



L'ORFEBRE, S.A. Step 5 Report

1. Company Information

The company is called L'Orfebres, S.A.

L'Orfebres, S.A. was established in 1984. L'Orfebres, S.A.'s CID number is CID002762.

The company has 1 smelting facility called L'ORFEBRE, located at Edifici Comes Martines, carretera del Coll d'Ordino, AD300 Ordino, Andorra. The refining facilities are processing gold products.

2. RMAP Assessment Summary

L'ORFEBRE has undergone a RMAP assessment on 2nd August 2019. The assessment is valid for one year. The assessment period was from 1st May 2018 to 30th June 2019. The assessment was conducted by Arche Advisors Firm.

The assessment summary report is public and available at: <http://www.responsiblemineralsinitiative.org/media/docs/Public%20Reports/LOrfebres%20Public%20Report.pdf>

3. Company Supply Chain Policy

To avoid the use of conflict minerals, which directly or indirectly finance or benefit armed groups and/or involve other serious human right abuses in high-risk and conflict-affected regions, L'Orfebres, S.A. has developed a supply chain policy. The supply chain policy is fully aligned with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). It covers all of the risks identified in Annex II of the OECD Guidance and its geographic scope is global. L'Orfebres, S.A. is committed to addressing any Annex II risks if identified. The policy was reviewed and approved by senior management, which committed to support its implementation. The policy has been widely disseminated to relevant stakeholders (suppliers, customers, employees etc.) and is available on L'Orfebres, S.A. website at www.lorfebres.com.

4. Company Management Systems

Management Structure

L'Orfebres, S.A. follows through on its commitments in the supply chain policy and has developed an internal procedure for due diligence with the following aspects:

- *L'Orfebres, S.A.'s Regulatory Compliance Committee is responsible to oversee the due diligence program and risk management design and implementation.*
- *L'Orfebres, S.A.'s Regulatory Compliance Committee coordinates the work of the relevant departments to ensure each department follows up on their roles and responsibilities to implement the due diligence program and report any red flags and potential risks identified.*
- *L'Orfebres, S.A. conducts due diligence management system training once a year for key staff from all relevant departments required in due diligence program. If there is an update of the program, L'Orfebres, S.A. conducts additional training as necessary.*





Internal Systems of Control

L'Orfebre, S.A. has established/updated its due diligence management system to be aligned with the OECD Guidance and RMAP in September 2018. L'Orfebre, S.A. communicated the updated supply chain policy and sourcing requirements to all identified upstream suppliers in September and October 2018. L'Orfebre, S.A. has incorporated due diligence requirements into legally binding agreements with direct suppliers. L'Orfebre, S.A. visits all its direct suppliers once every year, and includes due diligence requirements as part of the supply chain policy.

L'Orfebre, S.A. refers to RMI's grievance mechanism to collect information on grievances from interested parties.

Record Keeping System

L'Orfebre, S.A. requires that all records relating to the due diligence program are maintained at least for 5 (five) years and that they be properly used and safely stored in our online company database.

5. Risk Identification

L'Orfebre, S.A. has a robust process to identify risks in the supply chain.

Firstly, referring to the risks in L'Orfebre, S.A.'s supply chain policy, L'Orfebre, S.A. established a procedure to identify CAHRAs. The procedure includes the resources used, the criteria to define a "conflict-affected and high-risk" area as well as the frequency with which our determination is reviewed. L'Orfebre, S.A. uses the following resources to determine CAHRAs:

- *The Heidelberg Conflict Barometer provides conflict maps, representing an annual snapshot of the presence of armed conflict.*
- *The Worldwide Governance Indicators of The World Bank Group*
- *The "Human Freedom Index" of the CATO Institute for Risk Management provides country-level risk profiles relating to humanitarian crises.*
- *The indicative and non-exhaustive list of CAHRAs provided by the European Commission pursuant to Article 14.2 of the European Union Regulation 2017/821.*

Referring to its supply chain policy and external resources, L'Orfebre, S.A. has defined criteria and benchmark indicators to determine CAHRAs.

Secondly, L'Orfebre, S.A. designed a Know Your Counterparty (KYC) to include information concerning supplier legal status and identity, supplier mapping and potential risks. All our suppliers have completed and returned a KYC form. L'Orfebre, S.A.'s Regulatory Compliance Committee reviewed the provided information and the UN Sanction List. Whenever inconsistencies, errors or incomplete information were identified in the KYC form, L'Orfebre, S.A. communicated the improvement areas to suppliers and requested an updated form.

If red flags were identified, L'Orfebre, S.A. would further engage with its suppliers to clarify and improve the documents as needed. During this reporting period, no red flags were identified related to submitted KYC forms.





Thirdly, L'Orfebre, S.A. requested origin information for each material transaction and ensured that it was able to understand the transaction origin, transportation route, as well as direct suppliers' names and locations.

Fourthly, all information collected was reviewed by L'Orfebre, S.A. according to CAHRAs, sanction lists, local laws and internal sourcing requirements.

Risk Assessment

For material and supply chains determined to be "high-risk", L'Orfebre, S.A. conducted enhanced due diligence. This included:

- Assessing the context of CAHRAs;
- Clarifying the chain of custody;
- Assessing the activities and relationships of upstream suppliers;
- Identifying locations and qualitative conditions of the extraction, trade, handling, and export of minerals; and,
- Conducting on-the-ground assessments.

In order to map the factual circumstances, conduct on-the ground assessments and assess risks in the high risk supply chains, we relied on the following:

L'Orfebre, S.A. conducted basic research on the CAHRAs identified in our supply chain. This included publicly available reports regarding the governance, security and human rights context of the countries as well as reports specifically mentioning human rights abuses related to gold mining practices.

Secondly, L'Orfebre, S.A. completed a stakeholder mapping to inform our stakeholder engagement strategy. To complement the mapping, L'Orfebre, S.A. required our direct suppliers to provide the names, locations and types of business operations for each supply chain actor between the mine sites and the incountry exporter. L'Orfebre, S.A. conducted an enhanced KYC process for all upstream actors from the trader to the mine. Working with our supply chain partners, we collected chain of custody documentation for each material transaction and ensured that it was able to understand the transaction origin and transportation route.

L'Orfebre, S.A. visited regularly its suppliers and conducted an on-the-ground mine site assessment.

Through a mine tour, a document check and interviews with mine workers, consultation with local communities and other stakeholders, L'Orfebre, S.A. assessed all the risks under Annex II of OECD Guidance and generated a mine site visit report.

6. Risk Mitigation

L'Orfebre, S.A.'s Supply Chain Policy defines possible risk mitigation strategies in accordance with the OECD Guidance Annex II Model Policy. Risks identified in high-risk supply chains are mitigated in accordance with L'Orfebre, S.A.'s Risk Mitigation Plan and depending on the type of identified risk and in case the mitigation is not effective in due time the material supply can be suspended or interrupted.

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