

ABC Refinery - Responsible Gold Guidance Compliance Report

This report summarises how ABC Refinery has complied with the requirements of the *LBMA Responsible Gold Guidance*.

Table 1: Refiner's Details

Refiner's Name	ABC Refinery
Location	12 Meeks Road Marrickville NSW Australia 2204
Reporting year-end	
Date of report	30 June 2017
Senior management responsible for this report	Phillip Cochineas

ABC Refinery's Evaluation

The following table lists the minimum requirements that must be satisfied by Refiners in accordance with the *LBMA Responsible Gold Guidance* to demonstrate compliance. Refiners should complete the table and provide reasons for their responses in the space provided. All boxes not shaded should be completed.

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: Establish strong management systems.

ABC Refinery has a robust company policy regarding due diligence for supply chains of gold

During the reporting year, we established an appropriate gold supply chain policy, which is consistent with the model set out in the Annex II of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk areas* ("OECD Due Diligence Guidance"). This sets out our responsibility for conducting risk-based due diligence, screening and monitoring of transactions and governance structures in place. Upon its release, we fully instated the LBMA Toolkit as our customer due diligence form for supply chains of gold and have upgraded all existing customer due diligence files to ensure consistency in approach.

ABC Refinery has an internal management structure which fully supports supply chain due diligence

An internal management system has been set up to define the governance, roles and responsibilities, internal audit, communication and senior management review as per the adopted policy. The compliance officer has been assigned to manage the process, and has a direct line of reporting to the Senior Management. In addition, a Compliance Committee has been established to fully support the due diligence process.

ABC Refinery has a strong internal system of due diligence, controls and transparency over gold supply chain, including traceability and identification of other supply chain actors**Comments and Demonstration of Compliance**

Our refinery has implemented extensive controls over the supply chain. Each Customer receives a unique customer identification number and each individual lot received from customers has a unique number assigned. Specific documents must be received and transactional details entered for each lot before we process the gold-bearing material.

ABC Refinery has strengthened company engagement with gold supplying counterparties, and where possible, assisted gold supplying counterparties in building due diligence capabilities**Comments and Demonstration of Compliance:**

Each supplier has been provided revised customer agreements that reference our commitment to sourcing gold only in a manner that is compatible with the *OECD Due Diligence Guidance* and the *LBMA Responsible Gold Guidance*.

ABC Refinery has established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management**Comments and Demonstration of Compliance:**

ABC Refinery has developed a mechanism allowing employees to voice concerns over the gold supply chain or a newly identified risk. A functional mailbox has been established, which is reviewed by the compliance officer.

Step 2: Identify and assess risks in the supply chain**Compliance Statement with Requirement:**

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

ABC Refinery has a comprehensive process to identify risks in the supply chain.**Comments and Demonstration of Compliance:**

We identify and assess risks in the supply chain. For every supplier, we have established a client database and allocated a risk profile according to our risk profile criteria. This process is now a formal requirement before entering any business relationship with a gold supplying counterparty.

ABC Refinery assesses risks in light of the standards of their due diligence system.

Comments and Demonstration of Compliance:

Supply chain due diligence comprising all measures required by the *LBMA Responsible Gold Guidance* (as reflected in the LBMA Toolkit) is performed before entering into a business relationship with any gold supplying counterpart. We have a policy which requires enhanced due diligence to be performed for higher-risk categories, which includes those where gold originates from or transits via a conflict-affected or human rights abuse high-risk area. In addition, we conduct appropriate scrutiny and monitoring of transactions undertaken through the course of the relationship.

ABC Refinery provides a risk assessment report to the designated manager.

Comments and Demonstration of Compliance:

The Compliance officer provides a commentary report to the Managing Director, representing the senior management team on a quarterly basis. The Senior Management must approve all new suppliers classified as high and extreme risk. Senior Management retains the ultimate control and responsibility for the gold supply chain.

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

Compliance Statement with Requirement:

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

ABC Refinery has 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.

Comments and Demonstration of Compliance:

We have implemented a strategy to respond to identified risks through adopting a risk-based approach.

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.

Comments and Demonstration of Compliance:

We have implemented a procedure to ensure that measurable steps, monitoring and periodic assessment and reporting is a requisite in the event risks in the gold supply chain have been identified.

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

Compliance Statement with Requirement:

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

Comments and Demonstration of Compliance:

ABC Refinery has engaged the services of the assurance provider William Buck, and their independent reasonable assurance report is attached to this Report and available on ABC Refinery's website.

Step 5: Report on supply chain due diligence**Compliance Statement with Requirement:**

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

Comments and Demonstration of Compliance:

Further information and specific details of how ABC Refinery's systems, procedures, processes and controls have been implemented to align to the specific requirements in the *LBMA Responsible Gold Guidance* have been set out in our gold supply chain policy, which is available on our company website www.abcrefinery.com

ABC Refinery's Overall Conclusion**Table 3: Management conclusion****ABC Refinery is in compliance with the requirements of the *LBMA Responsible Gold Guidance* for the reporting period**

In conclusion, ABC Refinery 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 30 June 2016.

ABC Refinery is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis. Corrective Action Plans are communicated separately to the LBMA Physical Committee, in its role as administrator of the *LBMA Responsible Gold Guidance*.

Table 4: Other report comments

If users of this report wish to provide any feedback to ABC Refinery with respect to this report, they can contact corporate relations on compliance@abcrefinery.com.



Phillip Cochineas

Managing Director