
Responsible Minerals Supply
Due Diligence Report

JANUARY 2023
JUNE 2024



minsUR

Our purpose

We improve life
by transforming minerals
into well-being



1.

OVERVIEW

Minsur is a Peruvian mining company that has operated in the sector for 46 years, and our purpose is “We improve life by transforming minerals into well-being.”

At our operations in Peru and Brazil, we mainly produce tin, copper, and gold, adhering to rigorous environmental, social, and governance standards.

We have an integrated tin production process. In Peru, we mine and produce tin concentrate at our San Rafael mining unit (MU) in Puno, and we transport it to our Pisco Smelting and Refining Plant (SRP) in Ica, where it is treated to add value and offer refined tin with a high degree of purity. According to the International Tin Association (ITA), Minsur was ranked second globally in tin production in 2023.

For more information on Minsur, refer to our [2023 Sustainability Report](#).

Company name:	Minsur S.A.
Registration number:	Taxpayer ID (RUC): 20100136741 / CID001182
Address:	Calle Bernini 149, Int. 501-A San Borja. Lima-Perú
Refinery location:	Carretera Panamericana Sur Km 238.5 Paracas, Pisco, Ica
Assessment Scope:	Pisco Smelting and Refining Plant
Assessment Criteria:	ITA-RMI Assessment Criteria for Tin Smelting Companies
Website	www.minsur.com
Reporting period:	Jan. 1, 2023 – Jun. 30, 2024
RMAP’s last assessment	October 18-21, 2021
Last assessment period	03/01/2018 – 08/31/2021
Assessment firm	SCS Global
RMAP Report	https://www.responsiblemineralsinitiative.org/media/docs/Public%20Reports/Minsur%20Public%20Report.pdf



*ITA's ranking considers the tin production of Minsur in Peru and its subsidiary Taboca in Brazil.



SAN RAFAEL MINING UNIT (MU)

The San Rafael MU plays a crucial role in tin production in Peru and globally.

This underground operation obtains high-purity tin through gravimetric concentration and flotation processes. The B2 tailings reutilization plant (B2 plant) supplements the mine's normal production, where we apply technologies specially designed to recover tin from the mine's old tailings dam - a flagship case of circular economy.

PISCO SMELTING AND REFINING PLANT

The Pisco SRP is a pioneer in using submersible lance technology to process tin concentrate, enabling cost and production time efficiency, and maintaining an average of 99.95% purity.

During the analysis period, the Pisco SRP was not supplied with minerals from locations identified as conflict-affected or high-risk areas (CAHRAs). All the primary material (tin concentrate) processed by the plant came from our San Rafael mine located in Puno (Peru).

In addition, in line with our circular economy efforts, we conducted a pilot test to reuse a mineral by-product from the European Union. In this operation (20 t sample), the established due diligence was applied, and the results are explained in this report.





WORLD-CLASS STANDARDS

Our work is guided by world-class standards. Our San Rafael MU and Pisco SRP are certified under ISO 9001 for quality; 14001 for environment; and 45001 for health and safety. We confirmed our anti-corruption commitment in 2023 by obtaining the ISO 37001:2016 certification, a standard that verifies our Anti-Bribery Management System.

At Minsur, we adhere to the UN Global Compact and support the Extractive Industry Transparency Initiative (EITI), which promotes transparent management of the payments made to the government in the mining, oil, and gas sectors. Similarly, we participate in the [National Reports](#) issued by the Ministry of Energy and Mines of Peru and we periodically report our compliance level as noted in our [2023 Sustainability Report](#) (see Appendix 7.8, EITI Commitments).

Minsur S.A. lists its shares on the Lima Stock Exchange and meets the legal requirements of Peru’s Securities and Exchange Commission (SMV, in Spanish) and other regulatory bodies. This includes the disclosure of our audited individual and consolidated financial statements, annual reports, main corporate governance practices, risk management, anti-corruption practices and controls, and diversity and inclusion matters, among others, which reinforce the accountability of the industry.

We also comply with the Tin Code’s Principles, including principle 7.3 on the Responsible Sourcing of Minerals promoted by the ITA; the European Union Regulation 2017/821 (articles 4, 5, and 7) and the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas as published by the Organization for Economic Cooperation and Development (OECD).

