

CCR Public Due Diligence Report



## CCR Public Due Diligence Report

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## CCR - Public Due Diligence Report

### 1 Company information

Company Name	Glencore Canada Corporation - Canadian Copper Refinery (CCR)
Company location	220 Durocher Avenue, Montreal East, Quebec, Canada, H1B 5H6 45°37'38.05"N ; 73°30'16.37"O
Description of industrial asset	<p>Located in Montreal-East, Québec, the refinery started doing business in 1931 under the name Canadian Copper Refinery (CCR) and today has over 550 employees, around 400 of whom are involved in production and 150 in administration. CCR has an annual processing capacity of 325,000 metric tons of copper and precious metals such as gold, silver, platinum, and palladium. CCR refines copper anodes from Glencore smelters, as well as other unrefined and recycled copper and precious metals containing products from Glencore and third-party sources.</p> <p>Third party feed processed by CCR is purchased by Glencore’s marketing offices in North America and Europe.</p> <p>CCR has been on the LBMA Good Delivery list for gold and silver since 2013.</p> <p>Web site : <a href="http://CCR.glencore.ca">CCR (glencore.ca)</a></p>
Metal/mineral material produced	Copper and precious metals such as gold, silver, selenium, tellurium, platinum, and palladium
Type of operation	Refinery
Ownership structure, including any subsidiaries	CCR is part of Glencore Canada Corporation, which is an indirectly wholly owned subsidiary of Glencore plc
Time period covered by this report	01 January – 31 December 2022

## 2 Third Party Assessment Summary

Date of last assessment	<p>An onsite assessment has been scheduled for 5-6 April 2023. This will be the first responsible sourcing assessment for copper.</p> <p>CCR has been assessed against the LBMA’s Responsible Gold Guidance in 2022, upon which CCR was reissued a new Certificate of Good Delivery by the LBMA for gold and silver. The assessment covered the period 1 January 2021-31 December 2021. An assessment covering the period 1 January 2022-31 December 2022 is ongoing.</p>
Assessment period for the upcoming assessment	01 January 2022-31 December 2022
Assessment firm for the upcoming assessment	Arche Advisors
URL to most recent assessment summary report	<a href="#">Certifications &amp; recognitions (glencore.ca)</a>

## 3 Responsible Sourcing Policy

Glencore recognises the imperative of responsible sourcing and supplying metals and minerals 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 our suppliers. We expect our suppliers to share our commitment to ethical, safe and responsible business practices and set requirements and expectations for our suppliers to ensure this is achieved.

To this end Glencore developed a standalone [Responsible Sourcing Policy](#), which was rolled out in June 2022 and is progressively being implemented across the Group. The Responsible Sourcing Policy is a public facing document which sets out Glencore’s commitments to responsible sourcing, whether it is goods, services, metals, or minerals. It applies to all employees, directors, and officers, as well as contractors under Glencore’s direct supervision, working for a Glencore office or industrial asset directly or indirectly controlled and operated by Glencore plc worldwide. The policy sets out the specific requirements we apply to suppliers of metals and minerals and how Glencore is implementing the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 3<sup>rd</sup> edition (OECD DDG).

