



RCS GLOBAL
Making Sure.

London Bullion
Market Association
(LBMA)

**Responsible Gold
Guidance – Summary
Report** (ISO19011:2011)

**KENNECOTT UTAH
COPPER LLC**

March 2018



ASSESSMENT INFORMATION	
Refiner Name:	Kennecott Utah Copper LLC
Refiner Location:	Rio Tinto Regional Center 4700 Daybreak Parkway, South Jordan, USA and Kennecott Utah LLC Previous Metals Plant, (2100S 15000W), USA.
Refiner Contact Person: Name, Title: Email: Phone:	Ms Ilse Schoeters Manager Global Product Safety & Stewardship Ilse.Schoeters@riotinto.com +32495900789
Lead auditor and audit team members	Dr. Nicholas Garrett, RCS Global
Dates and places where the assessment activities were conducted	During 17-29 March 2018; This annual assessment review was completed remotely.

LBMA Refiner Assessment Report	
Assessment objectives:	
<p>The objective of the assessment was to determine whether the refiner's management system, including procedures, processes and management practices, complies with Version 7 of the LBMA Responsible Gold Guidance (RGG), last updated on 1 September 2017. The assessment took into account the suggested actions applied to the Observations raised during last assessment of Kennecott Utah Copper LLC (KUC), which was conducted on 09-10 March 2017. The assessment objective was accomplished.</p>	
Assessment scope:	
<i>Refiner location(s) included in the assessment scope</i>	Rio Tinto Regional Center 4700 Daybreak Parkway, South Jordan, USA and Kennecott Utah LLC Previous Metals Plant, (2100S 15000W), USA.
<i>Assessment Period</i>	January 1, 2017 – December 31, 2017
Assessment methodology:	
<p>This annual assessment review was completed remotely considering below aspects:</p> <ul style="list-style-type: none"> • The previous full assessment during 09-10 March 2017 was conducted by the same auditor, Dr. Nicholas Garrett, from RCS Global. • KUC demonstrated robust management system on risk management during the previous full assessment, and there were no non-conformances raised. • All gold produced by KUC is derived from mining byproduct (anode slimes) with gold per se, first emerging as gold in KUC's precious metals plant. <p>KUC was assessed by means of documentation review and interviews, addressing all areas covered by the LBMA RGG including the improvement status of Observations raised during the previous assessment.</p>	
Assessment summary:	

KUC was updating its management procedures and implementation tools (Know Your Customer Procedure, and KYC Form). Its performance in this assessment was satisfactory and no corrective actions were requested following this assessment. There was evident commitment to the implementation and maintenance of the relevant management system.

Regarding the updated areas and requirements of Version 7 of the LBMA Responsible Gold Guidance (RGG), KUC has been required to demonstrate their existed processes and procedures meets the new RGG.

To confirm all gold sourced was from mining byproduct (anode slimes), the summary of gold inventory throughout 2017 was provided for review. In addition, the auditor reviewed a sample of 2 (two) supplier files.

KUC presented the following documents to demonstrate its system meet the new requirements of RGG with the auditor for review:

- Responsible Jewellery Council Chain of Custody Scope Document (6 January 2017): has defined management review frequency, review content, review team members, and internal audit as well.
 - Latest management review on due diligence effectiveness and performance was completed in January 2017 and records were maintained.
- SAP system was utilized to record received gold-bearing materials which ensure the unique reference number. In addition, sampled invoices marked the gold content, weight and dates.
- Customer Acceptance & Anti-Money Laundering Policy (20 December 2013): has defined KUC's policy that not accept cash for precious related sales.
- The Way We Work (September 2017 edition): has committed transparent communication on operation & financial performance, and complying with applicable laws in every country where KUC works, which not excluding cooperation with government authorities and providing full access to records and information as appropriate.
- Standard Operating Procedure – Precious Metals Order Management (document number: MKTGSOP-001, effective date: 09/18/2013): has defined records retention period minimum 5 years, staff accountability on precious metal sourcing, and requirements on anti-money laundering for new and existing customers.
- Sustainable Development report (2017 edition): Rio Tinto is a founding member of the EITI and has played an active role in this global standard since 2003.
- Conflict Free Minerals Policy (13 February 2017): referred to and consisted with Annex II of OECD Due Diligence Guidances for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance), which ensured all risks are covered.
- Compliance Catalyst analysis: each counterparty was assessed and rated.
 - There are 5 (five) levels of rating: LOW/MEDIUM/HIGH/VERY HIGH/UNRATED.
 - Sampled 2 (two) active counterparties in 2017 were rated as LOW and MEDIUM respectively.
 - There were no HIGH/VERY HIGH/UNRATED counterparties identified in 2017.

