

**PRECIOUS MINERAL AND SMELTING LTD.**

# **SUPPLY CHAIN POLICY**

SEMI URBAN INDUSTRIAL ESTATE, FREZERPUR, JAGDALPUR, DIST.-BASTAR, CG, 494001

- **INTRODUCTION:**

Precious Minerals and Smelting Limited (PMASL) is a company processing high-quality tin ingot whose tin ore comes from its mine and is also sourced from the State Government Mining Company "Chhattisgarh Mining Development Corporation" (CMDC). The company was incorporated on 12<sup>th</sup> December year 1996 production operation started on May year 2002. PMSL's License No. **(DIC No.221505536)** The company has a production operation **mining business license No. 60CHG033001 located** at Bade Bahçeli, District Dantewada, Chhattisgarh, India

According to Annex II of OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (3rd edition) in processing tin minerals, companies should commit to implementing responsible resource sourcing. Hence, PMASL will commit to: Having a management system for OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

- **OBJECTIVES:**

The Supply Chain Policy of Precious Minerals and Smelting Limited ("PMASL") was made to ensure that its activities are conducted in line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Annex II).

- **COMPANY SUPPLY CHAIN POLICY:**

1. In accordance with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, PMSL strongly condemns all activities and will refuse any materials, which are assessed benefitted or supported armed rebels/terrorist groups through illegal finance, other activities or involved serious human rights violations associated with the extraction, handling, transport or trade of minerals, including:
  - i. Serious abuses (i.e., torture, cruel, inhuman, and degrading treatment; forced for compulsory labor; worst forms of child labor; human rights violations and abuses such as widespread sexual violence; war crimes or

other serious violations of international humanitarian law, crimes against humanity or genocide). Any form of torture, cruel, inhuman and degrading treatment

- ii. Direct or indirect support to non-state armed groups
- iii. Direct or indirect support to public or private security forces that are conducting illegal activities
- iv. Bribery and fraudulent misrepresentation of the origin of mineral
- v. Money laundering
- vi. Non-payment of taxes, fees, and royalties to governments

2. Precious Minerals and Smelting Limited will perform risk management in the sourcing of raw materials and immediately discontinue transactions when it is judged that minerals could be a source of funds for organizations linked to risks such as infringement of human rights, supply of funds to terrorists, money laundering and corruption, or to other forms of misconduct in conflict-affected and high-risk areas.
3. In support of the above, all of our relevant staff members are directed to follow and trained on procedures to implement a conflict minerals due diligence system that aims to :
  - I. Exercise due diligence with relevant suppliers consistent with the OECD Due Guidance and the Responsible Business Alliance's Responsible Minerals Assurance Process(RMAP) and encourage our suppliers to do the same.
  - II. Provide and expect our suppliers to cooperate in providing, due diligence information to confirm that tin-containing material in our supply chain does not contribute to illegal armed groups, human rights violations, or financial wrongdoings as defined in Annex II of OECD Guidance.
  - III. Undergo RMAP assessments to verify our conflict-free status as well as identify opportunities to continually improve our conflict minerals due diligence management system.
  - IV. Commit to transparency in the implementation of this policy by making available reports on our progress to our customers, and relevant stakeholders (as required).
  - V. Aim to establish long-term relationships with our immediate suppliers

- VI. Consider ways to support and build capacities of tin supplying counterparties to improve performance and conform to this supply chain policy.
- VII. Suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.
- VIII. Immediately discontinue engagement with suppliers who pose a reasonable risk to be causing severe human rights abuses
- IX. Support the implementation of the principles and criteria of the Extractive Industry Transparency Initiative(EITI)
- X. We are committing to purchase raw materials only from trustworthy suppliers and suppliers who have been long relationship with the company or passed the evaluation process of KYC (Know Your Counterparty).
- XI. The company representative will make selected supplier site visits on a regular basis for assessment purpose and to test plausibility of the company within supply chain.
- XII. We conform to the Responsible Minerals Initiative (RMI) Assurance Process Tin Standard and OECD Due Diligence for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAS) which includes the OECD 5-Step framework as applicable to the RMI.
- XIII. We do not wish to take part in any action that contributes to the regarding serious abuses associated with the extraction, transport or trade of minerals. While sourcing from, or operating in, conflict-affected and high-risk areas, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party set forth above.

- ***In support of our Supply Chain Policy, we expect all suppliers to:***

1. Comply and adopt a supply chain policy aligned with our policy.
2. Provide us with clear information about the origin of raw materials.
3. Fill out the KYC questionnaire and return it as soon as possible.
4. Willing to give us the additional evidence or documents that are required.

We request cooperation from our suppliers to comply with this policy when extracting, sourcing, transporting, trading, handling, or exporting minerals from conflict-affected and high-risk areas. We will suspend or discontinue engagement with the suppliers after we

have reasonable belief that a supplier fails to comply with this policy and attempts at mitigation.

- **GRIEVANCE MECHANISM :**

We, Precious Minerals and Smelting Limited have a grievance mechanism to allow any interested party to raise concerns. Grievances can be submitted via the online grievance form accessible on our website (<http://www.pmsl.in>) and the contact numbers and email addresses available on the website.

Signed By \_\_\_\_\_

SHREECHAND LUNIA  
WHOLE TIME DIRECTOR  
DIN: 00246634  
97, Masjid Road, Indira Ward 16,  
Jagdalpur, Dist. Bastar, (C.G.) 494001

**Reference:-** OECD Guidance - <https://www.oecd-ilibrary.org/docserver/9789264252479-en.pdf?expires=1701611950&id=id&accname=guest&checksum=27190CB69A33710CEE>

[4B10C69E1D9967](#) PDF - 