



BRITANNIA REFINED METALS

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Public Responsible Supply Chain Due
Diligence report
Britannia Refined Metals Ltd



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This combined London Bullion Market Association (LBMA) Refiners Compliance Report and Step 5 Report summarises how Britannia Refined Metals Ltd (BRM) as an LBMA Good Delivery Refiner of silver and as a London Metal Exchange (LME) brand producer of lead has complied with the requirements of the LBMA Responsible Silver Guidance, Version 1 (Responsible Silver Guidance) and the brand compliance requirements defined in the LME Policy on Responsible Sourcing of LME-Listed Brands, version 2023 (LME Responsible Sourcing Policy), for the year ending December 31, 2023 (Report).

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

The LME Responsible Sourcing Policy requires LME brand producers to implement the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (3rd edition) (OECD DDG).

Date of the Report: 1 March 2024

Responsible for this report: Miguel Angel Hernandez (Responsible Sourcing Compliance Officer) and Nicholas Samson (Head of Metallurgy).

Public location of this Report:

<https://www.glencore.com/publications/esg-publications>; <https://www.lbma.org.uk/good-delivery/silver-current-list#->

1 Company information

Company name	<i>Britannia Refined Metals Ltd (BRM)</i>
Company location	Botany Road, Northfleet, Gravesend, Kent, DA11 9BG <i>United Kingdom</i> 51° 27' 12" N, 0° 19' 16" E
Description of industrial asset	BRM was established in 1930 and is the largest primary lead producer in Europe with a capacity to refine over 180,000 tonnes of lead per annum. BRM produces lead and an extensive range of lead alloys. BRM has LBMA “Good Delivery” accreditation and can produce up to 350,000 kg of refined silver per annum.
Metal/mineral material produced	<i>Lead 99.995%, 99.99%, 99.985%, 99.97%, 99.994%</i> <i>Lead alloys</i>



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	<i>Silver 99.9%</i>
Type of operation	Refinery
Ownership structure, including any subsidiaries	BRM is indirectly wholly owned by Glencore plc.
Time period covered by this report	01 January – 31 December 2023

2 Third party assessment summary

Date of last assessment	<p>BRM's silver production activities for the 12 months ending 31 December 2022 were audited by RCS Global, an independent third-party auditor, in accordance with ISAE 3000, during March 2023. The independent reasonable assurance report found that BRM's Compliance Report and Country of Origin Annex for the year ended 31 December 2022, in all material respects, describes fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein, is in accordance with the requirements of the LBMA Responsible Silver Guidance. The audit report was provided to the LBMA which issued a Responsible Silver Certificate on 29th May 2023. Britannia-FY2022-RSG-certificate.pdf (lbma.org.uk)</p> <p>BRM has been successfully assessed by the LME under Track C (Published LME Red Flag Assessment) since 2022 for reporting year 2021. The first LME Track A Responsible Sourcing audit – against the Joint Due Diligence Standard (JDDS) – was conducted in March 2024.</p>
URL to most recent assessment summary report	Microsoft Word – LBMA Independent Reasonable Assurance Report BRM 17032023.docx
Assessment period of the third-party assessment	01 January 2023-31 December 2023



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Assessment firm for the third-party assessment	Arche Advisors, an audit firm accredited by the LBMA and approved by the LME and the Copper Mark.
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3 Responsible sourcing policy framework

Glencore recognises the imperative of responsible sourcing and supplying metals and minerals that advance everyday life. Responsible sourcing is our approach to consider 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 in line with our Purpose and Values.

To this end, Glencore operates a standalone [Responsible Sourcing Policy](#), which has been 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. The policy sets out the specific requirements we apply to suppliers of metals and minerals and details Glencore’s implementation of the OECD DDG.

Glencore also operates a [Supplier Code of Conduct](#) (Supplier Code) which defines our requirements and expectations of our suppliers. With respect to minerals and metals, the Supplier Code is consistent with the minimum standards set out in Annex II of the OECD DDG. The Supplier Code is widely disseminated to relevant stakeholders (suppliers, customers, employees, etc.) and remains publicly available on the Glencore website.

