

JBR Recovery Ltd



The LBMA Responsible Silver Guidance has been established for Good Delivery Refiners to adopt high standards of due diligence in order to improve silver supply chains and combat systematic or widespread abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering & combat terrorist financing practice to improve environmental, social and governance issues within our supply chains.

This report summarises how JBR Recovery Ltd (JBR) as a good delivery refiner has complied with the requirements of the LBMA Responsible Silver Guidance.

Refiners Details	
Refiners Name	JBR RECOVERY LTD
Location	Argentor House, Oldbury Lane, West Bromwich, B70 9BS, United Kingdom
Reporting Year-End	March 2022
Senior Management Responsible for this report	Simon Meddings — Managing Director simon.meddings@jbr.co.uk

Summary of activities undertaken to demonstrate compliance

Step 1: Establish strong company management systems

Compliance Statement with Requirement:

JBR has fully complied with step1: Establish strong company management systems.

Has the refiner adopted a company policy regarding due diligence for supply chain of Silver?

JBR has adopted a strong policy regarding due diligence for supply chains of Silver, we apply Responsible Supply Chain Policy based upon our company policy of Compliance

and Ethics. The supply chain policy has been formulated during the last reporting year and is compliant with Annex II of the OECD Due Diligence for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

This policy sets out our full commitment to:

Fight human rights abuses associated with extraction, transportation and trade of precious metals;

To mitigate the risk of money laundering and responsibility to conduct systematic risk-based due diligence over our supply chains;

To screen and monitor the transactions and governance structures in place of our suppliers and to maintain adequate records of their due diligence documents and supply chain traceability;

To ensure on-going training of our staff involved in the supply chain;

Our environmental, social and governance policy enhances our considerations the priorities of these factors to our stakeholders, upstream and downstream;

These policies and procedures are approved at senior management level and updated when circumstances require, these are available to read via our website www.jbr.co.uk .

Has the refiner set up an internal management structure to support supply chain due diligence?

JBR has set up an internal management structure to support supply chain due diligence.

We have efficient internal management system which main effort is to embed the supply chain due diligence into every structure and process to define the governance, roles, responsibilities, internal audit and communication. The managing of the due diligence process is clearly defined. The Compliance Officer is assigned with the right competence, funds and knowledge to manage the entire process and report directly to senior management on a regular basis.

Communication with senior management is undertaken on a monthly basis and ad-hoc times when necessary, to ensure new highlighted risks can be adequately managed to stakeholders such as employees and counterparties. This communication process is documented to include but not limited to, the information shared and whom with to include how and when the updates were communicated.

Where relevant we shall list instances when due diligence issues related to internal processes have been escalated to senior management and whether internal sanctions (e.g., warning/ penalties) have been taken these are reviewed by senior management who will impose any sanctions or penalties, the compliance officer shall report how effective these have been on review.

In this reporting year no instances have been noted.

Has the refiner established a strong internal system of due diligence, controls and transparency over silver supply chain, including traceability and identification of other supply chain actors?

JBR has established a strong internal system of due diligence, controls and transparency over silver supply chain.

We have adopted a robust receipts process, specific documents to include but not limited to sales invoices, transportation information, airway bills, environmental certification for hazardous materials (if relevant) must be received and transactional details entered before we process the silver bearing material. Each lot is accurately registered in our transactional data base system. Specific controls are carried out before processing the material, JBR organises regular training for relevant persons involved in this process to make sure guidelines are followed and respected 3 new employees have undertaken full training in respect to JBR policies and procedures in this financial year. Any form of non-conformity is unacceptable and must be reported to the site manager, Compliance Officer and/or Senior management.

Ongoing monitoring of JBR's policies and procedures is undertaken by the compliance department monthly and at ad hoc timings if risks are raised in certain areas, during this financial reporting year no incidents relating to counterparties identification, origin or traceability of silver or high-risk incidents have been reported. We continually look to improve due diligence with our suppliers and share our policies and procedures with all new & existing counterparties

Has the refiner strengthened company engagement with silver supplying counterparties, and where possible, assisted silver supplying counterparties in building due diligence capabilities?

JBR has strengthened company engagement with silver supplying counterparties, and where possible, assisted silver supplying counterparties in building due diligence capabilities.