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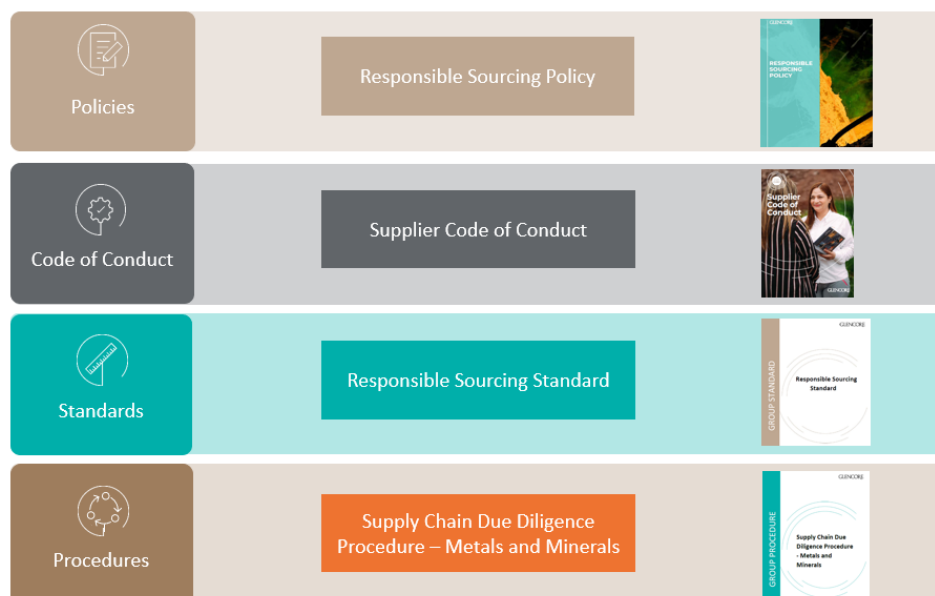
In 2021, Glencore also reviewed, revised and rebranded its Supplier Standards, which was launched as the [Supplier Code of Conduct](#) (Supplier Code) and which defines our requirements and expectations of our suppliers. The Supplier Code is consistent with the standards set out in Annex II of the OECD DDG. The launch of the Supplier Code was communicated via email to all employees and published on Glencore’s website in June 2022. The Supplier Code is widely disseminated to relevant stakeholders (suppliers, customers, employees, etc.) and remains available publicly on the Glencore website.

Both the Supplier Code and Responsible Sourcing Policy are implemented at Glencore through the Responsible Sourcing Standard and the Supply Chain Due Diligence Procedure – Metals and Minerals.

Glencore’s **Responsible Sourcing Standard** is an inward facing document, which defines mandatory minimum requirements for all Glencore commodity departments to identify, assess and manage the key responsible sourcing risks associated with our suppliers of goods, services, metals and minerals. The Responsible Sourcing Standard is aligned with the requirements of our Responsible Sourcing Policy and - for metals and minerals- with the requirements of the OECD DDG.

Glencore’s **Supply Chain Due Diligence Procedure – Metals and Minerals** further supports the requirements of the Responsible Sourcing Standard and sets out -for metals and minerals- the due diligence steps including data collection, risk assessment, risk mitigation and the data retention process across Glencore.

Glencore’s Responsible Sourcing Standard and Supply Chain Due Diligence Procedure – Metals and Minerals apply to all employees, directors and officers, as well as contractors under Glencore's direct supervision, working for a Glencore office or industrial asset directly or indirectly controlled or operated by Glencore plc worldwide. An overview of Glencore’s responsible sourcing architecture is given below.



Glencore’s responsible sourcing policy architecture sits within an overarching Sustainability and Ethics & Compliance framework. This Sustainability and Ethics & Compliance framework sits within the Glencore Group policy framework which encompasses the Groups’ Values, Code of Conduct and a suite of policies,

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standards, procedures and guidelines on various key matters and risks to Glencore. This framework reflects Glencore’s commitment to uphold responsible and ethical business practices.

Glencore is continuously developing, reviewing, and updating its suite of policies, standards, and guidelines on a variety of topics including key policies relevant to Responsible Sourcing, Compliance, Finance, Health, Safety, Environment and Communities (HSEC) and Human Rights, and Risk Management.

CCR implemented in 2018 a Responsible Global Supply Chain Policy on Gold and Silver, aligned with the OECD DDG (CCR Policy). The [CCR Policy](#) was updated in 2022, to align with Glencore’s Responsible Sourcing Policy and to include copper in its scope.

CCR further implemented and complemented Glencore’s Responsible Sourcing Standard and the Glencore Supply Chain Due Diligence Procedure-Metals and Minerals through and by its CCR Manual for Responsible Sourcing of Copper. This manual sets out how CCR implements Glencore’s Responsible Sourcing Standard for the copper it produces. It describes roles and responsibilities from Group to CCR level for the materials it processes from third parties.

## 4 Management System

### 4.1 Management Structure

Glencore’s expectations and requirements of suppliers are supported by senior management who oversee the Responsible Sourcing program and are committed to its implementation.

Glencore’s Board HSEC Committee has oversight and ultimate responsibility for the Group sustainability strategy and framework. It receives regular updates and has oversight of how its business is performing across all its internally defined, sustainability related material risk areas. Oversight and responsibility for the Group sustainability strategy and framework and its implementation across the Group, rests with Glencore’s senior management team, including the CEO and heads of our Commodity departments. They take a hands-on approach to monitoring and managing sustainability activities around the Group.

