



The Copper Mark Summary Report

Site Information

Name of the Site	Kazzinc LLC
Unique identifier provided by the Copper Mark	S012
Address	1 Promyshlennaya Street, Ust-Kamenogorsk, 070002, East Kazakhstan Region
Country of Operation	Kazakhstan
Products produced on site. (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Ingots (lead and zinc), Cathode (copper), Refined minerals (gold and silver)
Metals produced on site. (e.g., copper, gold, nickel, silver, molybdenum)	Copper, Gold, Lead, Silver, Zinc
Metals included in scope. (This must be all, or a sub-set of the metals produced on site)	Lead
Metals covered by other independent assessments for Criterion 31 (e.g., RMAP, LBMA, RJC, etc.)	Gold and Silver (LBMA)
Types of operations included in scope	
Mining	<input checked="" 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 checked="" 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
LBMA Good Delivery List: Gold 31 March 2023	The assurance / certification was confirmed to be: <ul style="list-style-type: none"> Valid at the time of the review No more than 24 months old and / or plans for reassessment are underway In effect for an additional 12 months and / or plans for reassessment are underway 	Gold and silver for all criteria
LBMA Good Delivery List: Silver 31 March 2023	<ul style="list-style-type: none"> Covering the same scope as the Copper Mark Responsible Production Criteria, including operations, locations, and materials Accompanied by improvement plans where applicable 	

Independent Site Assessment Information

Name of the Lead Assessor	Ruslan Rakhimbayev
Name of the Assessment Firm (if applicable)	BDO Qazaqstan LLP
Date(s) of Assessment Activities (dd/mm/yyyy – dd/mm/yyyy)	Completed on 11 th October 2023
Assessment Period	January 1 - December 31, 2022
Summary of the Assessment Methodology	<p>Auditors performed reasonable assurance procedures following International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information with a focus on structure of suppliers and raw material inputs to verify compliance with the Joint Due Diligence Standard.</p> <p>The assurance included a review of both Glencore corporate and Kazzinc-specific policies, procedures, and practices. Glencore has a</p>

	<p>corporate Responsible Sourcing Policy, Supplier Code of Conduct, Responsible Sourcing Standard, and Supply Chain Due Diligence Procedure, which are implemented across the group, including the subsidiary Kazzinc.</p> <p>To adopt, implement, and further operationalize the Glencore responsible sourcing architecture, Kazzinc has developed its own internal equivalent policies and procedures.</p>
<p>Summary of the Assessment Activities</p>	<p>Conducted interviews with Refinery management and responsible employees.</p> <p>Performed walkthrough tests of the Refiner.</p> <p>Assessed compliance of Refiner’s policies, procedures, and internal controls with the Joint Due Diligence Standard</p> <p>Visited Refiner to monitor and observe receiving process.</p> <p>Tested Know Your Counterparty procedure, including sampling a selection of suppliers’ documentation, and testing relevant controls.</p> <p>Tested underlying processes and controls described in Refiner’s Report</p> <p>Tested management’s representations in the Refiner Report by inspecting evidence for each procedure.</p> <p>Analyzed data of accounting system to check whether the operates concerning sanctioned suppliers or goods were recorded during the reporting period.</p> <p>Obtained and analyzed policies and requirements relevant to Refiner’s lead compounds supply chain, including inspecting relevant documents.</p> <p>Tested the effectiveness of the supply chain management system performance.</p> <p>Obtained and reviewed Refiner’s Compliance Report to confirm all stated activities and conclusions are complete, relevant, accurate and within the deadlines.</p>

Summary of Findings

<p>Criteria</p>	<p>Rating <i>Fully meets, partially meets, does not meet, not applicable</i></p>	<p>Comments</p>
<p>1. Management System</p>	<p>Fully meets</p>	<p>Kazzinc has a moderately complex supply chain. The Refiner purchases primarily mined material and a small amount of processed material.</p>