Glencore’s **Responsible Sourcing Standard** is an inward facing document and is being implemented progressively since June 2022 across all Glencore marketing offices and industrial assets. It 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 (SCDD Procedure)** further supports the requirements of the Responsible Sourcing Standard and sets out, for metals and minerals, the due diligence steps 1-5 as outlined in the OECD DDG.

Glencore’s Responsible Sourcing Policy, Standard and SCDD Procedure 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.

Glencore’s responsible sourcing policy architecture is part of the Group’s broader approach to sustainability and supports the efforts of its Ethics & Compliance Programme. It further complements the Groups’ Values, Code of Conduct and a suite of other policies, standards, procedures and guidelines on various key matters and risks to Glencore. This framework reflects Glencore’s commitment to promote responsible and ethical business practices. See also: <https://www.glencore.com/who-we-are/policies>.



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The Group policy framework and its supporting policies, standards, procedures, guidelines and operational processes embed our commitment to respect human rights and align with the UNGPs. Through our policies, standards, and processes, we are committed to respecting human rights in accordance with the United Nations (UN) Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UNGPs and the UN Global Compact.

Glencore's policy framework applies to and is further implemented by BRM through its complementary responsible supply chain policy and implementing procedures to meet the specific requirements of the LBMA and LME.

BRM's Responsible Supply Chain Policy – (Silver and Lead from Conflict-Affected and High-Risk Areas), originally created in 2019, was reviewed in 2023 to include updated title, policy content for lead sourcing, templates, and was reissued (issue No.:2; date 03 November 2023).

BRM's Responsible Silver Sourcing Procedure was reviewed to include an updated title, departmental responsibilities, and templates, for compliance with Glencore's SCDD Procedure, and was reissued (issue No.:6; date 04 August 2023).

BRM's Responsible Silver Sourcing Supporting Information was reviewed to include an updated flowchart, templates, and for compliance with Glencore's SCDD Procedure, and was reissued (issue No.:6; date: 04 August 2023).

BRM further developed a BRM Responsible Lead Sourcing Procedure and a BRM Supplier Due Diligence Checklist for lead.

4 Management system

4.1 Management structure

Glencore's Board's Health, Safety, Environment and Communities (HSEC) Committee sets the strategic direction for Glencore's sustainability activities and oversees the development and implementation of its HSEC&HR programmes. It meets at least four times a year and receives regular updates on how the business is performing across internally defined, sustainability-related material risk areas. Responsibility for implementing and monitoring our sustainability activities across the Group rests with its senior management, including the Chief Executive Officer, Head of Industrial Assets and heads of our corporate functions and commodity departments.

Glencore's Group Sustainability function (Group Sustainability) has a dedicated Group Responsible Sourcing Team (GRST) that manages the responsible sourcing programme across the commodity departments for metals and minerals and goods and services and that supports Glencore industrial assets with the implementation of the Responsible Sourcing Policy.



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The GRST reports to the Head of Sustainability, who can further escalate cases as necessary to the Business Approval Committee, which is composed of the CEO, CFO, General Counsel, Head of Sustainability and other relevant function or business heads as required. It determines and sets guidance and criteria for, and reviews business relationships, transactions or counterparties that give rise to ethical or operational concerns.

Glencore has a Group Corporate Compliance Team responsible for designing, monitoring and continuously improving Glencore's Ethics and Compliance Programme, which includes Know Your Counterparty ("KYC") assessment of suppliers of metals and minerals.

Regional Compliance teams are responsible for implementing and maintaining of Glencore's Ethics and Compliance Programme at the regional level. Regional Compliance Officers (RCOs) provide guidance to the business and support local compliance officers and coordinators. 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 GRST in Baar, Switzerland (headquarters of Glencore).

The GRST and the Group Corporate Compliance Team closely interact, share tools, use a common platform to manage counterparties due diligence and share a common list of declined and red flag parties. As part of our efforts for continuous improvement both teams further worked on aligning each other's processes.

BRM's internal management structure supports supply chain due diligence activities at BRM. This involves assigning responsibility of silver and lead supply chain due diligence, grievance mechanism and training to the Plant Manager and Responsible Sourcing Compliance Officer (Miguel Angel Hernandez) and the Head of Metallurgy (Nicholas Samson), who report directly to the BRM Management Team on a monthly basis.

