



2024 Responsible Sourcing Report

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Review details:

COMPANY NAME:	Nyrstar Sales & Marketing SA
ADDRESS:	Rue de Jargonnant 1 Genève 1207 Switzerland
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1. Introduction

Nyrstar is an international producer of critical minerals and metals essential for a low carbon future. With a market leading position in zinc and lead, Nyrstar has mining, smelting and other operations located in Europe, the United States and Australia and employs approximately 4,000 people. Its Corporate Office is based in Budel-Dorplein, the Netherlands. The company’s operations are located close to key customers and major transport hubs to facilitate reliable and efficient delivery of raw materials and distribution of finished products. Nyrstar’s operating business is wholly owned by Trafigura Group Pte. Ltd, one of the world’s leading independent commodity trading and supply chain logistics companies.

Our purpose as a company is to responsibly source the commodities, industrial and critical minerals and metals that advance everyday life. Responsible sourcing is our commitment to take into account social, ethical and environmental considerations with regards to our products and supply chains and when managing our relationships with suppliers.

Nyrstar is committed to sourcing metals and minerals responsibly and conducting business ethically, in accordance with all applicable laws and voluntary requirements prescribed by the industry-wide organisations to which we subscribe. Our responsible sourcing commitment has led us to establish and implement a Responsible Sourcing management system which consists of 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), www.oecd.org.

Nyrstar regularly reviews its due diligence practices and guidance to ensure that they remain accurate and responsive to the assessment of evolving supply chain risks and to ensure compliance with relevant laws and regulations.

2. Scope

This report sets out our approach to the management of responsible sourcing of raw materials, with the aim of ensuring that adverse Environmental, Social and Governance (ESG) impacts associated with the extraction, handling, processing, transportation and trade of metals and minerals are identified and managed in a systematic manner. The scope of this report is based on the OECD Guidance.

3. Company Management System

3.1 *Our Commitment*

We are committed to identifying, assessing and responding to potential and actual adverse environmental, social and governance related impacts in our supply chains (Key Risk Factors), as outlined in OECD Guidance (www.oecd.org). This includes potential and actual impacts that are directly linked to our operations, products or services, even if we have not contributed to those impacts. If a supplier fails to align with the Nyrstar Responsible Sourcing Policy, or comply with international and host country laws and regulations, as applicable, we will take remedial action and may choose to suspend or discontinue the affected supply.

- **Regarding serious abuses associated with the extraction, handling, processing, transportation and trade of metals and minerals:**

We will not tolerate nor by any means profit from, contribute to, assist with or facilitate the commission of serious abuses by any party of:

- I. torture, cruel, inhuman and degrading treatment;
- II. forced or compulsory labour;
- III. the worst forms of child labour;
- IV. other human rights violations and abuses;
- V. war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

We will immediately suspend or discontinue engagement with suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined above.

- **Regarding support to non-state armed groups:**

We will not tolerate any direct or indirect support to non-state armed groups, as defined in the OECD Guidance, through the extraction, transport, trade, handling or export of metals or minerals. We will immediately suspend or discontinue engagement with suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined above.

- **Regarding public or private security forces:**

We will eliminate (in)direct support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders. We will proceed to suspend or discontinue engagement with suppliers where we identify a reasonable risk that the supply chain directly or indirectly supports public or private security forces acting as described above.

- **Regarding bribery and fraudulent misrepresentation of the origin of minerals:**

We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport, and export. We will immediately suspend or discontinue engagement with suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party associated with bribery and fraudulent misrepresentation of the origin of minerals as described above.

- **Regarding money laundering:**

We will support efforts, or 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 suppliers. We will immediately suspend or discontinue engagement with suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party associated with money laundering as described above.

- **Regarding the payment of taxes, fees, and royalties due to governments:**

We will ensure that all taxes, fees, and royalties related to mineral extraction and trade are paid to governments and we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (“EITI”). We commit to engage with suppliers, central or local governmental authorities, international organisations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measurable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.

