

RMI-RMAP Public Due Diligence Report

1. COMPANY INFORMATION

PT ATD MAKMUR MANDIRI (ATD) was established in 2010 with the vision to be the leading tin producer in Indonesia. Over the past few years, PT ATD Makmur Mandiri has been producing high-grade tin metal through continuous improvement in tin smelting and refining technology with specification refers to Permendag RI No 53 2015. ATD Smelter ID number is CID002503 and located at Jln. Komplek Industri Jelitik Sungailiat, Bangka Belitung Island, Indonesia.

2. RMAP Assessment Summary

PT ATD MAKMUR MANDIRI has undergone a RMAP assessment on:

Date	: 03/31/2022 – 04/01/2022
Conducted by	: SCS Global Services
Name of Auditor	: Febryan Mujahid Panatagama
Audit Period	: 11/01/2018 – 11/08/2021
RMAP ID	: G-RM-10001181
Assessment Status	: In CAP1

The summary report is available in public and can be found on RMI website: <https://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/smelter-refiner-lists/tungsten-smelters-list/conformant-tin-smelters/>

3. Company Supply Chain Policy

In accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflicts-Affected and High-Risk Areas, PT ATD MAKMUR MANDIRI has developed a supply chain policy that strongly refuse any materials, which indirectly or directly related to armed groups or involved with human right abuses and conflict-affected regions, including:

- Serious abuse (i.e. torture, cruel, inhuman and degrading treatment; forced for compulsory labor; child labor; human right 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 materials.
- Money laundering.
- Non-payment of taxes, fees and royalties to governments.

The Policy was reviewed and approved by top management, which committed to support its implementation. The policy has been widely disseminated to relevant stakeholders

(customers, suppliers, employees etc.) and it can be seen on company website at www.atdmmj.com

4. Company Management System

Management Structure

PT ATD MAKMUR MANDIRI follows through on its commitment in the supply chain policy and has established an internal procedure for due diligence as follows:

- The company's Top Management and all management team, as part of the Quality Management System, is responsible to oversee the due diligence program and risk management implementation
- The company has assigned a senior manager to coordinate the work of the relevant departments 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. If there is any updates of the program, the company conducts additional training as necessary

Internal Systems of Control

PT ATD MAKMUR MANDIRI has established and updated its due diligence management system to be aligned with the OECD Guidance and RMAP in March, 2022. The company communicated the update supply chain policy and sourcing requirements to all suppliers in July, 2022. The company has incorporated due diligence requirements into legally binding agreements with suppliers.

Record Keeping System

PT ATD MAKMUR MANDIRI requires that all records relating to the due diligence program are maintained at least for five (5) years and that they be properly used and safely stored.

Grievance Mechanism

Grievance mechanism is a procedure that provides a clear and transparent framework for addressing grievances related to whole supply process and in the workplace. PT ATD MAKMUR MANDIRI has developed a Grievance Mechanism Procedure (ATD-RMAP-03) to takes the form of a procedure for complaints, followed by consideration and management response and feedback.

Grievance mechanism portals:

1. In person : Leo Tirtayadi Lie
2. Phone : 0717-95677
3. Website/email : www.atdmmj.com / leo@atdmmj.com

5. Risk Identification

As part of the requirements from Responsible mineral Assurance Program (RMAP) and in line with the OECD Due Diligence Guidance, PT ATD MAKMUR MANDIRI stated that the tin ores processed at the PT ATD MAKMUR MANDIRI smelter are coming from INDONESIAN MINING COMPANY only such as:

- PT SUMBER ALAM TIMAH JAYA NO IUP: 188.4/286/ESDM/DPMPTSP/2018 at Belinyu, Bangka Regency, Bangka Belitung Province, INDONESIA
- CV BANGKA TIMAH MAKMUR NO IUP: 188.4/285/ESDM/DPMPTSP/2018 at Merawang, Bangka Regency, Bangka Belitung Province, INDONESIA
- CV AGUNG SANGUN JAYA NO IUP : 188.44/938/DPE/2015 at Air Gegas, South Bangka Regency, Bangka Belitung Province, INDONESIA

Conflict-Affected and High-Risk Areas (CAHRA) Identification Procedure

As part of the Responsible Mineral Assurance Program (RMAP) requirements and in line with the OECD Due Diligence Guidance, PT ATD MAKMUR MANDIRI has implemented a Conflict-Affected and High-Risk Areas (CAHRA) Identification Procedure consist of two steps:

1. Identification of CAHRA using country of origin including region and country of transit

PT ATD MAKMUR MANDIRI applies three internationally recognized resources to identify suspected CAHRA countries (recommended by RMAP): Global Peace Index, Corruption Perception Index, and Human Development Index.

