



The Copper Mark Summary Report

Site Information

Name of the Site	Annaka Smelter and Refinery
Unique identifier provided by the Copper Mark	S018
Address	1443 Nakajuku, Annaka, Gunma
Country of Operation	Japan
Products produced on site. (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Ingot
Metals produced on site. (e.g., copper, gold, nickel, silver, molybdenum)	Zinc
Metals included in scope. (This must be all, or a sub-set of the metals produced on site)	Zinc
Metals covered by other independent assessments for Criterion 31 (e.g., RMAP, LBMA, RJC, etc.)	NA
Types of operations included in scope	
Mining	<input type="checkbox"/>
Concentrate blending	<input type="checkbox"/>
Solvent extraction and electrowinning	<input type="checkbox"/>
Smelting	<input checked="" type="checkbox"/>
Refining	<input checked="" type="checkbox"/>
Other (<i>please explain</i>)	
Infrastructure owned or controlled by the site and included in scope	
Roads	<input type="checkbox"/>
Rails	<input checked="" type="checkbox"/>

Ports	<input type="checkbox"/>
Other (please explain)	

Equivalency Check

Upon receiving the pre-assessment checklist, the Copper Mark did a review of equivalent certificates and third-party assurances.

The following equivalent systems were applied:

Equivalent systems are determined by the Copper Mark to have standards and assurance requirements that are materially comparable in scope and intent to those of the Copper Mark, in accordance with the Copper Mark Recognition Process.

Equivalent System	Review Process	Criteria Covered by Equivalency
NA	NA	NA

Independent Site Assessment Information

Name of the Lead Assessor	Satoshi Hasegawa
Name of the Assessment Firm (if applicable)	KPMG AZSA Sustainability Co., Ltd.
Date(s) of Assessment Activities (dd/mm/yyyy – dd/mm/yyyy)	28 September 2023 (Headquarters) 25 October 2023 (Annaka) 16 October 2023 (Onahama Smelter and Refinery)
Assessment Period	1 October 2022 – 30 September 2023
Summary of the Assessment Methodology	<p>The assessment was conducted in accordance with ISO 19011:2018. Assessors first discussed and prepared the JDDS assessment programme for the assessment, which included objectives, risks identified and actions to address them, scope of assessment, assessment period, schedule, criteria, and team members.</p> <p>The assessment procedures mostly consisted of a documentation review prior to site visits to the Toho Zinc headquarters, Annaka and Onahama Smelter and Refinery, site visits to the Company headquarters, Annaka Smelter and Refinery (Annaka) and Onahama Smelter and Refinery, and a review of the Toho Zinc 'Step 5 Report'.</p> <p>Annaka is part of the Toho Zinc group, which, at corporate level, carries out the due diligence system.</p> <p>While it is only Annaka that produces zinc ingots, Onahama Smelter first receives zinc ore and recycled material (electric furnace dust), processes them and supplies the processed material by rail to</p>

	Annaka, which itself does not receive ore or recycled material directly. Since Onahama is also Toho Zinc group company and plays an important role in Toho Zinc's zinc supply chain due diligence, KPMG visited Onahama as well as Annaka.
Summary of the Assessment Activities	<p>Assessment procedures consisted of:</p> <ol style="list-style-type: none"> 1) reviews of documents (e.g. policies and internal procedures) and records (e.g. training records and collected KYC questionnaires) that Toho Zinc prepared; 2) interviews of personnel at the Company headquarters and Annaka; 3) a site tour conducted at Annaka to understand where received material is weighed, sampled, accepted and stored as well as the whole production process; and 4) a review of Annaka's Step 5 report from a perspective of whether it included all the elements that the Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc Version 2.

