



A GLENCORE COMPANY

## **Refiner Compliance Report (Prepared for ISAE 3000 engagements)**

The LBMA Responsible Gold Guidance has been established for Good Delivery Refiners to adopt high standards of due diligence in order to combat systematic or widespread abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering and combating terrorist financing practice.

This report summarizes how the CCR Refinery ("CCR") as a Good Delivery Refiner has complied with the requirements of the LBMA Responsible Gold Guidance during the year 2017.

**Table 1: Refiner's details**

Refiner's name:	CCR Refinery
Location:	220 Durocher Avenue, Montreal East, Quebec, Canada, H1B 5H6
Reporting year-end:	31 <sup>st</sup> December, 2017
Date of Report:	2 <sup>nd</sup> March, 2018
Senior management responsible for this report:	Mr. Bob Leclair General Manager – CCR Refinery 220 Durocher Avenue, Montreal-East Quebec, Canada H1B 5H6

**Table 2: Summary of activities undertaken to demonstrate compliance**

### **Step 1: Establish strong company management systems**

#### **Compliance Statement with Requirement:**

We have fully complied with Step 1 and have established strong management systems.

#### **Has the Refiner adopted a company policy regarding due diligence for supply chains of gold?**

In 2012, CCR established and implemented a Responsible Global Supply Chain Policy on Gold from Conflict Affected and High-Risk Areas, which is consistent with the standards set forth in OECD Annex II model supply chain policy and commits CCR to assess itself, and the activities and relationships of its suppliers. No changes were made to the contents of the policy in 2017.

**Has the Refiner set up an internal management structure to support supply chain due diligence?**

In 2012, an internal management system was set up based upon the OECD 5 Step process. The compliance officer manages this process, and has a direct line of reporting to senior management of Glencore Canada Copper including the General Manager of the CCR Refinery.

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**Has the Refiner established a strong internal system of due diligence, controls and transparency over gold supply chain, including traceability and identification of other supply chain actors?**

Supply chain due diligence authority, accountability and performance requirements are set forth in Glencore Canada Copper procedure of Chain of Custody-Traceability of Upstream Suppliers. This procedure provides instructions on how the Glencore Canada Corporation-Copper Department Trader applies a risk-based approach for the selection of gold suppliers.

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**Has the Refiner strengthened company engagement with gold supplying counterparties, and where possible, assisted gold supplying counterparties in building due diligence capabilities?**

The Glencore Canada Corporation – Copper Department Trader has engaged with new and existing suppliers on the issue of CFG and has integrated similar language into in scope CCR supplier contracts.

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**Has the Refiner established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management?**

CCR has communicated the CFG policy and program via the monthly newsletter Point 9. Furthermore, Glencore's Code of Conduct and global policies on Human rights and Anti-Corruption provide employees with the means of reporting potential infractions of the CFG policy.

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**Step 2: Identify and assess risks in the supply chain**

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**Compliance Statement with Requirement:**

We have fully complied with Step 2: Identify and assess risks in the supply chain.

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**Does the Refiner have a process to identify risks in the supply chain?**

We identify and assess risks in the supply chain. For every supplier of feed material entering the precious metals plant, we have performed a risk assessment. This process is a requirement before entering into a business relationship with a gold supplying counterparty to the precious

metal refinery. . Due to the nature of CCR's business, we are dealing in low risk by-product gold materials.

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**Does the Refiner assess risks in light of the standards of their due diligence system?**

As required by the LBMA Responsible Gold Guidance, supply chain due diligence is conducted for all potential direct feeds entering into the gold refining process using the Glencore CCR Refinery Due Diligence Checklist

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**Does the Refiner report risk assessment to the designated manager?**

The CCR CFG program requires that any red flags raised during the due diligence process be reported by the Gold Supply Chain Compliance Officer through the Glencore Incident Reporting process. This reporting process will automatically alert senior management.

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**Step 3: Design and implement a management system to respond to identified risks**

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**Compliance Statement with Requirement:**

We have fully complied with Step 3: Design and implement a management system to respond to identified risks.

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**Has the Refiner devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk?**

The risk management strategy requires that the CCR CFG Compliance Officer identify which OECD option is most appropriate based on the risk treatment evaluation process on a "case by case" basis. The Copper Department Trader will consult with suppliers and affected stakeholders and agree on the strategy for measurable risk mitigation in the risk management plan.

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**Where a management strategy of risk mitigation is undertaken, it should include measureable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated senior management.**

In 2017, there were no red-flags that would trigger a risk mitigation process.

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#### Step 4: Arrange for an independent third-party audit of the supply chain due diligence

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##### **Compliance Statement with Requirement:**

We have fully complied with Step 4: Arrange for an independent third-party audit of the supply chain due diligence.

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##### **Comments and Demonstration of Compliance:**

Since 2012, CCR has engaged the services of Ernst & Young to perform assurance audits using the ISAE 3000 standard. Ernst & Young's independent assurance summary reports are available on the CCR external website.

(<http://www.affinerieccr.ca/fr/developpementdurable/Pages/Politique-relative-a-la-production-aurifere-sans-conflit.aspx>)

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#### Step 5: Report on supply chain due diligence

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##### **Compliance Statement with Requirement:**

We have fully complied with Step 5: Report on supply chain due diligence

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As required by LBMA, CCR has publicly reported on its gold supply chain due diligence policies and practices, which includes its policy regarding gold supply chain together with the audit and compliance reports issued to LBMA on the compliance with these guidelines for reporting years 2012-2016. Note that reporting of the audit report to the public on the compliance with LBMA, OECD or any other guidelines incorporated herein by CCR, will be governed by Glencore's external reporting guidelines.

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#### Table 3: Management Conclusion

**Is the Refiner in compliance with the requirements of the *LBMA Responsible Gold Guidance* for the reporting period?**

**Yes**

CCR has implemented effective management systems, procedures, processes and practices to conform to the requirements of the *LBMA Responsible Gold Guidance*, as explained above in Table 2, for the reporting year ended 31 December 2017.

Table 4: Other report comments

If users of this report wish to provide any feedback to the CCR refinery with respect to this report, they can contact Mr. Bob Leclair by email ([Robert.Leclair@glencore.ca](mailto:Robert.Leclair@glencore.ca))

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**Bob Leclair**  
**General Manager – CCR Refinery**