LME Red Flag Assesment Template-Track C

1 **BRAND INFORMATION**

LME BRAND NAME	redacted	LME BRAND CODE	redacted
LME PRODUCER NAME	redacted	PRODUCER ADRESS	redacted
CONTACT DETAILS		City	redacted
Job Title	redacted	Street	redacted
Name	redacted		
web site	redacted		
person submitting RFA	redacted		
Job Title	redacted		
Phone number	redacted		
e-mail adress	redacted		
DATE OF SUBMISSION	24/06/2024	REPORTING PERIOD	
update with information/anonymised	19/08/2024	start date	01/01/2023
		end date	31/12/2023

2 **COMPANY MANAGEMENT SYSTEM**

a Is there a company Supply chain due dilligence policy?
redacted-Yes

b Describe how this policy been communicated to suppliers, employees, and the public.

The Responsible sourcing policy is signed by every single supplier of raw material. The policy is available on the company's corporate web site and on the internal web site

c Explain the management structure responsible for the Producer's due diligence, including who is directly responsible for implementing the supply chain due diligence policy.
The trading company for the full output of the producer (both part of a Holding structure) performs the due dilligence. The trading company is authorized to act on behalf and for account of the producer; to supervise the administartion and execution of the signed commercial transactions. The trading company is in charge with negotiating, concluding, implementing and reporting on the purchases of raw material and sales of the final products. The trading company possess all primary information and documents related to the purchases (sales) and is the only one that is in direct contact with suppliers and customers. For the scope of RS reporting, by order of the Holding group, a working group is formed with participation of a legal adisor of the group. The responsible person is REDACTED. The results of Responsible sourcing due dilligence are reported to:CEO Holding group; the producer Executuve Director; the trading company General Manager. Producer's Resposible Sourcing Due Diligence working pricedure is available.

d Describe the system of controls and transparency over the mineral supply chain put in place by the Producer.

a. the type of information the Producer collects from suppliers

With the start of the negotiations for the supply of any kind of material the following information is required from every specific supplier: type of material, quality/analysis; origin of the material; quantity; delivery period and delivery terms. The following documents are required for completing the delivery dossier and are kept in original:transport documents CMR 8 CIM & B/L; certificate of analysis and weight; invoice; import custom declaration (if needed); certificate of origin (if needed); EUR 1 and T2L; insurance policy; producer's Material Safety data sheet (MSDS). At least once per year all suppliers are asked to fulfill a Responsible sourcing self assesment questionnaire, including also questions on Environmental, social, and governance (ESG), certificates and etc. Both producer and trading company have and work on one and the same secured server. The trading company collect the information (including for the scope of RS) and it is stored on the producer' server. All shipping documents on paper are kept by the producer as they are needed for their operational work.

b. whether this information is required in commercial contracts with suppliers

The information from 2 d.a. is incorporated in the signed by both parties contracts

c. the format of the record-keeping of the Producer (such as paper-based, computerised, digital leger technology, or part of an institutionalised mechanism)

We have 2 ways of record keeping- obligatory on paper and the same in electronic format (incl. but not limited to pdf, docs, excel) on a company server with regular back up.

d. for how long this information is stored

Legal requirement in REDACTED is 5 years, but we keep /incl. on paper/ all important database and documents more than 25 years.

e. Describe the data the management system has yielded this Reporting Period and how it has strengthened the company's due diligence efforts

The origin of the material and location as mine name or/and quality is stated in the initial offer and then in the signed contract and accompanying shipping documents. Based on origin of the material,the agreed monthly volumes and delivery periods as well as the agreed delivery terms according to the applied Incoterms 2020 /stated in the contract/, we can easily monitor the movement and delivery process. The control is permanent and continuous as we collect all initial and original documents in order to fully comply with the laws and regulations concerning the producer's activities. At least once per year we update our supplier's data base including but not limited to the follwing topics- update on company information; company managment systems and certifications; corporate and social responsability; AML-CFT policies and procedure; record keeping systems; sustainability reports.

f. Confirm that a company-level or industry-wide grievance mechanism has been established and provide evidence

There is a company grievance channel, according to the REDACTED law on the Protection of Persons Submitting Reports or Publicly Disclosing Information on Violations, available at our web site REDACTED. Any kind of concerns can be raised, not limited to the stated in the law. An information list to the community members with instructions how to submit complains is available.

g. Describe the Producer's method for identifying Conflict-Affected and High-Risk Areas ("CAHRA").

