has adherence score of law rule under 0.50, it will be stated as **High Risk Area**.

PT. Arsed Indonesia states that if the area included on Dodd Frank Act or EU CAHRA list then it considers as High Risk. If not mention on Dodd Frank Act or EU CAHRA list, but minimum 2 of the 3 criteria from World Justice Project – Fundamental Rights Index (the identification is based on human rights issues), Global Peace Index (identification based on conflict issues), Worldwide Governance Indicators identification based on Government Effectiveness; result in High-Risk Area findings, the status will be considered as High-Risk Area. PT. Arsed Indonesia would not supply its material sources from CAHRA. The included procedure is used to review a new supply chain if the current supply chain is from PT. Arsed Indonesia itself no longer sufficient, no more production or no longer economical.



PT. ARSED INDONESIA

Jalan Jendral Sudirman No. 050 RT 001 RW 003 Kel. Gabek 1 Kec. Gabek
Kota Pangkalpinang - Provinsi Kepulauan Bangka Belitung
Email : arsedindonesia@gmail.com | Telpon : 0717-9109070

2. CAHRA identification using resources

In addition to PT. Arsed Indonesia '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 suppliers 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. Arsed Indonesia is sourced according to PT. Arsed Indonesia 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. Arsed Indonesia. The format of all the documents needed will be created when the CAHRA procedure can be implemented.

Based on the information provided above, PT. Arsed Indonesia perform a check of all suppliers on national (MODI) and international sanctioned parties and denied person lists through SAP Global Trade Services (GTS) compliance system. This screening covers official lists of EU and other countries as updated from time to time. These measures provide additional assurances the PT. Arsed Indonesia business partners are not affiliated with terrorists, narcotics, traffickers or other illegal groups or persons of concern. The countries exist on the list of SAP Global Trade Services will be stated as CAHRA.

Risk Assessment and Risk Management

There are no risks associated with CAHRA because PT. Arsed Indonesia supplies tin ore from its own mine. But if PT. Arsed Indonesia supplies tin ore from other suppliers and risks are found in the future, PT. Arsed Indonesia will identify and follow up according to the rules and suggestions from RMI Organization.



PT. ARSED INDONESIA

Jalan Jendral Sudirman No. 050 RT 001 RW 003 Kel. Gabek 1 Kec. Gabek
Kota Pangkalpinang - Provinsi Kepulauan Bangka Belitung
Email : arsedindonesia@gmail.com | Telpn : 0717-9109070

Conclusions:

Based on our assessment, our area is not included in EU CAHRA list and

Dodd Franks Act. We have standards if minimum 2 out of 3 criteria's (Conflict, Governance and Human Rights) score High-Risk, the sources will be considered CAHRA and we not source its material from that area.

The CAHRA analysis is reviewed and updated out at least once a year by responsible senior managers for the sustainability of production and plant operations.

Responsible person in charge : **Arif Sugianto**

Tittle : Senior Manager RMAP

a. Identify Conflict-Affected and High-Risk Area (CAHRAs) using resources

PT. Arsed Indoensia has 1 (One) Mining concession IUP OP for the area of 4.382 HA in Ketap Village, Jebus District, West Bangka Indonesia. PT. Arsed Indonesia business integrated from mining to Smelter and refining.

PT. Arsed Indonesia currently do not have any suppliers for tin raw materials because we supply them ourselves.

b. Risk Assessment

Currently there is no potential risk associated with CAHRA because until now we have accepted raw materials all locating at non-conflicted countries and areas. However, if in the future potential risks are found, we will identify and follow up in accordance with the rules and suggestions from the RMI Organization.

c. CAHRAs Assessment

Based on the Conflict affected and High-Risk Areas (CAHRAs) assessment procedure, the sourcing areas or regions of our company's resources are all low-risk areas based on:

1. EU CAHRA List

No sourcing origin of our sources comes from the countries listed in EU CAHRA list.

2. Worldwide Governance Indicators identification based on Government Effectiveness



PT. ARSED INDONESIA

Jalan Jendral Sudirman No. 050 RT 001 RW 003 Kel. Gabek 1 Kec. Gabek
Kota Pangkalpinang - Provinsi Kepulauan Bangka Belitung
Email : arsedindonesia@gmail.com | Telpon : 0717-9109070

According to WGI 2023, Indonesia's percentage is 69.81, so we declared Indonesia is a Low Risk

3. Global Peace Index

The sourcing areas or regions of our company from it's our mines within the country in Indonesia. The score of Indonesia is 1.857 (High), so we declared Indonesia is a Low Risk.

4. Dodd Frank Act

No sourcing origin of our sources comes from the countries listed in Dodd Frank Act list.

5. World Justice Project – Fundamental Rights Index (the identification is based on human rights issues)

Indonesia score 2024 is 0.49 which is High-Risk.

Summary :

One of Five criteria showing as High-Risk result the overall sourcing from Indonesia is Low-Risk (Not CAHRA).

Based on the sources, we stipulated that we not included in EU CAHRA list and Dodd Franks Act, from 2 of 3 sources we found Indonesia is a low-risk area. PT Arsed Indonesia has 1 (one) Mining concession IUP OP for the area of 4,382 HA in Ketap Village, Jebus District, West Bangka Indonesia. PT. Arsed Indonesia business integrated from mining to processing and refining. We only sources from our mining area. In Indonesia, especially in Kepulauan Bangka Belitung Province. Mining site of PT Arsed Indonesia has no international and non-international conflicts, besides that, the Indonesia's government supports legal mining activities.

We won't be involved into the any conflicts because in collaborating with suppliers, we always prioritize the regulations that apply in the Republic of Indonesia.

Sungailiat, 05 September 2024

PT. Arsed Indonesia
Senior Manager of RMAP



Arif Sugianto