Relevant Nyrstar policies and certifications include:

- Nyrstar Responsible Sourcing Policy <https://www.nyrstar.com/cdn/aa4211df-2bcf-4609-b165-43691fae4b72/responsible-sourcing-policy.pdf>
- Nyrstar has signed the International Responsible Business Conduct (IRBC) Agreement for the Metals Sector <https://www.imvoconvenanten.nl/en/metals-sector>.
- Code of Business Conduct <https://www.nyrstar.com/cdn/61fcbec8-76c6-48fe-8520-600543757806/nyrstar-coc-eng-march-2025.pdf>
- Anti-Bribery/Anti-Corruption Policy <https://www.nyrstar.com/cdn/271da16a-2639-4a50-8e63-43b0c1d2071f/anti-bribery-and-corruption-policy-may-2024.pdf>
- Modern Slavery, Forced Labor and Human Trafficking Policy Statement <https://www.nyrstar.com/cdn/89f8e332-d559-48ae-ba3b-389b58eeadef/nyrstar-modern-slavery-forced-labour-and-human-trafficking-policy-statement-april-2023.pdf>
- The management system of each smelter is certified to ISO management systems, such as ISO 9001, ISO 14001 and ISO 45001. <https://www.nyrstar.com/resource-center/quality-certifications>

Policies and procedures are available for our employees globally in our internal SharePoint and for other stakeholders at the Nyrstar website.

3.2 Management Structure Responsibility

Due diligence activities are overseen by the Nyrstar Group Manager Compliance with support from relevant Nyrstar departments (including Corporate Affairs, Business Execution, Sales, Procurement and the Safety, Health, Environment, Quality and Sustainability team). Any significant findings of supply chain due diligence management are reported to senior management through the Environmental, Social and Governance Committee meeting. Nyrstar provides training to relevant employees to ensure that the responsible sourcing policy is communicated, understood and applied within the company.

The majority of Nyrstar's raw materials are sourced by Trafigura Group Pte. Ltd (Trafigura), and Nyrstar work closely with their responsible sourcing team. Nyrstar and Trafigura align responsible sourcing activities by sharing information and having regular coordination meetings.

Nyrstar communicates the responsible sourcing policy and the Code of Business Conduct to all of its suppliers, as part of contract documentation. We seek to build and/or exercise leverage over the actors in the supply chain who could most effectively and most directly prevent and mitigate the risks of adverse impacts. Where risks of adverse impacts and/or actual adverse impacts are identified, suppliers are engaged on the design and implementation of measurable improvement plans, involving external stakeholders such as government or civil society as appropriate. Suppliers are encouraged to engage with their own suppliers to disseminate and adopt equally stringent responsible sourcing standards across the supply chain.

Nyrstar has deployed a Speak-Up helpline which is managed by an external partner. The helpline is accessible 24/7 in multiple languages by phone (local phone numbers are included in the Code of Business Conduct) and internet by visiting www.nyrstar.ethicspoint.com. Reporting is able to be done anonymously, if preferred. Speak-up concerns are discussed with the Nyrstar Board, investigations results shared and remedial actions agreed.

3.3 Due Diligence Process

Nyrstar's Responsible Sourcing due diligence approach is summarised as follows:

- **Ad hoc due diligence**

Due diligence triggered in the event that Trafigura intends to enter into a commercial agreement with a new or existing counterpart for the supply of a material to Nyrstar; or

Due diligence triggered in the event that Nyrstar intends to enter into a commercial agreement with a new or existing counterpart for the supply of a material directly.

- **Cyclical / Ongoing due diligence**

Ongoing monitoring of all suppliers relevant to adverse social and/or environmental impacts that may occur at operational facilities that supply Nyrstar via Trafigura or directly.

If sourcing the material directly, Nyrstar conducts a Key Risk Factor Identification and Risk Assessment.

When materials are procured by Trafigura (>90% of total), these are the steps taken during the process:

1. Trafigura performs Key Risk Factor Identification and Risk Assessment

- a) If the risk is accepted, Trafigura informs Nyrstar

- b) If the risk is not accepted, Trafigura rejects or disengages Counterparty

2. Nyrstar reviews the Know Your Counterparty report

- a) If the risk is accepted, Nyrstar will communicate to Commercial team.

- b) If the risk is not accepted, Nyrstar will ask management team for a second opinion to approve or reject a counterparty.

4. Key Risk Factor and Responsible Sourcing Assessments

4.1 Key Risk Factor Identification

Nyrstar's supply chain Know Your Counterparty (KYC) due diligence process is orientated on three key risk factors: commodity-related, country-related and contract-related.

