

## STEP 5 DUE DILIGENCE REPORT

### 1. Company Information

- a. Company Name : PT. Prima Timah Utama
- b. CID Number : CID001458
- c. Company Location : Jl. Ketapang Kawasan Industri, Pangkalpinang, Bangka Belitung Province, Indonesia
- d. Processed 3TG material : Tin
- e. Report time period : 31 Jan 2022 – 31 Dec 2024

This company was founded in 2003 with a legal entity in the form of a commanditaire vennootschap (CV), and only in 2009 changed the legal entity to a Limited Liability Company (PT).

PT. Prima Timah Utama is a company that operates its own mine, we have mining business license (IUP) No. 188.44/089/ESDM/DPMPSTP/2020, which is located in Mapur Village, Bangka Regency, with an area of 58.7 Ha

The tin ore are processed at our tin ore smelting and processing facility located at Jalan Ketapang Kawasan Industri, Pangkalpinang, Bangka Belitung Province, Indonesia; and only processes pure tin ingots.

PT. Prima Timah Utama also received and refine tin ore that coming from mining area of our subsidiaries company, namely

1. PT. Nusantara Arta Mining which has a mining location in Petar Village, West Bangka Regency, Mining Business License (IUP) No. 188.44/298/DPE/2015
2. PT. Nusantara Arta Mega Sejahtera, which has a mining location in Tugang Village, West Bangka Regency, Mining Business License (IUP) No. 188.44/1118/DPE/2016
3. PT. Mitra Gapura Mandiri which has a mining location in Sadai Village, South Bangka Regency, Mining Business License (IUP) No. 188.4/079/ESDM/DPMPSTP/2020
4. PT. Mitra Gapura Mandiri Sejahtera, which has a mining location in Keposang Village & Tukak, South Bangka Regency, Mining Business License (IUP) No. 188.4/076/ESDM/DPMPSTP/2020
5. PT. Prima Timah Utama Sentosa, which has a mining location in Jebus Village, West Bangka Regency, Mining Business License (IUP) No. 188.44/1115/DPE/2016

## 2. RMAP Assesment Summary

- a. Last RMAP assessment date : 20 April 2022
- b. Last Assessment period : 1 Jan 2019 – 31 Jan 2022
- c. Audit company : Arche Advisor
- d. URL for the latest assessment overview report:  
<http://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/smelter-refiner-lists/tungsten-smelters-list/conformant-tin-smelters/>

## 3. Company Supply Chain Policy

We are, PT. Prima Timah Utama declares the tin ore that we received in our facility is coming from our mining site, and also from our subsidiaries companies mention below

- PT. Nusantara Arta Mining
- PT. Nusantara Arta Mega Sejahtera
- PT. Mitra Gapura Mandiri
- PT. Mitra Gapura Mandiri Sejahtera
- PT. Prima Utama Sentosa

We ensure all mining sites has legal clarity that can be identified through:

1. Government Indonesia mining database, Minerba One Data Indonesia (MODI) for tracking Mining business license
2. One Single Submission (OSS) for tracking Business Identification Number (NIB), legal directors and shareholders
3. Direktorat Jenderal Pajak (DJP) for tracking taxpayer identification number (NPWP), have no tax payable postponed
4. Paying predetermined obligations, as well as the guarantee of reclamation and post mining
5. located in Bangka Belitung Province which these area is conflict free area.

Our mining activities has to follow the principles of Good Mining Practice which include :

- Safety of mining operations
- Occupational health safety
- Conservation
- Good mining technical technology
- Engineering reclamation and post mining

In accordance with OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict- Affected and High Risk Area Annex II, our company strongly refuse any materials which are assessed benefitted or supported armed terrorist, widespread violence human right, insurgency, political instability, weak government, including:

1. Serious abuses associated with the extractions, transport or trade of minerals;
  - Any forms of torture, cruel, inhuman and degrading treatment
  - Any forms of forced or compulsory labor
  - The worst forms of child labor
  - Human rights violation and abuses such as widespread sexual violence
  - War crimes, violations of international humanitarian law, crime against humanity or genocide
2. Direct or indirect support to non state armed groups
3. Direct or indirect support to public or private security forces
4. Bribery and fraudulent misrepresentation of the origins of minerals
5. Money laundering
6. Non-payment taxes, fees, and royalties to government

In support of the above, PT. Prima Timah Utama are committed to follow the procedures to implement a conflict minerals due diligence system and encourage all organizations who involved in tin mining, manufacturing and the user of tin products to continuing with OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict- Affected and High Risk Area Annex II.

#### 4. Company Management System

The company is following up on its commitments to supply chain policies and has developed internal due diligence procedures by conduct management system training once a year for main staff and all related departments and conduct additional training if necessary.