Our alignment with all of these principles has been assessed. In 2023, Liz Muller & Partners, an independent firm that has more than 25 years of experience, conducted an on-site review to evaluate our tin production, transportation, and refining processes in Peru. In August 2024, PricewaterhouseCoopers (PwC) conducted an additional assessment under the International Standard on Assurance Engagements (ISAE 3000 revised), which confirmed our alignment with the aforementioned principles.

Minsur has been a member company of the International Council on Mining and Metals (ICMM) since 2018, and we incorporate its 10 Sustainable Development Principles into our management. As part of these commitments, an independent external assessment of our San Rafael MU and Pisco SRP in 2022 validated a high level of alignment, which was also verified by an independent auditor and publicly disclosed in our [2022 Performance Expectations Report](#).



FINALLY, OUR PISCO SRP PERIODICALLY CONDUCTS THE RESPONSIBLE MINERALS ASSURANCE PROCESS (RMAP) AND IS CURRENTLY PART OF THE RMI FACILITIES CONFORMANT LIST.





STEP 1: OUR MANAGEMENT SYSTEMS

Our commitment to responsible mineral supply is aligned with our corporate purpose and sustainability strategy. It is also integrated into our main management systems.

RESPONSIBLE MINERAL SUPPLY POLICY

We have a specific policy in place that expresses our commitments and establishes the main guidelines to ensure responsible mineral supply. This policy is consistent with Minsur’s other internal policies, such as our Code of Ethics and Conduct for Suppliers, Human Rights Policy, Anti-Corruption and Anti-Bribery Policy, and the Anti-Money Laundering and Combating the Financing of Terrorism Policy.

Our principles also align with the global standards mentioned in the preceding section and cover the following contents of Annex II to the OECD’s Guidance.

TABLE 1. MAIN CORPORATE POLICIES

TOPIC	POLICY	LAST UPDATE
Cross-functional	Code of Ethics and Conduct	2020
	Corporate Sustainability Policy	2023
	Corporate Human Rights Policy	2023
Ethics and Compliance	Corporate Compliance Policy	2022
	Corporate Anti-Corruption and Anti-Bribery Policy	2024
	Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Policy	2022
	Corporate Policy for Interaction with Public Officials	2022
	Corporate Policy for Avoiding Conflicts of Interest	2022
	Workplace Sexual Harassment Prevention Policy	2024
	Corporate Free Competition Policy	2022
Risks	Corporate Business Risk Policy	2022
	Business Risk Management Standard	2022
Safety and Health	Occupational Safety and Health Policy	2024
	Zero Is Possible Policy	2024
	Right to Say No Policy	2024
Social	Corporate Social Management Policy	2020
	Indigenous Peoples Policy	2020
	Community Health and Safety Policy	2020
	Social Management System Standard	2022
Labor	Human Resources Policy	2020
	Diversity and Inclusion Policy	2024
Operations	Policy for Geotechnical Management in Critical Facilities	2019
Environmental	Environmental Policy	2021
	Climate Change Policy	2019
	Environment and Closure Policy	2019
	Excellence in Water Management Policy	2019
Suppliers	Code of Ethics and Conduct for Suppliers	2020
	Responsible Mineral Supply Chain Policy	2024
	Corporate Purchase and Contract Policy	2023
Othe	Corporate Fiscal Policy	2021
	Information Security Policy	2021



As part of our continuous improvement processes, we reviewed and updated our Responsible Mineral Supply Policy and main related processes in 2024. This policy has been disseminated among the key areas of the company and is also accessible to the public through Minsur’s website.

Management has incorporated the aforementioned policy through a due diligence process that establishes clear governance and assigns responsibilities; defines the procedures to identify and assess risks related to conflict-affected areas; applies follow-up and monitoring systems and makes reliable grievance mechanisms available. During the fiscal year, the key staff were trained on the due diligence system’s policies and procedures.