Irrespective of whether the mineral is sourced directly from the mine or through a trader, the origin and/or name and/or location of the material is stated in the contract as well as in the accompagnying shipping documents. The supplier can not change the location/origin of the mineral after a contract is signed. During the whole process we keep awareness of the orgin of the material. In case of a change in the situation (related with CAHRA) we are notified primarly from the supplier/souce and a managment decision is taken how to proceed further. As part of this process we use at least 3 credible sources to indetify wether the supplied material originates or transits trough "CAHRA".The trading company report to the legal advisor the countries of orign for further cross check. In case in 2 of 3 sources the country of origin or transit do not fall under the list of CAHRA, this country source is considered out of reach of this subject. The verification is done at least twice per year- at the time of signing the purchase contract and at the end of the reporting period. A register is available with the dates of verification. For the reporting period this is done on 18.08.2023 and 24.01.2024. The results of the risk identifying process is reported to the Management. In case any risk is identifyied the principle of the Suply chain policy will be applied. The list of sources for identifying CAHRAs is as stated g.1-g.5: For our report we used for verification all below stated sources.

g.1 https://www.cahraslist.net/cahras

g.2 On the offical page of REDACTED

g.2.1 Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies https://finance.ec.europa.eu/financial-crime/anti-money-laundering-and-countering-financing-terrorism-international-level_en#strategic-deficiencies

g.3 https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-february-2024.html

g.4 https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/

g.5 https://www.crisisgroup.org/crisiswatch

3 **LOCATION OF MINERAL ORIGIN AND TRANSIT- separate sheet**

4 **SUPPLIERS RED FLAG EVALUATION- separate sheet**

5 **RED FLAG ASSESSMENT**

		Yes	No
a.	Is there any Input Material for the LME Brand where the origin is unable to be determined?		No
b	Do any of the countries identified in Section 3 LOCATION OF MINERAL ORIGIN AND TRANSIT EVALUATION fall into the CAHRA areas identified in 3.d?		No
c	Do any of the source countries identified in Section 3 LOCATION OF MINERAL ORIGIN AND TRANSIT EVALUATION receive a quantity of material that is out of keeping with the source country's known reserves and expected production levels as answered in 3.e?		No
d	Do any of the countries identified in Section 3 LOCATION OF MINERAL ORIGIN AND TRANSIT EVALUATION fall into the list of countries known to transit materials from CAHRAs identified in 3.f?		No
e	Do any of the countries identified in Section 4. SUPPLIER RED FLAG EVALUATION fall into the CAHRA areas identified in 4.c without confirmation provided in 4.d?		No
f	Is the answer to any of Section 5.a – 5.e positive? If yes, the LME Brand is considered to have raised an OECD Red Flag and must use Track A.		No
g	Does the Producer fail to identify the EITI status of any of the source countries identified in Section 3 LOCATION OF MINERAL ORIGIN AND TRANSIT EVALUATION in 3.g.(i)?		No
h	Does the Producer fail to provide supplier's EITI disclosure information described in 3.g.(ii) for suppliers located in EITI implementing countries?		No