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, the Supplier Code, and the Responsible Sourcing, Human Rights, Anti-Corruption and Bribery, Anti-Money Laundering, Sanctions, and Whistleblowing Policies. This 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 at our marketing offices and industrial assets to raise awareness and inform the respective sourcing teams on our responsible sourcing programme. 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.

Refresher training on responsible sourcing was carried out at BRM during Q4 of 2023, attended by processing staff, shift operators and senior management. By Q2 2024, BRM employees for which this is



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relevant are expected to participate in a Supplier Code of Conduct training organised by Group Sustainability.

Commercial contracts

Through the implementation of our Supplier Code, which we generally seek to incorporate in our supplier contracts and which we have made publicly available on the Glencore website, we seek to ensure a broad dissemination among all relevant stakeholders (including suppliers, customers, and employees). This Supplier Code outlines our expectation that our suppliers, in their dealings with us, will adhere to the standards and expectations set forth therein, and particularly emphasises ethical practices and compliance with our due diligence requirements.

The Supplier Code requires 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 propagate our standards to their own supply chains, as part of our efforts for a cascading effect of our ethical and due diligence standards. In respect of all other areas, the Supplier Code also encourages suppliers to set similar expectations to those in our Supplier Code.

BRM only processes materials supplied by Glencore International AG (GIAG), the principal trading company of the Glencore Group. GIAG, when concluding or renewing contracts, applies the above approach and seeks to include the relevant Supplier Code related clauses.

Cash payment

Only payments through official bank transfer are accepted, and no cash transactions are allowed.

Chain of custody controls

BRM has controls in place for receiving incoming material, including daily inventory records which confirm that information of incoming and outgoing transactions is registered daily, with date, weight and assay information marked well.

Each transaction file maintains transportation documents, proof of origin, import/export documents, bill of lading, purchase order, invoices, and material identification (laboratory analysis and weight).

BRM verifies as well that all responsible sourcing related documents are in place for feed processed by BRM.



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Speaking openly and raising concerns

Glencore is committed to fostering a culture where all individuals, including employees, contractors, directors, and officers working in Glencore offices and industrial assets, as well as third parties such as customers, suppliers, or other stakeholders, feel empowered to express concerns and are able to do so securely and confidentially.

This encompasses issues related to breaches of the Glencore Code of Conduct, Responsible Sourcing Policy or Supplier Code, their underlying policies or the law, which can be raised through either local Whistleblowing Contacts/reporting channels or Glencore's [Raising Concerns Platform](#). This platform is publicly accessible, including to stakeholders such as communities, shareholders, or partners, and allows for the voicing of concerns regarding to the circumstances of mineral extraction, trade, handling, and export in conflict affected and high-risk areas ("CAHRAs").

Glencore's Raising Concerns Programme is operated under senior oversight: A Raising Concerns Investigations Committee (RCIC) oversees the operation of this programme and the conduct of investigations, to facilitate recommendations and sanctions being applied consistently across the Group. The RCIC comprises Glencore's CEO, CFO, General Counsel, Head of Industrial Assets, Head of Human Resources and Head of Compliance.

BRM's grievance mechanism is available to employees through BRM's intranet, or through Glencore's 'Raising Concerns Platform'. External stakeholders can raise concerns through Glencore's Raising Concern platform.

During the assessment period, there were no grievances related to BRM's supply chain raised.

4.3 Record keeping system

Glencore has a Group level [Information Governance Policy](#) which sets out our approach to how we handle company information, including personal data. At headquarters in Baar, Switzerland where SCDD and KYC is conducted on BRM'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 based on the types of records.

BRM's Responsible Silver Sourcing Procedure (issue No.:6; date 04 August 2023) and BRM's Responsible Lead Sourcing Procedure (issue No.:2; date 03 November 2023) define that responsible sourcing related records will be maintained for five (5) years after the year end.



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5 Risk identification

5.1 Our approach

Know your counterparty

Corporate and 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.