TABLE 2. MAIN TOPICS ADDRESSED IN THE RESPONSIBLE MINERAL SUPPLY POLICY

MAIN TOPICS ADDRESSED IN THE RESPONSIBLE MINERAL SUPPLY POLICY	
Implementation of processes to identify and manage risks related to mining, transportation, and trade of minerals.	
Respect for human rights in our activities and supply chain. No tolerance of any form of forced labor, torture, child labor, sexual violence, war crimes, or similar acts.	
Refusal to fund or support any conflicts, armed groups, and/or terrorist activities related to mining or through transportation or trade of minerals.	
Interaction with law enforcement agencies and private security forces, abiding by the Voluntary Principles on Security and Human Rights.	
Refusal to engage in any form of corruption, including concealing the source of minerals or in money laundering or terrorism financing activities.	
Support of the Extractive Industry Transparency Initiative (EITI).	
Implementation of grievance mechanisms to address stakeholders’ concerns and taking timely measures to mitigate risks.	





GOVERNANCE

Juan Luis Kruger Sayán has been Minsur S.A.’s CEO since March 2013. Mr. Kruger and our Executive Committee (EXCO) lead our adherence to the corporate strategy and ensure the creation of economic, social and environmental value for our shareholders and stakeholders. Their professional experience is highlighted in the [2023 Annual Report](#), pages 74-78

We also have various committees that play an important role in the execution of the business strategy and the integration of environmental, social and corporate governance considerations into all company areas and decisions. The main committees include:

TABLE 3. MINSUR’S SENIOR EXECUTIVES ²

POSITION	NAME
Chief Executive Officer	Juan Luis Kruger Sayán
Chief Operations Officer	Gianflavio Carozzi Keller
Corporate Affairs and Sustainability Director	Gonzalo Quijandría Fernández
Finance Director	Gabriel Ayllon García
Supply Chain and Commercial Director	Ralph Alosilla - Velazco
Project Director	Yuri Alfredo Gallo Mendoza
Talent, Transformation, and Technology Director	Álvaro Escalante Ruiz
Internal Audit Director	Hik Park
Corporate Exploration Director	Miroslav Kalinaj

²Mr. Alberto Cárdenas worked at Minsur until January 2024; the COO position was taken over by Gianflavio Carozzi. Mr. Joaquín Larrea worked at Minsur until Jan. 31, 2024 and the Finance Director position was taken over by Gabriel Ayllón (see Minsur’s [2023 Annual Report](#)).

TABLE 4. MINSUR’S MAIN COMMITTEES

COMMITTEE	APPROACH
Executive Committee (EXCO)	Responsible for all strategic decisions made by the organization.
Business Development Committee	Responsible for evaluating and providing recommendations about potential investments in mining assets.
Exploration Committee	Supervises progress in various exploration projects in Peru.
Project Committee	Supervises progress in various expansion projects in accordance with our capital project development standard (the Minsur Way).
Compliance and Human Rights Committee	Supervises the appropriate development of our Code of Ethics and Conduct, and compliance with laws and our internal policies
Sustainability Committee	Supervises compliance with the sustainability strategy, establishment of long-term goals, and progress in the Zero Net Emissions strategy, among other initiatives.
Crisis Management Committee	Defines action plans in situations that could significantly affect our operations or reputation.
Strategic Risk Committee	Supervises the identification and assessment of strategic risks, and the design and application of action plans proportional to the risk.
Social Management Committee	Seeks to prevent social risks and implement action plans and projects that enable Minsur to ensure a positive relationship with neighboring communities in our area of direct influence.
Environmental Committee	Supervises compliance with operational environmental targets and implementation of continuous improvement projects and plans.



ROLES AND FUNCTIONS IMPORTANT
TO RESPONSIBLE MINERAL SUPPLY:

- ▶ The CEO and the EXCO ensure and supervise compliance with our Responsible Mineral Supply Policy.
- ▶ The Corporate Affairs and Sustainability Director is responsible for coordinating the implementation of due diligence, building capacities, and periodically updating the guidelines of the management system
- ▶ If the company decides to buy third-party minerals, the Compliance Officer conducts a CAHRA verification (OTU-PRO-CO-03-04.01, CAHRA Procedure) and assesses the warning signs and level of associated risks.
- ▶ If there is no third-party sourcing, the Compliance Officer conducts a CAHRA verification of the concentrate from the San Rafael MU.