	Country identification			Red Flag 1	Red Flag 2	Red Flag 3	EITI Implementation			
Question from RFA	**3.a. On the basis of the Producer's Company Management Systems for tracing the transit of materials from its operations and those of its suppliers, list all countries from which the minerals used for this Brand originated and transited through during the Reporting Period.**	**3.b. Identify whether each of the countries listed in (a.) is a source for the Brand material or a country through which the material only transits.**	**3.c. Specify the type of material being sourced or transited. This is optional to disclose and only requested to assist in answering the remaining questions.**	**3.d. Classify each country's Conflict-Affected or High-Risk Area ("CAHRA") status.**	**3.e. For each of the source countries identified, assess if the volume of mineral the Producer sourced during the Reporting Period is in keeping with the source country's known reserves and expected production levels. Provide the result of your assessment.**	**3.f. For each of the countries identified, assess if this country known to transit materials from CAHRAs.**	**3.g. For each of the source countries in (b.), assess the status of the supplier's Extractive Industry Transparency Initiative ("EITI") implementation following these steps**			**Additional comments**
Clarification of required answers	Please enter the country name.	Please enter "Source" or "transit only".	Optional: you may enter the type of material sourced if desired.	Please enter country CAHRA evaluation as "No CAHRAs", "Some CAHRAs", or "All CAHRA". For "Some CAHRAs", provide specific region in comments column K.	For source countries only: Please enter Yes or No for source countries and NA for transit only countries.	For all countries: Please enter Yes if known to transif materials from CAHRAs or No if not.	For source countries only: (i) State whether or not the country is an EITI-implementing country. Please enter Yes or No for source countries and NA (Not Applicable) for transit only countries.	For source countries only: (ii) If the supplier is located in an EITI-implementing country, identify if the supplier is in compliance with the EITI reporting requirements of that country. Provide links to the relevant company's submission for the purpose of EITI reporting, where such a disclosure does not reveal commercially sensitive information.	For source countries only: (iii) If the country is not an EITI-implementing country, identify if the supplier takes other steps to provide transparency on payments to governments and other matters in line with the aims of EITI. Provide link(s) to disclosures where available.	
Example answers	*Country A*	*Source*	*Copper concentrate*	*No CAHRAs*	*Yes*	*No*	*Yes*	*Not in compliance*	*NA*	
	Country B	*Source*	*Alumina*	*Some CAHRAs*	*No*	*No*	*Yes*	*In compliance, report here: (link)*	*NA*	*Region ABC in Country B is considered a CAHRA and the materials we source do not come from this region.*
	Country C	*Transit only*	*Zinc oxide*	*All CAHRA*	*NA*	*Yes*	*NA*	*NA*	*NA*	
	Country D	*Source*	*Bauxite*	*No CAHRAs*	*Yes*	*No*	*No*	*NA*	*Reporting on payments to governments on page XX (link)*	
Supplier 1	North Macedonia	Source	lead concentrate	No CAHRAs	yes	no	no		No data is available. The supplier is a trader that comply with Resposible sourcing Redacted	
Supplier 2	Morroco	Source	lead concentrate	No CAHRAs	yes	no	no	The supplier is a trader that comply with responsible sourcing and report payments to Government Redacted		
	Spain	Transit only	lead concentrate	No CAHRAs	NA	no	NA	NA	NA	
	Turkey	Transit only	lead concentrate	No CAHRAs	NA	no	NA	NA	NA	
Supplier 3	Serbia	Source	lead concentrate	No CAHRAs	yes	no	no		fees are paid quaterly, no public reporting	
Supplier 4	North Macedonia	Source	lead metal blocks	No CAHRAs	yes	no	no		No data is available. The supplier is a trader.	
Supplier 5	North Macedonia	Source	lead concentrate	No CAHRAs	yes	no	no		The supplier pays concession fees to the government of Redacted as per concession agreement and report to the Ministry of Economy and Municipalitites	
Supplier 6	North Macedonia	Source	lead concentrate	No CAHRAs	yes	no	no		concession fee, available in the audited financial according to Redacted law	
	redacted	Source	lead concentrate	No CAHRAs	yes	no	no		concession fee, available in the audited financial according to Redacted law	
Supplier 7	redacted	Source	lead concentrate	No CAHRAs	yes	no	no		concession fee, available in the audited financial according to Redacted law	
Supplier 8	redacted	Source	lead concentrate	No CAHRAs	yes	no	no		concession fees are paid by the mine that owns the concession rights. Available in the audited financial according to Redacted law	
Supplier 9	redacted	Source	lead concentrate	No CAHRAs	yes	no	no		concession fees are paid by the mine that owns the concession rights. Available in the audited financial according to Redacted law	

Question from RFA	4.a. Indicate where the Relevant Companies have operated in or sourced minerals during the Reporting Period.	4.b. Classify the locations provided in (a.) into either locations where no minerals are produced (such as headquarters, offices, or holding companies) or locations where minerals are produced.	4.c. Classify each country's Conflict-Affected or High-Risk Area ("CAHRA") status.	4.d. If any CAHRAs are identified, provide confirmation that the Producer has secured evidence that the origin or transit of the material entering their feedstock was not sourced from the CAHRA that raised the OECD supplier red flag and that the Relevant Company has strong company-wide due diligence management systems.
Clarification of required answers	Please enter the country name.	Please enter "No Mineral Production" or "Mineral Production"	Please enter country CAHRA evaluation as "No CAHRAs", "Some CAHRAs", or "All CAHRA".	
Example answers	*Country X*	*No Mineral Production*	*No CAHRAs*	
	Country Y	*No Mineral Production*	*Some CAHRAs*	*[Confirmation needed]*
	Country Z	*Mineral Production*	*All CAHRA*	*[Confirmation needed]*
Supplier 1	Luxembourg	No Mineral Production	No CAHRAs	
Supplier 2	Switzerland	No Mineral Production	No CAHRAs	
Supplier 3	Serbia	Mineral Production	No CAHRAs	
Supplier 4	UK	No Mineral Production	No CAHRAs	
Supplier 5	North Macedonia	Mineral Production	No CAHRAs	
Supplier 6	redacted	Mineral Production	No CAHRAs	
Supplier 7	redacted	Mineral Production	No CAHRAs	
Supplier 8	redacted	Mineral Production	No CAHRAs	
Supplier 9	redacted	Mineral Production	No CAHRAs	