Glencore’s Group Sustainable Development function (Group SD) has a dedicated Group Responsible Sourcing Team who is responsible for the supply chain due diligence (SCDD) program across the Commodity departments for metals and minerals and goods and services and who supports Glencore industrial assets with the implementation of the program.

Glencore has a Group Corporate Compliance Team responsible for designing, implementing, monitoring, and continuously improving Glencore’s Ethics and Compliance Programme, which includes Know Your Counterparty (“KYC”) assessment of suppliers of metals and minerals. All Glencore employees, directors, officers, and suppliers must comply with relevant compliance policies, procedures, and guidelines in addition to complying with applicable laws and regulations in the country of operation.

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To ensure effective implementation of Glencore’s Responsible Sourcing Standard at CCR, the CCR General Manager is responsible to oversee the due diligence program. CCR is supported by a dedicated Regional Compliance Officer who coordinates the actual implementation of the due diligence program for CCR. This includes coordination with marketing offices and the Group Responsible Sourcing Team, ensuring that suppliers of third-party feed have gone through the KYC and SCDD procedure and ensuring all relevant employees have received relevant training.

The Regional Compliance Officer reports to the Head of Compliance for Metals, Minerals and Coal and can escalate cases as necessary to Group Compliance, Group Legal or Group SD in Baar, Switzerland (headquarters of Glencore).

#### 4.2 Internal Systems of Control

##### Training

Glencore employees receive induction and annual training on a wide range of policies and standards, including Glencore’s Code of Conduct, Responsible Sourcing Policy, and compliance policies. The latter include global anti-corruption, and bribery policies which includes guidance on important topics such as raising concerns, facilitation payments, the giving and receiving of gifts and entertainment and dealings with public officials. Training is provided across our marketing activities to raise awareness and inform the respective sourcing teams on our responsible sourcing program. In 2022, relevant employees of Glencore marketing offices involved in sourcing and handling of third-party feed metals/minerals for CCR or otherwise taking part in the due diligence process as well as CCR employees from various functions involved in the process have been trained on Glencore’s Responsible Sourcing policy, Glencore Supplier Code of Conduct, the Responsible Sourcing Standard and the *Supply Chain Due Diligence Procedure-Metals and Minerals* and the CCR Policy and Manual. Training materials are tailored to make them relevant by including practical questions and hypothetical scenarios illustrating how responsible sourcing and ethics and compliance dilemmas might manifest themselves in an employee’s daily work.

In support of the Glencore Code of Conduct, CCR has further communicated to its workforce Glencore’s expectations with regards to the behaviour standards expected from its employees. CCR reinforces this message by displaying visual materials around its offices and at the refinery, by ensuring the new employees’ induction programme includes training on Glencore’s annual e-learning applicable to all employees and by reinforcing zero tolerance for breaches of Glencore’s Code of Conduct through the Raising Concerns programme.

##### Contracts

Glencore requires its expectations and requirements of suppliers to be included in all purchase contracts. Suppliers identified with ‘red flags’ are required to have additional high-risk contract clauses and corrective action plans (CAPs).

The Supplier Code requires all suppliers, when working with us, to act in a manner consistent with our expectations and requirements. Additionally, in respect of certain high-risk areas, including modern slavery and child labour, the Supplier Code requires suppliers to cascade our requirements to their

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suppliers and build capacity in their supply chains. In respect of all other areas, the Supplier Code also encourages suppliers to set similar expectations to those in our Supplier Code.

Third party feed processed by CCR is purchased by Glencore’s marketing offices. They ensure that when concluding or renewing contracts, these include specific reference that our suppliers adhere to the Supplier Code.

**Chain of custody controls**

CCR has controls in place for receiving material including but not limited to checking Certificates of Origin, Bills of lading, packing lists, certificates of analysis and weight certificates for each delivery. These are checked at every point in the third-party feed supply chain and a final monthly reconciliation is done by CCR. The movement of material at CCR is tracked throughout using sampling and measurement systems for mass and metal content. The data is inputted to metals accounting which produces an on-going metal/commodity balance for the operation.

The CCR finance department is responsible for maintaining the CCR internal inventory and transaction documentation in accordance with the Glencore Financial Control Procedures.

