



Public due diligence report for responsible minerals sourcing

Company information

Established in 1963, Thailand Smelting and Refining Co., Ltd. (Thaisarco) is one of the world's largest producers of tin, tin alloys and tin-related products. Thaisarco's suppliers are predominantly traders, mining companies and Responsible Minerals Initiative (RMI)-certified smelters from Australia, Asia, Africa, Europe, and South America.

Thaisarco is a member of the International Tin Association (ITA), Tantalum-Niobium International Study Center (TIC) and the RMI. Thaisarco's CID number is CID001898. Thaisarco has one smelter, located at 80 Moo 8, Sakdidej Road, Tambol Vichit, Amphur Muang Phuket, Phuket, Thailand.

This report describes Thaisarco's due diligence management system and activities for the assessment period between January 1st, 2023 and December 31st, 2023.

RMAP Assessment Summary

Thaisarco's latest Responsible Minerals Assurance Process (RMAP) assessment took place on February 6th, 2023 to February 8th, 2023 for the audit period November 1st, 2021 to December 31st, 2022. The assessment was conducted by Arche Advisors and the list of conformant tin smelters is available on the [RMI's website](#).

Company Supply Chain Policy

As part of our commitment to responsible sourcing, Thaisarco has adopted a Supply Chain Policy consistent with the standards set forth in the Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance).

The policy was reviewed and approved by Thaisarco's senior management, which is committed to support its implementation. The policy has been widely disseminated to relevant stakeholders (suppliers, customers, employees) and is available on Thaisarco's [website](#).

Alongside the Supply Chain Policy, Thaisarco has also adopted the ITA's Code of Conduct.

Company Management System

MANAGEMENT STRUCTURE AND RESPONSIBILITIES

Thaisarco's Manual for Responsible Supply Chains describes the due diligence activities required for tin materials in Thaisarco's supply chain. Thaisarco's Managing Director has ultimate accountability for supply chain due diligence. Responsibility for supply chain due diligence activities lies with the responsible sourcing team:



- The Procurement Director / Due Diligence Program Manager oversees the activities of the responsible sourcing team.
- The Procurement Manager manages the implementation of due diligence activities.

All new employees of the responsible sourcing team receive training on supply chain due diligence, including on the Supply Chain Policy, Thaisarco's Code of Business Conduct, the ITA Code of Conduct and the Protocol of the Responsible Minerals Initiative. The updated Supply Chain Policy has been communicated to the employees and the responsible sourcing team undergoes annual refresher training.

Thaisarco commits to ensure that its Manual for Responsible Supply Chains remains effective and responsive to the risks identified, and to the evolving regulatory and market landscape. The following steps will be undertaken:

- The Procurement Manager reviews the Manual on an annual basis. If gaps are identified, the Procurement Manager establishes a formalised action plan to address gaps. The Procurement Manager reports findings to the Procurement Director.
- Thaisarco undergoes annual RMI audits to monitor and ensure the effectiveness of the due diligence system.

INTERNAL SYSTEMS OF CONTROL AND TRANSPARENCY

All suppliers are subject to a Know Your Customer (KYC) procedure, whereby Thaisarco collects information about suppliers' business practices and supply chain; this procedure is designed to identify potential risks such as fraud, corruption, money laundering, terrorist financing and human rights abuses. Upon receiving materials from KYC-approved suppliers, the responsible sourcing team checks if the documentation provided is complete and if there are any discrepancies. When receiving materials, Thaisarco verifies if suppliers are part of an industry scheme/upstream assurance mechanism (e.g. iTSCi and RMAP); verifies the condition of containers and seals, the number of containers and marking on drums/ bags, type, weight, composition, and quality of material received; and compares the information with the bill of landing, the supplier packing list and other documentation provided. The information gathered through the KYC procedure feeds the Risk Identification and Assessment process. Thaisarco only accepts materials that conform with its expectations. The information generated by the internal material control system is recorded and stored for mass balance calculation.

RECORD KEEPING SYSTEM

Thaisarco maintains records relating to the due diligence program for at least for five years. Records are properly used and safely stored in a company database.

GRIEVANCE MECHANISM

Thaisarco provides a grievance mechanisms procedure accessible to all external stakeholders involved in its operations. This procedure is openly accessible and can be found on Thaisarco's website. Throughout the specified period, Thaisarco did not receive any grievances.



Risk Identification and Assessment

In line with the activities outlined in the Manual for Responsible Supply Chains, the responsible sourcing team implements procedures to identify and assess risks when sourcing from conflict-affected and high-risk areas (CAHRAs).