- **Commodity-related risk factors**

Nyrstar's Environmental, Social & Governance (ESG) materials risk assessment evaluates risk from the perspective of the social and/or environmental risks that products pose during their transformation phase (i.e. as the material is transformed from, for example, ore to semi- or fully-refined form) or when that material is in its finished form.

- **Country-related risk factors**

A list of Conflict-Affected and High-Risk Areas (CAHRAs) has been developed in line with the OECD Guidance and the London Metals Exchange (LME) Responsible Sourcing programme. The CAHRA list was based on current information and additional countries will be added if further information becomes available indicating there is a significant risk of violent conflict or exploitation of local communities. The 'CAHRA tool' includes 15 scoring factors. All scoring factors (outlined in the list below) are publicly available.

- Human Rights - Forced Labour:
 - [2024 Trafficking in Persons Report - United States Department of State](https://www.walkfree.org/global-slavery-index/)
 - <https://www.walkfree.org/global-slavery-index/>
- Human Rights - Child Labour:
 - <https://hdr.undp.org/>
 - [Children's rights and business | unicef.ch](https://www.unicef.org/childrens-rights-business)
- Transparency:
 - <https://rsf.org/en/index>
 - [Corruption Perceptions Index 2024 - Transparency.org](https://www.transparency.org/cpi2024)
- Conflict:
 - <https://fragilestatesindex.org/>
 - <https://www.economicsandpeace.org/global-peace-index/>
 - <https://www.cahraslist.net/>
- Environment:
 - <https://epi.yale.edu/> (Environmental Health, Biodiversity & Health)
- Social Progress:
 - <https://www.socialprogress.org/2024-social-progress-index/>
- Workers' Rights:
 - <https://www.globalrightsindex.org/en/2023>
- Diversity and Inclusion:
 - <https://www.equaldex.com/>
 - <https://giwps.georgetown.edu/the-index/>
 - <https://www.weforum.org/publications/global-gender-gap-report-2023/>

The origin and transit countries for the raw materials from the Nyrstar suppliers and sub-suppliers were mapped to identify any from the CAHRA list. In 2024, the majority of Nyrstar's raw materials were supplied by Trafigura. Trafigura maps its own 'tier 1' suppliers for these raw materials. Nyrstar is able to provide customers with information on the mines of origin for their metal upon request (subject to commercial confidentiality limitations).

- **Contract-related risk factors**

The basis for Nyrstar's agreements with suppliers will take a variety of forms. Agreements may be one-off purchases or 'spot' transactions whereby a material is purchased or sold for immediate settlement, or indeed the company may enter into a 'term' agreement whereby material will be purchased or sold over a defined period of time.

Typically, our purchase and sale contracts adopt International Chamber of Commerce (ICC) 'Incoterms' to describe contractual rights and obligations of the buyer and the seller. Incoterms are the official rules of the ICC for the interpretation of trade terms. These rules deal with the responsibility of the buyer and the seller for delivery and payment, export and import formalities, contracts of carriage and insurance, the transfer of risk of loss or damage to the goods, the division of costs, the giving of notices, documentation, inspections of the goods, packing and markings.

Incoterms do not include specific references to human rights due diligence but they can have a profound impact on the social and/or environmental risk profile of a trade.

In 2024, one commodity-related risk factor was identified for Tin purchased to make Zinc and Lead alloys. There were nine country-related risk factors related to materials sourced from Bolivia, Colombia, Democratic Republic of Congo, Honduras, Mexico, Morocco, Peru, Turkey and Ukraine. There were no contract-related risk factors. No responsible sourcing-related allegations were raised through Nyrstar's grievance mechanisms.

4.2 *Responsible Sourcing Assessments*

A Responsible Sourcing (RS) assessment of a supplier or sub-supplier may be conducted depending on the potential risk. A RS assessment consists of a self-assessment questionnaire on-line and/or an on-the-ground site visit. The assessment includes a search of ESG-related information in the public domain concerning a supplier.