Summary of Findings

Criteria	Rating	Comments
1. Management System	Fully meets	<p>Annaka Smelter and Refinery (Annaka) has a medium-complexity supply chain, with mined and recycled input from domestic and international sources.</p> <p>While it is only Annaka that produces zinc ingots, Onahama Smelter and Refinery first receives zinc ore and recycled material (electric furnace dust), processes them and supplies the processed material by rail to Annaka, which itself does not receive ore or recycled material directly. Since Onahama is a Toho Zinc group plant, which plays an important role in Toho Zinc's zinc supply chain due diligence, Onahama was included in the scope of the assessment.</p> <p>The due diligence system is carried out at corporate level, with implementation at site.</p> <p>Toho Zinc has a policy on responsible mineral supply chains is in line with the requirements of the JDDS, and is appropriate to the nature, scale and operational context. The policy is understood by managers and relevant personnel at Annaka.</p>

		<p>Senior management of Toho Zinc assumes responsibility for the implementation and maintenance of the management system and ensures that the management system requirements are integrated into business processes. Senior management also ensures the continual improvement of the management system.</p> <p>The resources provided to support the implementation of the policy and management system are appropriate and proportional to company's size, location and circumstances. Training covers all key aspects of the due diligence management system.</p> <p>Toho Zinc implements an appropriate grievance mechanism.</p> <p>Information on supply chain due diligence is appropriately communicated to suppliers mainly via the KYC questionnaire.</p> <p>An opportunity for improvement was identified:</p> <ul style="list-style-type: none"> Toho Zinc has not incorporated within contracts or agreements with immediate suppliers the requirement for them to provide data required to conduct risk assessment for supply chains where red flags are identified, since Annaka has not encountered any difficulty in obtaining data from suppliers. <p>This was confirmed through interviews with management; interviews with workers; facility walkthrough; and a review of documents including the policy, internal regulations, training records, organizational charts, the grievance mechanism and related records.</p>
<p>2. Red Flag Identification Process</p>	<p>Fully meets</p>	<p>At corporate level, Toho Zinc has a process to collect information on suppliers and material that is consistently carried out. It includes a KYC questionnaire returned from suppliers, reviewing public reports of suppliers, and collecting and reviewing materials such as invoices, bills of lading, certificates of quality, certificates of weight, and certificates of origin.</p> <p>Information is collected on upstream mining companies as well on recycled material suppliers.</p>

		<p>The scope of information collected on suppliers and materials received is sufficient to identify red flags. All information obtained from suppliers and desk research is used to avoid potential inconsistencies or discrepancies. The identification process is executed by Material purchasing officer and Compliance Officer.</p> <p>Toho Zinc has a procedure to identify CAHRAs that is appropriate, using sufficient and credible resources, consistently applied.</p> <p>The CAHRA list is reviewed annually, and results are kept for 5 years.</p> <p>No red flags were identified.</p>
3. Risk Assessment Process	Not applicable	There were no confirmed red flags.
4. Risk Management Process	Not applicable	There were no confirmed red flags.
5. Public Reporting	Fully meets	<p>Toho Zinc reports information on supply chain due diligence annually in a manner consistent with the requirements of the standard and includes information on Annaka.</p> <p>The report is available here.</p>

Conclusions

Performance Determination	
The site is found to fully meet the conformance criteria of the Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc (Joint Due Diligence Standard).	<input checked="" type="checkbox"/>
The site is found to fully meet or partially meet the conformance criteria of the Joint Due Diligence Standard and has committed to continuous improvement at the site to fully meet the conformance criteria by 12 October 2024.	<input type="checkbox"/>
The site is found to miss some or all of the conformance criteria of the Joint Due Diligence Standard and has committed to continuous improvement at the site to fully meet all conformance criteria by 12 October 2024.	<input type="checkbox"/>

The site misses some or all of the conformance criteria of the Joint Due Diligence Standard and has not committed to continuous improvement.	<input type="checkbox"/>
Limitations:	None
Additional comments:	

Assurance Process Information

Date of Performance Determination (dd/mm/yyyy)	30 November 2023
Re-assessment Due Date (dd/mm/yyyy)	29 November 2026