

Thaisarco Supply Chain Policy

INTRODUCTION

Thailand Smelting and Refining Co., Ltd. (Thaisarco) is recognised worldwide as an industry leader in the manufacture of tin, tin alloys and tin-related products.

Thaisarco purchases, processes and trades multiple tin products including tin metal, solder, metal powders and tin slag. Thaisarco's suppliers are predominantly traders, mining companies and Responsible Minerals Initiative (RMI)-certified smelters. Thaisarco recognises that the extraction, handling, processing, transportation and trade of metals and minerals has the potential to contribute to, benefit from, or result in significant adverse impacts, particularly metals and minerals from conflict-affected and high-risk areas (CAHRAs)¹.

As part of our commitments to eliminate tin minerals that are linked to adverse impacts on people from our supply chain and to conduct business in compliance with all applicable laws and requirements prescribed by industry-wide organisations, such as the London Metal Exchange and RMI, we commit to source minerals responsibly. To this end, we implement a five-step due diligence process as defined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) Annex I.

This policy sets forth commitments for Thaisarco and all its suppliers related to the responsible sourcing of tin-bearing materials. This policy responds to legislation associated with responsible sourcing, namely Regulation (EU) 2017/821 ("Conflict Minerals Regulation") and Section 1502 of the U.S. Dodd Frank Act.

THAISARCO'S COMMITMENTS REGARDING:

Serious abuses associated with the extraction, handling, processing, transportation and trade of metals and minerals: Thaisarco and its suppliers will not tolerate, profit from, contribute to, assist with or facilitate the commission by any party of: (i) torture, cruel, inhuman and degrading treatment; (ii) forced or compulsory labour; (iii) child labour; (iv) other gross human rights violations and abuses; (v) war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide. Thaisarco and its suppliers will immediately suspend or discontinue engagement with an upstream supplier where we identify a reasonable risk of the abuses described in this paragraph.

Direct or indirect support to non-state armed groups: Thaisarco and its suppliers will not tolerate any support to non-state armed groups. Thaisarco and its suppliers will immediately suspend or discontinue engagement with an upstream supplier where we identify a reasonable risk of the support described in this paragraph.

Public or private security forces: Thaisarco and its suppliers will not support public or private security forces who illegally control metals and minerals supply chains or illegally tax or extort intermediaries, export companies or international traders. If Thaisarco or its suppliers contract security forces, we will require that such security forces

¹ As per the OECD Guidance, "Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterised by widespread human rights abuses and violations of national or international law."

be engaged in accordance with the Voluntary Principles on Security and Human Rights. We will engage, as feasible, with relevant stakeholders to avoid or minimise the exposure of vulnerable groups to adverse impacts associated with the presence of security forces, in particular in artisanal or small-scale mining sites. Thaisarco and its suppliers will devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces who illegally control metals and minerals supply chains or illegally tax or extort actors in the supply chain as defined in this paragraph.

Bribery and fraudulent misrepresentation of the origin of minerals: Thaisarco and its suppliers will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, or to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export. Thaisarco will not offer, give or agree to give to any stakeholders any unlawful gift or reward for doing or forbearing to do anything in securing tin-bearing materials. Thaisarco and its suppliers will devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent the actions described in this paragraph.

Money laundering: Thaisarco and its suppliers will take steps to contribute to the effective elimination of money laundering where we identify a reasonable risk of money laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream counterparties.

Payment of taxes, fees and royalties due to governments: Thaisarco and its suppliers will ensure that all taxes, fees and royalties related to mineral extraction, trade and export are paid to governments, in accordance with the company's position in the supply chain. Thaisarco encourages suppliers to disclose payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

Compliance with applicable laws and regulations, and international sanctions: Thaisarco complies at all times with national and international law related to responsible minerals supply chains, including the Regulation (EU) 2017/821 ("Conflict Minerals Regulation"), Section 1502 of the Dodd Frank Act, UN Security Council Resolutions and the United Kingdom Bribery Act 2010.

Thaisarco will suspend or discontinue engagement with a supplier after failed attempts at mitigation of identified risks within six months of the adoption of a risk management plan.

IMPLEMENTATION

The implementation of this policy is led by Thaisarco's Procurement Director and Due Diligence Program Manager. To implement this policy, Thaisarco will:

- (i) Purchase tin-bearing material from reputable suppliers with whom we pursue long-term business relationships. We monitor all transactions and apply Know your Counterpart (KYC) / Anti-Money (AM) Laundering/ Combating the Financing of Terrorism (CFT) procedures when onboarding a supplier and through the business relationship.

- (ii) Implement supply chain due diligence as per Thaisarco's Procedures Manual for Responsible Supply Chains to undertake risk-based due diligence focusing on those activities in Thaisarco's supply chain where risks outlined in the previous section (Thaisarco's commitments regarding) are greatest. This Procedures Manual includes the steps undertaken as part of our KYC/AM/CFT, red flags identification, risk identification and assessment, and risk mitigation processes. Records of supply chain due diligence are kept for a minimum of five years.
- (iii) Strive to obtain full traceability in our minerals supply chain. When sourcing from Burundi, Democratic Republic of Congo, Rwanda and Uganda, we require our suppliers to be members of an RMI-approved upstream assurance mechanism. When sourcing from smelters, we require our suppliers to provide evidence of conformance with the RMI Standard².
- (iv) Provide sufficient resources for the implementation of this policy and communicate and train relevant employees on responsible sourcing matters.
- (v) Communicate this policy to all counterparties and require counterparties to confirm their understanding of this policy.
- (vi) Regularly review its practices and guidance to ensure that they remain responsive to evolving supply chain risks and undergo annual third-party audits as part of the process to maintain our RMAP Conformant Smelter Status.
- (vii) Report on supply chain due diligence in line with the requirements of the OECD Guidance.

Thaisarco has a grievance mechanisms procedure that can be used by any external stakeholder of its operations. The procedure is publicly available and published on Thaisarco's [website](#).

Andrew Davies
Managing Director

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² Responsible Minerals Assurance Process (RMAP), Tin and Tantalum Standard