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 GRST based on their risk and directed to the most appropriate risk management process, in accordance with the 5-step due diligence framework defined in Annex I of the OECD DDG.

As part of the risk identification process, GRST reviews and determines whether there are any red flags as defined by the OECD DDG related to the third-party feed. If so, the supplier is reviewed against risks associated with the extraction, transport or trade of minerals specified in Annex II of the OECD DDG. For the identification of OECD DDG related red flags we use a list of Conflict Affected and High-Risk Areas (CAHRAs). 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, including torture, cruel, inhumane 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, and countries where ASM is prevalent for minerals sourced by Glencore.

Glencore's CAHRA list is generally updated on an annual basis to reflect significant changes in country circumstance by GRST upon consultation with an external consultant. In 2023, 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)



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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)
- [World Governance Indicators](#) – Political Stability and Absence of Violence/Terrorism (updated 30 September 2021)
- [Indicative, non-exhaustive list of Conflict-Affected and High-risk Areas under Regulation \(EU\) 2017/821](#), aka “EU CAHRA List” (updated March 2023)

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 red flag is identified or other potential risks are identified through negative news which indicate a potential breach of our Supplier Code, GRST 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 and feasible, on-the-ground assessments.

5.2 Risk identification – results

BRM processes lead and silver bearing feed and lead bearing feed. The latter’s silver content is below 50ppm, which is BRM’s minimum threshold for feed material to fall into the scope of BRM’s internal silver traceability process.

The majority of the feed processed by BRM came from other Glencore industrial assets.

Supply chain due diligence for third party feed processed by BRM was conducted by GRST following the risk-based approach described in section 5.1. On top of this, to meet the Responsible Silver Guidance, BRM carried out enhanced due diligence, in 2021 and 2023, on two Glencore industrial assets who supplied silver and lead bearing material, using BRM’s Due Diligence Checklist, which is aligned with the LBMA checklists.

Silver:

Silver produced by BRM is a by-product of lead. Silver is separated from lead at BRM’s operations.

During the assessment period, the lead and silver bearing feed received and processed by BRM came from two other Glencore industrial assets. One of these industrial assets has been successfully assessed



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by the LME following Track C. The other relevant Glencore industrial asset processes third-party feed for which no red flags or other risks were identified.

Lead:

During the assessment period, BRM received lead bearing feed from two Glencore industrial assets and from third parties.

Both Glencore industrial assets have been successfully assessed by the LME (Track A and C).

All third party feed suppliers except one supplied 100% recycled material. The only supplier who provided primary material is an LME brand producer for lead which meets LME's brand compliance requirements defined in the LME Responsible Sourcing Policy.

Outcome:

Silver: No red flags or other risks were identified during 2023 for silver bearing material.

Lead: There were no third-party suppliers with OECD DDG related red flags. One supplier requires further outreach to confirm they adequately manage health and safety and environmental risks.

6 Risk mitigation

We are committed to addressing OECD DDG Annex II risks identified through our responsible sourcing programme.

Where the GRST identifies high risk suppliers based on the OECD DDG red flags or negative news, suppliers are engaged, and, if relevant and feasible, bespoke CAPs are designed on the basis of the severity of the risks identified, the size and complexity of the supplier company. Specific timeframes for measuring objective improvements are detailed in the CAPs, which are incorporated into the contractual obligations.

Glencore follows the OECD DDG while sourcing from, operating in, or transiting through 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 with one supplier of lead bearing material, the outcome of which will determine the need for a site visit and bespoke CAP.

No risk mitigation measures were required for silver bearing material.

No suppliers of lead and silver bearing materials have been suspended or have been disengaged for responsible sourcing related reasons.



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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. The Glencore [annual Payments to Governments report](#) is prepared in line with UK Transparency Requirements, which were introduced to implement the payments to governments requirements provided for in the EU Transparency and Accounting Directives (in the form as they continue to apply following the UK's exit from the European Union), and includes a voluntary additional report of payments by 'regions and commodity'.

8 BRM Management Conclusion

On the basis that BRM complied with all of the five steps of the Responsible Silver Guidance and the LME Responsible Sourcing Policy through the JDDS, the BRM management concludes 'Yes' to overall compliance.