- ▶ In the event that the Company decides to purchase minerals from third parties, the Commercial Director will submit the purchase recommendation to the Chief Executive Officer and/or the Commercial and Supply Chain Director, after performing the evaluations included in our “Tin Concentrate Purchase Procedure” and the positive opinion of our Compliance Officer.
- ▶ We conduct the CAHRA identification process once a year, if no important changes have taken place.
- ▶ The Head of Logistics of the Pisco SRP is responsible for verifying controls prior to receiving the material, including weights, security seals, and others.
- ▶ Before awarding a contract, the Contract Administrator assesses potential transportation suppliers, including searching for them on international anti-money laundering checklists, in accordance with the supplier registration procedure.

- ▶ The Transportation Administrator implements the controls established in the Business Alliance for Secure Commerce (BASC) control and security management system and in the procedures for the transportation of tin concentrate and refined tin.
- ▶ We periodically evaluate compliance with the Responsible Minerals Supply Policy and related procedures and provide feedback to drive continuous improvement.



GRIEVANCE MECHANISMS

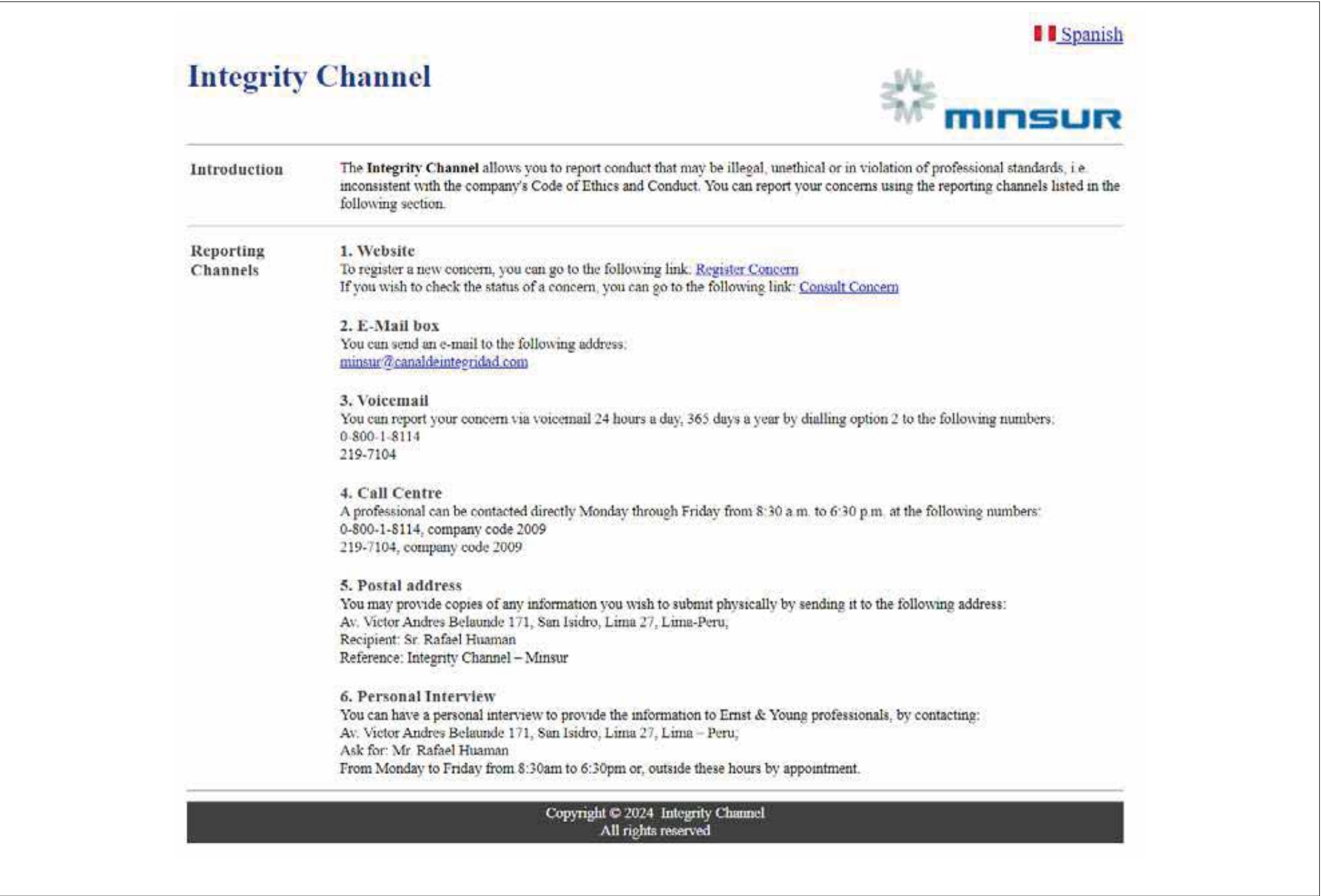
We have implemented an Integrity Channel to allow our employees and stakeholders to report any concerns or complaints related to possible non-compliance with the law or our internal policies.