		<p>The materials processed by the Refiner to produce lead are purchased from three main sources: 1) own mines; 2) materials purchased directly from suppliers; 3) materials purchased through Glencore offices. The suppliers are mineral mining companies, and some of them are also involved in trading and smelting (i.e., mines, traders, and smelters).</p> <p>Kazzinc's follows a combination of Glencore policies and procedures and internal policies and procedures replicated from Glencore corporate.</p> <p>Glencore's expectations and requirements of suppliers are supported by senior management who oversee the Responsible Sourcing program and are committed to its implementation.</p> <p>Glencore's Board HSEC Committee has oversight and ultimate responsibility for Group sustainability strategy and framework. It receives regular updates and has oversight of how business is performing across all internally defined, sustainability related material risk areas. Oversight and responsibility for Group sustainability strategy and framework and its implementation across the Group, rests with the senior management team, including the CEO and heads of our Commodity departments.</p> <p>Glencore's Group Sustainable Development function (Group SD) has a dedicated Responsible Sourcing Team who is responsible for the supply chain due diligence (SCDD) program across the Commodity departments for metals and minerals and who supports Glencore industrial assets with the implementation of the program.</p> <p>The Kazzinc Executive director of Compliance and Business Ethics is responsible for implementation and daily management of the program on responsible supply chain practice for metals and minerals at Kazzinc. The Executive Director of Compliance and Business Ethics regularly reports on responsible supply chain practice for metals and minerals and escalates critical issues to the Committee and CEO level and can escalate cases as necessary to Group Compliance, Group Legal or Group Sustainable</p>
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		<p>Development in Baar, Switzerland (headquarters of Glencore).</p> <p>Kazzinc established a Responsible Supply Committee (the Committee), responsible for defining the strategy and structure of responsible supply chain practice for metals and minerals.</p> <p>The Committee obtains regular updates and oversees the activities related to responsible practice on metals and minerals supply chains.</p> <p>The Compliance and Business Ethics Department of Kazzinc is responsible for development and continuous improvement of Kazzinc's Compliance program, including due diligence of supply chain for metals and minerals and supplier assessment.</p> <p>The management system at Kazzinc consists of a supply chain policy, supplier code of conduct, supplier engagement, systems for material control, employee training, responsible persons, sufficient and proportional resources, and a grievance mechanism. The system is proportional to the size and complexity of the operation and is considered sufficient to conduct supply chain due diligence.</p> <p>This was confirmed through interviews with management; interviews with workers; a facility walkthrough; and a review of both Kazzinc and Glencore policies, procedures, and records.</p>
<p>2. Red Flag Identification Process</p>	<p>Fully meets</p>	<p>Glencore has a Group Corporate Compliance team responsible for designing, monitoring, and continuously improving our 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.</p> <p>At Kazzinc, expectations and requirements of suppliers are supported by Kazzinc senior management who oversee the program of responsible supply chain for metals and minerals and are committed to its implementation. The Company management</p>

		<p>represented by the Kazzinc CEO is authorized to and is accountable for oversight of the responsible supply chain program for metals and minerals.</p> <p>The Executive Director of Compliance and Business Ethics also coordinates with marketing offices and the Glencore 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. A report on responsible supply chain practice for metals and minerals is provided to the Glencore Responsible Sourcing Team on an annual basis.</p> <p>Kazzinc has processes in place to collect and analyze information on suppliers and material. Elements include a KYC process for metals and minerals suppliers; metals and minerals supply chain process and suppliers' assessment for compliance with AML/CFT law; and approval/decline of request for supplier/counterparty check by the Compliance and Business Ethics Executive Director.</p> <p>The compliance teams reviews completed supplier questionnaires for internally defined "red flags," which are cross-checked with documentation provided by the supplier and on the web. Red flags result in escalation to the Executive Director of Compliance and Business Ethics for review and decision.</p> <p>Given its geographical location and close economic ties with the Russian Federation Kazzinc assesses the impact of sanctions risks on Kazzinc's operations. To effectively manage sanctions risk, actions and recommendations were developed to mitigate potential risks and additional controls were implemented. Such as managing complex beneficial ownership structures, automatic daily monitoring of sanctions lists, deactivating sanctioned suppliers in Kazzinc's ERP system.</p> <p>Kazzinc uses Glencore's CAHRA list and country risk assessment tool, which uses credible resources, is regularly updated, and consistently applied.</p>
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<p>3. Risk Assessment Process</p>	<p>Fully meets</p>	<p>Kazzinc has established three-level risk-based approach for supplier assessment and further steps on identified red flags are determined in internal procedure on responsible practice in supply chain of metals and minerals.</p> <p>Processes are in place to collect additional information when red flags are identified, in accordance with the requirements of the Standard.</p> <p>Based on the information collected during the Red Flag identification and risk assessment process, the need for an on-the-ground assessment as well as its regularity is considered by the Compliance and Business Ethics Department team for potential high-risk Suppliers.</p> <p>The Company conducts an on-the-ground assessment if data gaps result in insufficient information to determine whether there are OECD Annex II risks and compliance with laws and other relevant legal instruments hereunder.</p> <p>Refiner’s risk assessment process was effective and consistent and the conclusion that an on-the-ground assessment was not required was</p>

		appropriate, given their compliance with an OECD-aligned standard.
4. Risk Management Process	Fully meets	<p>Kazzinc has a procedure to design the strategy in response to identified risks according to the risk category. These include options such as:</p> <ul style="list-style-type: none"> • Contracts include clauses for each category of risk (low, medium, high); • Corrective action plans are designed and approved by both parties; • Continuous monitoring on implementation of corrective action plan; • On-the-ground assessment if required. • If there is no significant measurable improvement within the timeframe specified in the CAP, the Compliance and Business Ethics Department shall review the CAP and the consider the possibility of suspending or terminating business relationships with the Supplier/Counterparty for at least three months after unsuccessful attempts to mitigate the identified risks. <p>The plans include stakeholder engagement as appropriate.</p> <p>During the assessment period, no Annex II risks were identified.</p> <p>Kazzinc was deemed to have a sufficient risk management system supported by technical, intellectual, and labor resources to consistently implement the risk management strategy.</p>
5. Public Reporting	Fully meets	<p>Kazzinc annually reports information on responsible practice in supply chain of gold and silver according to LBMA requirements. Reports are available at Kazzinc's official website here.</p> <p>There is also a published report for 2022 that complies with the requirements of the standard and is accurate and credible.</p> <p>Kazzinc is required to and does comply with EITI requirements.</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 17 February 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 17 February 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:	None

Assurance Process Information

Date of Performance Determination	5 December 2023
Re-assessment Due Date	4 December 2026