Assigned a Manager who is responsible for the continuity of production and factory operations of PT. Prima Timah Utama

Name : Effendy Kho

Position : Factory Operations Manager

Effective date : November 21, 2018

Duties and responsibilities :

- ⇒ Ensure that tin ore received comes from the mining area of PT. Prima Timah Utama and our subsidiaries company
- ⇒ Coordinate with related departments so that the process of receiving tin ore at warehouse runs well
- ⇒ Supervise and control the amount of tin ore raw material required for the production process
- ⇒ Supervise and control factory operational activities so that everything can run smoothly

- Internal System of Control

- The company updated its due diligence management system to align with the OECD and RMAP in November 2018 and April 2022
- The company has submitted the updated supply chain policy and tin ore procurement requirements to all suppliers and mining partners in December 2018, 25<sup>th</sup> April 2022 and 31<sup>st</sup> Dec 2022, and publish on the company website  
[https://primatimahutama.com/pdf-file/company\\_supply\\_chain\\_policy.pdf](https://primatimahutama.com/pdf-file/company_supply_chain_policy.pdf)

- The company updates grievance mechanism in , cover external stakeholders, collect information on grievances by phone and email from employees, suppliers, buyers, and interested parties
  - The company trace and marking materials used, during production until delivery to export warehouse
  - The company check the material mass balance system annually to ensure we properly produced the tin ingots
- Record Keeping System  
The company requires that all due diligence records and documentation be maintained for at least five years and used as appropriate and also documented in soft files.

## 5. Risk Identification

- The process of selecting suppliers and subcontractors of PT. Prima Timah Utama begins with a CAHRA risk analysis which includes the country of origin of the tin ore and the location where the tin ore is mined and processed.
- CAHRA is identified as risk areas where there are armed conflict, widespread violence, insurgency, political instability, weak government and human right violence.

We use CAHRA resources to identify CAHRA,

Mandatory List : Dodd Franck Act & EU CAHRA List

Conflict Issues : Rule of Law in Armed Conflict (RULAC)

Governance Issues : Worldwide Governance Indicator (WGI)

Human Right Issues : CATO Human Freedom Index

- There are no risks associated with CAHRA because all tin ores are received from own mining area and subsidiaries' mine areas located in Indonesia which are not considered CAHRA.
- If risks found in the future, PT. Prima Timah Utama commit will identify according the rules from RMI
- We also do inspection to our mining site, training for mining people, and explain about grievance policy.

## **Know Your Counterparty Process**

PT. Prima Timah Utama has established KYC Questionnaire on October 2020 in order to strengthen supplier identification and checking through Government Indonesia mining database system (MODI) to verify whether they are under blacklist or have problem with Government.

We ensure that our suppliers and counterparties in the procurement of tin ore are companies that have legal clarity that can be identified through

- Legality of directors and shareholders
  - Business Identification Number (NIB)
  - Taxpayer Identification Number (NPWP)
  - Mining Business License (IUP)
  - Rencana Kerja & Anggaran Biaya (RKAB)
  - Export Approval (Persejutan Ekspor/PE)
- We ask for original information and data in every tin ore procurement transaction from our suppliers and counterparties

Effective date :

Pangkalpinang, 25<sup>th</sup> April 2022

Renewed, 31<sup>th</sup> Dec 2022



Effendy Kho

Factory Manager

## Grievance Policy

PT. Prima Timah Utama commits to accommodate, evaluate, and proceed all grievances and feedbacks from buyers, suppliers, employees, local communities, governments, and external parties by providing email and phones numbers as follow :

### Online :

Person In Charge (PIC)

1. Effendy Kho (+62 816 4809 198)
2. Sulaiman (+62 818 919 260)

Email : [ptu.hrd.ga@gmail.com](mailto:ptu.hrd.ga@gmail.com) , [primatimah@yahoo.com](mailto:primatimah@yahoo.com), [primatimah1@gmail.com](mailto:primatimah1@gmail.com)

### Offline :

Direct complain/suggestions in meeting with Head of Section

All complain, suggestion, and feedback from internal and external parties will handle and follow up by PIC within maximal 48 hours and we will give response to them what is the solution that will take by our company to complete.

Effective date:

Pangkalpinang, 25<sup>th</sup> Apr 2022

Renewed, 31<sup>st</sup> Dec 2022



Effendy Kho

Operational Manager

## Cashless Transaction Policy

PT. Prima Timah Utama commits to support National Movement of Non Cash Transaction, the implementation to support this policy are including :

1. PT Prima Timah Utama fulfills the necessity of tin ore from its own mine for developing the business
2. PT. Prima Timah Utama is willing to operate with other owners of tin mining business license
3. PT. Prima Timah Utama commits to do non-cash transaction with other parties in order to avoid money laundering

Pangkalpinang, April 25<sup>th</sup> 2022



Effendy Kho

Operational Manager

## **EITI Support Policy**

PT. Prima Timah Utama commits to support Extractive Industries Transparency Initiative (EITI) which is concerned on information transparency and governance system reinforcement.

PT. Prima Timah Utama supports to follow the EITI purpose by taking a clear communication between towards the government, company, and civil society engagement, the establishment of multi stakeholders groups, and agreement of work plan.

As an extractive company, PT. Prima Timah Utama is willing to be a part of EITI Program, implementing the information transparency and supporting the governance system reinforcement.

Pangkalpinang, April 25<sup>th</sup> 2022



Effendy Kho

Operational Manager