The hotline is operated by an independent third-party firm, Ernst & Young, and has a specific operating protocol to ensure the objectivity of the process. The Compliance and Human Rights Committee is responsible for investigating the reports we receive.

As part of the ISO 37001 certification process, we reinforce training and communication about the Integrity Channel, emphasizing the confidential handling of information and ensuring there is no retaliation. We continuously strive to improve the process and share feedback with management in a timely manner.

All cases are addressed and investigated. Depending on the nature and the results of an investigation, we implement corrective actions, including disciplinary sanctions, reinforcement of specific training, and even dismissal of personnel, in accordance with the severity of the misconduct.

FIGURE 1. INTEGRITY HOTLINE COMMUNICATION CHANNELS





CUSTODY AND TRACEABILITY CHAIN

As stated above, since all tin concentrate received by the Pisco SRP during the period of this report came from our mine at San Rafael, we have control of the custody chain and direct access to information.

The Pisco SRP has implemented the "Procedure for Receiving Materials" and various controls that allow it to supervise the integrity of the cargo and keep accurate records of all materials containing tin that it receives, processes, and sells. All information is recorded and saved in the inventory management system.

In 2023, we became the first mining company in Peru to use blockchain technology to ensure 100% traceability of our tin production. We developed this initiative in partnership with the German company Minespider, which allows our clients to identify the source of the mineral and learn about the associated standards.



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STEP 2: RISK ASSESSMENT

In 2024, as part of our continuous improvement processes, we updated our CAHRA identification procedure, and the assessment and management of associated risks.

CAHRA PROCEDURE AND RISK ASSESSMENT

Our CAHRA identification procedure establishes the guidelines required to prevent and manage risks associated with the production, transportation, and trade of minerals and with the purchase of byproducts that could be used for recovering minerals and are sourced from CAHRAs.

During the analysis period, we applied these guidelines to our San Rafael MU, the transportation of concentrate, and the Pisco SRP determining that Minsur has not received, processed, or traded tin sourced from a CAHRA. The company has also implemented reasonable controls aligned with international standards on this matter.

These results were confirmed by an independent third party, which conducted a field assessment in 2023 of our capacity to prevent human rights violations, corruption, and the risks of terrorism financing. It also confirmed that we protect and control the mineral custody chain, as defined in our Responsible Mineral Supply Policy and Annex II to the OECD Guidance.

In August 2024, PricewaterhouseCoopers (PwC) conducted an additional assessment at our Pisco SRP using the International Tin Association (ITA) and Responsible Minerals Initiative (RMI) review criteria for companies and smelters. This assessment was conducted under the International Standards for Assurance Engagements (NIEA 3000 revised). Both assessments were supported by third-party experts as well as the necessary human and financial resources from the organization.

As stated above, we started a pilot project in 2024 to assess the use of a by-product from processing other non-3TG minerals. As part of this project, we applied the established due diligence to assess a 20-t sample of the material. As a result of the assessment, no warning signs were identified as to the source, transportation, or supplier.





