



# Public due diligence report for responsible minerals sourcing

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## 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 1<sup>st</sup> November 2021 and 31<sup>st</sup> December 2022.

## RMAP Assessment Summary

Thaisarco's latest Responsible Minerals Assurance Process (RMAP) assessment took place on December 1<sup>st</sup>, 2021 to December 4<sup>th</sup>, 2021 for the audit period January 1<sup>st</sup>, 2020 to October 31<sup>st</sup>, 2021. 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 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](#). During the period, Thaisarco has received 1 grievance from RMI related to the recent [Global Witness report](#).

## 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.

According to the "Supplier Review", Thaisarco has reviewed the supply risk during November 1<sup>st</sup>, 2021 to December 31<sup>st</sup>, 2022 as follows:

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

Thaisarco has no suppliers who are at high risk during this period then on-the-ground assessment is not required.

In addition, Thaisarco has a strong awareness on responsible sourcing minerals, so Thaisarco decided to visit the mines which has mentioned on the recent [Global Witness report](#) to support risk management and mitigation practices in accordance with the RMI policies and the OECD Due Diligence Guidance, with a view that any risk identified is an opportunity for improvement and Thaisarco also visited some mine who delivered the material to us significantly.

- 1 mine in DRC
- 5 mines in Rwanda
- 1 mine in Tanzania
- 1 mine in Namibia

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 November 1<sup>st</sup>, 2021 to December 31<sup>st</sup>, 2022 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.

Hence, Thaisarco has no Risk Mitigation during this period.

#### **APPROVAL BY SENIOR MANAGEMENT**

This report has been reviewed and approved by Andrew Davies (Managing Director) on January 12<sup>th</sup>, 2023.