CCR receives evidence/confirmation from the Glencore marketing offices who purchase third party feed for CCR, that the respective supply chain due diligence has been carried out.

**Speaking Openly and raising concerns**

Glencore is committed to creating a culture where everyone feels free to speak about concerns securely and confidentially. That includes employees, contractors, directors, and officers working in Glencore offices and industrial assets, as well as third parties such as customers, suppliers, or other stakeholders.

Other stakeholders, may include communities, shareholders, partners, who may raise any situation in which the Glencore Code of Conduct, Responsible Sourcing Policy or Supplier Code, their underlying policies or the law appears to have been breached to local Whistleblowing Contacts or Glencore’s [‘Raising Concerns Platform’](#). The Raising Concerns Investigations Committee (RCIC) comprises Glencore’s CEO, CFO, General Counsel, Head of Industrial Assets and Head of Human Resources. The RCIC oversees the operation of this program and the conduct of investigations, ensuring recommendations and sanctions are applied consistently across the Group. If a concern is related to mineral extraction, trade, handling, and export, it is communicated to and investigated by the Group Responsible Sourcing Team together with Group Legal.

At CCR, grievance processes are designed to meet the UN’s Guiding Principles (UNGP) effectiveness criteria, a source of continuous learning and based on engagement and dialogue. Where people have complaints or grievances, we aim to investigate and resolve them at the local level.

CCR employees are made aware of the Raising Concerns platform during the onboarding process as well as through the monthly newsletter. All CCR employees have access to the Raising Concern Platform via CCR intranet.

External stakeholders related to CCR can raise concerns, in French and English, in 2 ways:

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-through the link to the Platform on the CCR website : <https://www.glencore.ca/fr/speaking-openly-and-raising-concerns>

-by contacting CCR directly. CCR has an internal process in place to manage such requests or complaints through their community complaints procedure.

During the assessment period there were no grievances related to supply chain raised.

### 4.3 Record Keeping System

Glencore has a Group level [Information Governance Policy](#) which outlines our public commitment and handling of the various types of information and its appropriate protection during its life cycle.

At headquarters in Baar, Switzerland where SCDD and most of the KYC is conducted on CCR’s suppliers, documents are stored according to the local Retention and Destruction Procedure and a live document Retention Schedule which outlines minimum length of retention basis the types of records.

CCR requires that all records, including those relating to the supplier risk management, for example responsible sourcing, chain of custody and training evidence, are maintained as required under local law (including privacy laws) and in accordance with best document retention practice. As a rule and as described in CCR’s Operations Manual, documents are maintained for a minimum of five years (or longer if required under local law) before being destroyed and that they be properly used and safely stored in our online database.

## 5 Risk Identification

### 5.1 Glencore Approach

#### Supply Chain Due Diligence

As outlined in the Group Responsible Sourcing Policy, Glencore has a comprehensive framework for identifying and managing key risks in our metals and minerals supply chains, from supplier due diligence, selection, onboarding and monitoring, through to disengagement. Suppliers are assessed by the Group Responsible Sourcing Team based on their risk and directed to the most appropriate risk management process. For suppliers of metals and minerals, due diligence is conducted in accordance with the 5-Step due diligence framework defined in Annex I of the OECD DDG.

As part of the risk identification process, Group Responsible Sourcing Team reviews and determines whether any third-party feed is sourced from, or a supplier is operating in, conflict affected and high-risk areas (CAHRAs) and, if so, such supplier is reviewed against risks associated with the extraction, transport or trade of minerals specified in Annex II of the OECD DDG. CAHRAs are typically regions or countries with socio-economic and political crises, institutional weakness and weak rule of law, widespread violence including armed conflicts. Such countries are susceptible to widespread human rights abuses - torture, cruel, inhuman, and degrading treatment, child, forced or compulsory labour and sexual violence.

Glencore’s CAHRA list is developed based on internationally recognised indices on conflict, democracy and rule of law, and human rights. The Glencore CAHRA list also considers the US Dodd Frank Act, the EU indicative and non-exhaustive CAHRA list for Tin, Tantalum, Tungsten and Gold.