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

- ***Global Peace Index (Identification based on conflict issues)***

GPI is the world's leading measure of global peacefulness. Its report present the most comprehensive data-driven analysis to date on trends in peace, its economic value, and how to develop peaceful societies. It captures the three absence of violence or the fear of violence across three domains: Safety and Security, Ongoing Conflict, and militarization.

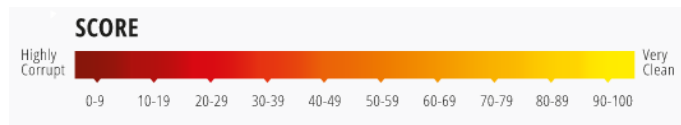


Source: <https://www.visionofhumanity.org/wp-content/uploads/2022/06/GPI-2022-web.pdf>

PT ATD MAKMUR MANDIRI determines if a country or region has a “Low” to “not included” intensity level or have index value ≥ 2 , then it is declared as **HIGH RISK AREA**

- ***Corruption Perception Index (Identification based on governance issues)***

The Corruption Perceptions Index (CPI) is the most widely used global corruption ranking in the world. It measures how corrupt each country’s public sector is perceived to be, according to experts and businesspeople. Each country’s score is a combination of at least 3 data sources drawn from 13 different corruption surveys and assessments. These data sources are collected by a variety of reputable institutions, including the World Bank and the World Economic Forum. A country’s **score** is the perceived level of public sector corruption on a scale of 0-100, where 0 means highly corrupt and 100 means very clean. A country’s **rank** is its position relative to the other countries in the index. Ranks can change merely if the number of countries included in the index changes.

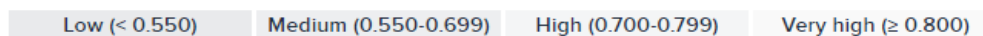


Source: <https://www.transparency.org/en/cpi/2021>

PT ATD MAKMUR MANDIRI determines if a country or region has score under 20 or has rank ≥ 100 , then it is declared as **HIGH RISK AREA**

- ***United Nations Development Program — International Human Development Indicators (identification based on human rights issues)***

The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions. The health dimension is assessed by life expectancy at birth, the education dimension is measured by mean of years of schooling for adults aged 25 years and more and expected years of schooling for children of school entering age. The standard of living dimension is measured by gross national income per capita. The HDI uses the logarithm of income, to reflect the diminishing importance of income with increasing GNI. The scores for the three HDI dimension indices are then aggregated into a composite index using geometric mean.



Source: <https://hdr.undp.org/data-center/human-development-index#/indicies/HDI>

PT ATD MAKMUR MANDIRI determines if a country or region has a “low” level HDI Or has rank ≥ 120 then it is declared as **HIGH RISK AREA**.

PT ATD MAKMUR MANDIRI stated that if even only 1 out of 3 criteria was found to be “High Risk Area”, then the area will be considered as CAHRA and PT ATD MAKMUR MANDIRI will not source its material from that CAHRA

2. Identify CAHRA using resources

In addition to the identification of CAHRA using the local origin method, PT ATD MAKMUR MANDIRI developed additional selection and qualification procedures due to the additional risks associated with tin ore resource responsibilities, whereby further review and documentation is included in the selection of potential new tin ore suppliers. All supplier statements stating that every material sold to PT ATD MAKMUR MANDIRI is sourced in accordance with PT ATD MAKMUR MANDIRI’S Supply Chain Policy, the format of all required documents will be made referring to CAHRA procedures can be applied. PT ATD MAKMUR MANDIRI conducts inspection of all suppliers on the sanctions lists both nationally and internationally and the list of rejected persons through the SAP Global Trade Service compliance system. This screening includes official lists of EU and other countries as updated from time to time. This action provides additional assurance that PT ATD MAKMUR MANDIRI’S business partners are not affiliated with terrorists, narcotics dealers or other illegal groups and countries listed on the SAP Global Trade Service will be declared CAHRA.

Risk Assessment

Since PT ATD MAKMUR MANDIRI supplies tin ore only from Indonesian mining companies which has valid mining license and has mining area in Bangka Belitung Province, INDONESIA so there is no potential risk associated with CAHRA. However, if in the future it is found that PT ATD MAKMUR MANDIRI supplies tin ore from other suppliers and potential risks are found, PT ATD MAKMUR MANDIRI will identify and follow up in accordance with the rules and suggestions from the RMI Organization.