CAHRA IDENTIFICATION METHODOLOGY

We conduct a CAHRA identification analysis every 12 months or before we establish a new commercial relationship. As part of the scope, we assess the sourcing (mining) area, supplier’s route, and activities. This methodology is based on the following criteria:

- ▶ In the first stage, two mandatory criteria are reviewed: The list of countries included in [Section 1502 of the Dodd-Frank Act](#) and the [CAHRA List prepared by the European Commission](#), pursuant to Article 14.2 of European Union Regulation 2017/821. If either of the two criteria is positive, the area is deemed to be a CAHRA.
- ▶ In the second stage, we analyze other sources of public information: (A) level of conflict, (B) governance, and (C) human rights. If two of these three supplementary criteria indicate that an area is a CAHRA, the country or region will be deemed a CAHRA. We apply the following resources in our analysis:



IDENTIFICATION OF WARNING SIGNS OR RED FLAGS

After applying the CAHRAs procedure, the company evaluates the information collected from the minerals supply chain, including tools such as the KYC questionnaire and the review of international sanctions lists, among others.

This information will be contrasted with the main red flags or warning signs defined in Annex 2 of the OECD Guide and will allow identifying and assessing the risks related to the extraction, transportation, and commercialization of minerals from conflict zones.

If red flags are identified as a result of the analysis, the company will apply further in-depth review processes, which include field assessments, to understand the actual level of risk of the transaction.

During the analysis period, no red flags or warning signals were identified for the Pisco Smelter and Refinery Plant. The records related to the evaluations performed will be kept for up to 5 years.

TABLE 5. CRITERIA FOR QUANTIFICATION ANALYSIS

SUPPLEMENTARY CRITERIA	RESOURCES	THRESHOLDS
Level of Conflict	Heidelberg Conflict Barometer: Detects the presence of armed conflict and widespread violence.	A country or region is deemed a CAHRA if it has a rating of 4 or 5 (origin of mines or transit).
Human Rights	Human Rights and Rule of Law Indicator of the Fragile States Index: Detects risks of human rights abuses.	The country is rated as a CAHRA if it obtains a score of 8 or more for the Human Rights and Rule of Law Indicator.
Fragile Governance	Transparency International Corruption Perceptions Index: Refers to the level of corruption perceived in a country.	The country is rated as a CAHRA if it obtains a score below 50 in the Corruption Perceptions Index that Transparency International publishes each year.



STEP 3: RESPONDING TO IDENTIFIED RISKS

During the analysis period, we did not identify any warning signs or significant risks linked to the extraction, transport, or commercialization of minerals from conflict zones.

Nevertheless, if this situation changes, based on the results of the risk and control assessment, we have defined the following possible responses:

A

- Fit to continue with the next stages of the commercial or bidding process, if we determine that the risk is low or is being managed.

B

- Unfit, if we determine that the risk is high or is not being managed.

C

- If there is a contract in progress and we make observations or identify new risks, the company has six months to establish controls and appropriate measures to address the risks.

D

- If there are reasonable signs of serious human rights violations, financing of armed or terrorist groups, involvement in corrupt acts, or money laundering, the contract in progress must be terminated, and the corresponding measures must be applied.

We may supplement these actions with other preventive measures, such as capacity building in human rights, training our security personnel, auditing the Anti-Bribery Management System, and participating in EITI Country Reports, among others.

Risk mitigation progress is reviewed at least every 12 months, to assess the effectiveness of implemented actions, address new risks, and incorporate continuous improvement opportunities.





STEP 4: INDEPENDENT THIRD-PARTY AUDIT

Our due diligence system is periodically evaluated by independent third-party auditors. In 2023, we applied an external on-site review to evaluate our tin production, transportation, and refining processes in Peru through the independent firm Liz Muller & partners.

In August 2024, PricewaterhouseCoopers (PwC) conducted an additional assessment at our Pisco SRP using the International Tin Association (ITA) and Responsible Minerals Initiative (RMI) review criteria for companies and smelters. This assessment was conducted under the International Standards for Assurance Engagements (NIEA 3000 revised).





STEP 5: DUE DILIGENCE REPORT



As part of our due diligence system, we report our progress and challenges each year related to the responsible supply of minerals. This information is summarized in our annual Corporate Sustainability Report and detailed in this Due Diligence Report.





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