The RS assessments identify and record real and/or perceived risks and events that indicate that the supplier or sub-supplier (or contractors or suppliers acting on their behalf) could negatively affect Nyrstar's reputation as a responsible buyer and seller of metals and minerals, including:

- Other operations in the same country/region under the same management, assuming that management should be aware of related issues, if due diligence is followed appropriately;
- Other operations in a different country under the same management, if a pattern of allegations seems to suggest a systemic management issue within the company, i.e. allegations are made regarding similar issues that are occurring at a number of overseas operations; and
- Historical social or environmental impacts with significant residual effect.

Site visits are undertaken by an assessor with sufficient expertise and experience collects information through direct observations, interviews with relevant personnel and reviews of documentation. Trafigura, or an external auditor acting on their behalf, undertakes on-the-ground assessments of its tier 1 suppliers, i.e. Nyrstar's sub-suppliers.

During 2024, Nyrstar completed Know-Your-Counterparty of its direct suppliers. None of these required a responsible sourcing assessment. Trafigura completed 130 desk-based assessments and 130 site-based assessments on its suppliers.

5. Risk Management in the Supply Chain

5.1 *Improvement Action Plans*

An Improvement Action Plan is developed for a supplier or sub-supplier when potential risks are identified and there are opportunities for improvement. Each plan contains measurable actions to address or mitigate the risks identified. The plan is developed in consultation with counterparties and affected stakeholders. Whilst the responsibility for implementing the plan lies with the supplier or sub-supplier, additional support is provided as appropriate. For example, by providing training and capacity building on responsible sourcing.

Monitoring and evaluating the improvement action plans is conducted through supplier performance reviews. The reviews are conducted on a six-monthly basis.

There are no improvement action plans in place with direct-suppliers of material for Nyrstar. Trafigura has over 10 improvement action plans with suppliers to strengthen occupational health & safety, environmental management, tailings management and establish responsible sourcing management systems. Further information is available in the Trafigura 2024 Sustainability Report, https://www.trafigura.com/media/2c1ovyh3/2024_trafigura_sustainability_report.pdf

6. Assessments and Reporting

6.1 *The Zinc Mark*

In 2024, the Nyrstar zinc smelters with London Metals Exchange (LME) brands were awarded The Zinc Mark. The summary reports for each of the smelters are publicly available on The Zinc Mark website, as well as Nyrstar's website:

- Nyrstar Balen-Pelt https://coppermark.org/wp-content/uploads/2024/09/CopperMark_AP_SummaryReport_NystarBalen_RRA2.0_2024-09-04.xlsx
- Nyrstar Budel https://coppermark.org/wp-content/uploads/2024/09/CopperMark_AP_SummaryReport_NystarBudel_RRA2.0_2024-09-04.xlsx
- Nyrstar Clarksville https://coppermark.org/wp-content/uploads/2024/10/CopperMark_AP_SummaryReport_NystarClarksville_RRA2.0_2024-10-02.xlsx
- Nyrstar Hobart https://coppermark.org/wp-content/uploads/2024/09/CopperMark_AP_SummaryReport_NystarHobart_RRA2.0_2024-09-04.xlsx

6.2 *Joint Due Diligence Standard Assessment*

In 2024, the Nyrstar Stolberg Lead smelter was independently assessed against the Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc:

- Nyrstar Stolberg https://coppermark.org/wp-content/uploads/2024/09/CopperMark_AP_NyrstarStolberg_JDD_2024-09-04.xlsx

6.3 *London Metals Exchange Reporting*

In 2024, Nyrstar Port Pirie reported on responsible sourcing through the LME program (Track C). The LME update is available here <https://www.lme.com/-/media/Files/About/Responsibility/Responsible->

[sourcing/BRANDS-GENERAL-24-005-2024-UPDATE-ON-RESPONSIBLE-SOURCING-REPORTING-FOR-LME-LISTED-BRANDS.pdf](#)

6.4 *Extractive Industries Transparency Initiative (EITI) reporting*

The Extractive Industries Transparency Initiative (EITI) reporting conducted by Trafigura includes activities related to sourcing raw materials for Nyrstar and production from the Nyrstar mines located in Tennessee, USA <https://www.trafigura.com/media/nwlfjdjz/20240617-trafigura-payments-to-governments-final.pdf>.

7. Further Information

More information about how Nyrstar takes responsibility for Environmental, Social and Governance (ESG) risks is available from <https://www.nyrstar.com/> For any further information, please contact:

General enquiries: info@nyrstar.com

Media enquiries: media@nyrstar.com