- **CAHRA identification process:** Thaisarco adopts the OECD Guidance definition of a CAHRA and determines CAHRAs on the basis of:
 - a) Fragile States Index: Human Rights and Rule of Law Indicator,
 - b) Dodd Frank Act Section 1502 and
 - c) CAHRA Map Country Report issued by Kumi Consulting. The CAHRA list will be reviewed annually.
- **KYC procedure:** Thaisarco has implemented a KYC questionnaire to collect information such as supplier identity, legal status, ultimate beneficial owners, due diligence conducted by the suppliers, origin of material and transport routes, supply chain due diligence practices.
- **Chain of custody/origin determination:** Thaisarco requests origin information for each material transaction and ensures that it is able to understand the transaction origin and transportation route, as well as direct suppliers' names and locations.
- **Review and verify information:** Thaisarco's responsible sourcing team reviews and compares all information against its CAHRA list, relevant sanctions lists, local laws and internal sourcing requirements. Thaisarco considers documentation provided by the supplier and also external sources and adverse media. Whenever discrepancies are identified or clarification is needed, Thaisarco communicates with suppliers and requests an update.
- **Risk identification process:** Thaisarco has a procedure in place to determine the scope of its risk assessment. Thaisarco considers material- and supplier-related red flags and considers plausibility, inconsistencies, and type of mining (e.g., artisanal and/or small-scale mining). Thaisarco assesses if there is a risk of any forms of torture, cruel, inhuman and degrading treatment, any forms of forced or compulsory labour, child labour, other gross human rights violations, 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 private security forces, bribery and fraudulent misrepresentation of the origin of minerals, such as money laundering or non-payment of taxes, fees and royalties (together the "**Annex II risks**").
- **On-the-ground assessments:** If there is insufficient information to identify and assess risks, Thaisarco will conduct on-the-ground assessments.
- **Risk Assessment:** In evaluating the risk associated with sourcing raw materials, Thaisarco conducted extensive data gathering during mine site visits, engaged with numerous miners, held discussions with exporters in CAHRAs, and reviewed upstream assurance program providers data. This thorough approach enabled Thaisarco to identify no risks to the supply chain. Furthermore, Thaisarco maintains regular communication and verification with suppliers and upstream assurance program providers. This proactive approach ensures that Thaisarco addresses any potential issues that could affect the supply chain before and after accepting materials. Consequently, Thaisarco is confident that all materials received comply with RMAP standards and are conflict-free.



According to the "Supplier Review", Thaisarco has reviewed the supply risk during January 1st, 2023, and December 31st, 2023 as follows:

- 15.15% of Thaisarco's suppliers have been assessed as low-risk suppliers.
- 84.85% of Thaisarco's suppliers have been assessed as medium risk suppliers.
- 0% of Thaisarco's suppliers have been assessed as high-risk suppliers.



■ Low-risk suppliers ■ Medium-risk suppliers

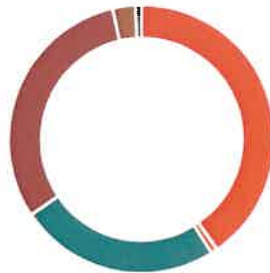
As per the "Raw Materials Intake by Continent" for the period between January 1st 2023, and December 31st, 2023, the data is as follows:

- 40.37% from Africa
- 0.82% from America
- 24.37% from Australia
- 30.92% from Asia
- 2.76% from Europe
- 0.75% from South America



■ CAHRAs ■ Non-CAHRAs

As demonstrated above, Thaisarco sourced raw materials from Conflict-Affected and High-Risk Areas in 2023, with approximately 62% originating from regions with red flags and 38% from non-Conflict-Affected and High-Risk Areas within the supply chain.



- Africa
- America
- Australia
- Asia
- Europe
- South America

Since Thaisarco is not aware of any material entering its supply chain from new suppliers during the assessment period, its process does not require any on-the-ground assessments during the current assessment period.

Nevertheless, in line with Thaisarco's dedication to responsible mineral sourcing, the company has conducted mine visits to endorse risk management practices aligning with RMI policies and OECD Due Diligence Guidance. Thaisarco perceives identified risks as opportunities for enhancement and has also visited mines and exporters that supplied materials to the company extensively as follows:

- 1 exporter (2 branches) in DRC
- 6 mines and 2 exporters in Rwanda

Thaisarco also published detailed mine sites visit reports on its website too.

Risk management

Based on the identification and assessment of supply chain risk(s), Thaisarco will develop a risk mitigation plan in response to identified risks of actual or potential adverse impacts, consistent with Thaisarco's Supply Chain Policy and appropriate to the type and scale of the risks of impacts.

When developing a risk mitigation plan, Thaisarco will consult with suppliers and affected stakeholders. Suppliers will be asked to accept and implement the risk mitigation plan. Thaisarco will support suppliers, for example by providing training and capacity-building.

Thaisarco will evaluate the risk mitigation plan six months after the implementation. If there is no significant measurable improvement, Thaisarco will consider suspending trade or fully disengaging from the supplier.

According to the "identification and assessment of supply chain risk(s)", Thaisarco has the activities during January 1st, 2023 and December 31st, 2023 as follows:

- 100% of Thaisarco's suppliers have been accepted.
- 0% of Thaisarco's suppliers have been conditionally accepted.



- 0% of Thaisarco's suppliers have been rejected.

Based on the risk assessment results, no risks were identified for Thaisarco's suppliers under the risk management system implemented during the reporting period.

Thaisarco is firmly committed to supporting the Environmental, Social, and Governance (ESG) program. In line with this commitment, the company has taken a significant step by installing the first phase of solar roof cells at its factory, contributing to the reduction of CO₂ emissions.

Furthermore, Thaisarco is actively participating in the CO₂ Compensation program through the Shell Company of Thailand, demonstrating its dedication to environmental sustainability and responsible business practices.



Fig 1: Installation of Solar roof cells at the Factory



Fig 2: Certificate acknowledging involvement in the Shell CO₂ Compensation Programme

APPROVAL BY SENIOR MANAGEMENT

This report has been reviewed and approved by Andrew Davies (Managing Director) on January 15th, 2024.



In accordance with RMI's advice, this report has been revised by Warit Choovaree (Procurement/Due Diligence Director), and reviewed, and approved by Andrew Davies (Managing Director) on June 28th, 2024.

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(Mr. Andrew Davies)
Managing Director

A blue ink signature in cursive script, appearing to read 'Warit Choovaree'.

(Mr. Warit Choovaree)
Procurement/ Due Diligence Director