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Glencore’s CAHRA list is generally updated at least on an annual basis to reflect significant changes in country circumstance by Group SD with consultation from an independent external party. In 2022 the following relevant indices were used to obtain the list of CAHRAs (countries and regions):

**Child labour**

- US Department of Labor List of Goods Produced by Child Labor or Forced Labor (updated 23 June 2021)

**Modern slavery, forced labour and human trafficking**

- US Department of Labor List of Goods Produced by Child Labor or Forced Labor (updated 23 June 2021)

**Gross Violations of Human Rights**

- Fragile States Index (updated 20 May 2021)
- World Governance Indicators – Political Stability and Absence of Violence/Terrorism (updated 30 September 2021)

**Conflict**

- Fragile States Index (updated 20 May 2021)
- Global Peace Index (updated 4 June 2021)

**Corruption (including illegal taxation or extortion)**

- World Governance Indicators – Control of Corruption (updated 30 September 2021)
- Corruption Perceptions Index (updated 25 January 2022)

Where a potential ‘red-flag’ is identified Group Responsible Sourcing Team undertakes enhanced due diligence. Tools used in risk assessments include relevant third-party database screenings, open-source desktop research, supply chain due diligence questionnaires which are sent to direct suppliers and where relevant on-the-ground assessments.

**Know Your Counterparty**

Group and/or regional Compliance Teams screen suppliers against Sanctions, Law Enforcements, Regulatory Enforcements and Politically Exposed Person (PEP) watch lists for compliance with Anti-Money Laundering (AML), Know Your Counterparty (KYC), Counter Terrorist Financing (CFT) and PEP regulations.

**5.2 Risk Identification – Results**

During the assessment period (January-December 2022), CCR received and processed feed from other Glencore operations, who have implemented or were in the process of implementing Glencore’s Responsible Sourcing Policy during 2022.

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CCR also received and processed third party feed from non-Glencore operations. The majority of this third-party feed was confirmed to be 100% from recycled sources or from smelters who have all relevant policies and systems in place and have passed a 3<sup>rd</sup> party responsible sourcing audit under the umbrella of the Responsible Minerals Initiative (RMI) or The Copper Mark.

One of CCR’s suppliers is located in a red flag area known to transit materials from a nearby CAHRA. Another supplier of CCR, while not located in or close to a CAHRA, has been identified to need further engagement to confirm the absence of red flags or appropriate management of (potential) risks in the event of confirmed red flags. Enhanced due diligence was conducted on both of these suppliers. Further supplier engagement is required, the outcome of which will determine the need for an on the ground assessment and/or CAPs.

## 6 Risk Mitigation

We are committed to addressing OECD DDG Annex II risks identified through our supply chain due diligence programme.

Where the Group Responsible Sourcing Team identifies high risk supplier basis OECD DDG red flags, suppliers are engaged, and bespoke CAPs are designed basis the size and complexity of the supplier company. Specific timeframes for measuring objective improvements are detailed in the plan. The CAPs form part of the business relationship/contractual obligations.

Glencore follows the OECD DDG while sourcing from, or operating in, CAHRAs including the suspension and termination guidance on risks outlined in Annex II of the OECD DDG which is reiterated in Glencore’s Responsible Sourcing Policy.

As set out in section 5.2, further engagement is required for two suppliers, the outcome of which will determine the need for risk mitigation measures such as on the ground assessments and/or CAPs.

## 7 Extractive Industry Transparency Initiative

Glencore has been an active supporter of the Extractive Industry Transparency Initiative (EITI) since 2011 and engages with the EITI at both local and international levels. Glencore is supportive of the EITI and the objective of the EITI Association to make the EITI Principles and the EITI Standard the internationally accepted standard for transparency in the oil, gas, and mining sectors.

Where we operate in EITI member countries, we provide local EITI disclosures, participate in local multi-stakeholder groups and engage in policy consultation processes as appropriate.

Glencore promotes commodity-trading transparency by disclosing the payments Glencore makes to state-owned enterprises in EITI member countries for the purchases of crude oil, minerals and metals. Glencore includes these EITI commodity-trading disclosures in its annual [Payments to Government report](#), which is prepared as required by the Transparency Directive Amending Directive (2013/50/EU), with the disclosure of payments to governments, in line with Chapter 10 of the EU Accounting Directive (2013/34/EU) and includes a voluntary additional report of payments by ‘regions and commodity’.

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