Statement of the confidential nature of the contents:

All the data contained in the assessment report, as well as all information obtained during the performance of the certification, is private and confidential between the auditing body and the Refiner.

Any significant or inherent limitations or areas not covered that were within the assessment scope:

There were no significant or inherent limitations or areas not covered that were within the assessment scope.

Assessment criteria:

- The auditor took into account all relevant objective evidence provided by KUC. Relevant evidence was either qualitative or quantitative as far as it was appropriate and sufficient to support the auditor's conclusions. Appropriate evidence was relevant and reliable. Sufficient evidence referred to the amount of evidence provided to allow the auditor to reach a conclusion.
- Any actual or potential gaps in the Refiner's systems in regards to the LBMA requirements are rated in accordance to the level of risk each presents to the credibility and integrity of the LBMA Responsible Gold Programme for the responsible sourcing of gold-bearing materials.

Distribution list

This report is issued for the benefit of KUC and will be shared with the Manager Global Product Safety & Stewardship for further transmission within Rio Tinto. The final version of this annual Assessment Review Report, LBMA Summary Report and Country of Origin Annex will be submitted by the auditing body to the LBMA Chief Executive. In accordance with Step 5 of the *LBMA Responsible Gold Guidance*, KUC should make the LBMA Summary Report available to the public.

Assessment findings:				
Category/subcategory	Non-compliance/Observation: Include evidence found to substantiate the non-compliance as well as frequency of its occurrence.	Recommended corrective action	Timeframe for implementing corrective actions	Refiner comments
-	-	-	-	-

Assessment conclusions	Compliant	Low	Medium	High	Zero Tolerance
Based on the above assessment conclusions, the overall rating of the Refiner's performance is determined to represent:	X				

ASSESSMENT CONCLUSIONS							
<i>Refer to the LBMA Third-Party Audit Guidance, Appendix 1 to determine the level of conformance for each sub-category¹.</i>							
				Non Compliance – risk level			
	CATEGORY	SUBCATEGORY	Compliant	Low	Medium	High	Zero Tolerance
A.	General Information						
B.	Step 1: Establish strong Refiner management systems	1.1:	x				
		1.2	x				
		1.3	x				
		1.4	x				
		1.5	x				

¹ LBMA Responsible Gold Programme -Third Party Audit Guidance. Appendix 1: Definitions of Non-compliances. Pg. 43.

ASSESSMENT CONCLUSIONS							
<i>Refer to the LBMA Third-Party Audit Guidance, Appendix 1 to determine the level of conformance for each sub-category¹.</i>							
	CATEGORY	SUBCATEGORY	Compliant	Non Compliance – risk level			
				Low	Medium	High	Zero Tolerance
C.	Step 2: Identify and assess risk in the supply chain	2.1	x				
		2.2	x				
		2.3	x				
D.	Step 3: Design and implement a management strategy to respond to identified risks	3.1	x				
		3.2	x				
		3.3	x				
		3.4	x				
E.	Step 4: Arrange for an independent third-party audit of the supply chain due diligence	4.1	x				
F.	Step 5: Report on supply chain due diligence	5.1	x				
		5.2	x				
		5.3	x				

The Auditors confirm that:

- ✓ The information provided by the Refiner is true and accurate to the best knowledge of the Auditor(s) preparing this report.
- ✓ The findings are based on verified Objective Evidence relevant to the time period for the assessment, traceable and unambiguous.
- ✓ The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.
- ✓ The Auditor(s) are properly qualified to carry out the assessment at this Refiner's facility.

Lead Auditor: Dr. Nicholas Garrett

Signature:



Date: 28 March 2018