We make our responsible supply chain policies and procedures publicly available to our supply chain actors through email and availability on our website we allow access to and encourage these actors' partners and suppliers access and use of these responsible sourcing policies and procedures.

JBR does not buy or refine precious metals from a state-owned enterprise nor make first-trade payments to such enterprises, if this is to change JBR will support and implement EITI Principles as part of our responsible sourcing procedures.

Has the refiner established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management?

JBR has established a company-wide communication mechanism to promote broad-based employee and stakeholder participation and risk identification escalation to senior management.

We have implemented whistleblowing and grievance policy which provides any interested party internal or external to voice concerns regarding the circumstances of silver extraction, trade, handling and export in conflict-affected and high-risk areas and any other perceived risks to the supply chain. Reports can be made via differing methods, email, post or face to face and anonymously if preferred. This

reporting structure and process can be found at www.jbr.co.uk policies and procedures, responsible sourcing policy document section 3.

Step 2: Risk identification and Assessment

Compliance statement with requirement:

JBR has fully complied with step 2: risk identification and assessment.

Does the refiner have a process to identify risks in the supply chain?

JBR has a process to identify risks in the supply chain.

We identify and assess risks for every supplier, we have established a client database and allocate a risk profile accordingly, the process is a formal requirement before entering any business relationship with a supplying counterparty. Our due diligence process is carried out on a risk-based approach.

We use modelling techniques to map our KYC process which are used as a reference to identify possible risks and to mitigate these risks to the supply chain.

High-risk modelling takes into account but not limited to, internal policies and procedures, 3rd party searches for beneficial owners and client registration of PEP's, sanctions local and global, CAHRA lists and any other relevant high-risk factors for jurisdictions.

JBR did not supply, source or transit material too/from any high-risk areas as noted for the above criteria during this financial reporting year, though some actors are rated as high-risk within our supply chain due to collation methods of material supplied and a jurisdiction being within a low rated transparency international region.

JBR source of material did not related to any suspected OECD annex II risks and to environmental and sustainability risks in our supply chain.

Does the refiner assess risks in light of the standards of their due diligence system?

JBR assess risks in light of the standards of their due diligence system.

We perform our supply chain due diligence in line with all measures required by the LBMA and UK money laundering regulations & other global standards where applicable, before entering into a business relationship with any supplier. We monitor all transactions which take place through the course of the business relationship and we conduct appropriate scrutiny and monitoring of our risk-based approach.

JBR has undertaken on-site visits (and virtual visit due to covid travel restrictions) to higher risk suppliers ranging from Asia pacific, Europe and Americas, to eliminate and risk assess environmental and health and safety concerns, also including office site visits to understand due diligence procedures are being undertaken as stated by client, no high risks were identified during the visits undertaken, JBR did not utilise any 3rd party actors to undertake these visits and were all undertaken by senior members of JBR staff.

Does the refiner report risk assessment to the designated manager?

JBR reports risk assessment to the designated manager-Managing Director.

The Compliance Officer verifies the potential risks in line with the internal codes of JBR as well as CAHRA listed countries, OECD guidelines, FATF recommendations and UK money laundering regulations. All new high-risk suppliers must be approved by senior management, whilst those existing high-risk clients are re-assessed annually.

Step 3: Has the refiner reported supply chain risks to senior management and 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?

Compliance Statement with Requirement:

JBR has fully complied with step 3: Design and implement systems to respond to identified risks.

JBR has adopted a screening process for all business partners to identify risks in the supply chain. The screening allows JBR to manage risk through a rigorous risk assessment of all business partners and transactions through a regular reassessment process. In addition, identified risks are brought up from compliance or business or any other stakeholder to senior management, which after careful analysis decide how to proceed and what kind of action-measures have to be taken.

The objective of this section is to evaluate and respond to identified risks in order to prevent or mitigate adverse impacts to the supply chain. Where appropriate, JBR will seek to enhance supplier engagement and our own systems of information collection and transparency. (Policy and procedure available www.jbr.co.uk)

Where a management strategy of risk mitigation is undertaken, it should include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated senior management.

Procedures are in place and applied accordingly. If a case of risk assessment identifies high risk criteria, we shall actively approach our supplier to receive further information. If it is deemed, we cannot mitigate the risk a decision to suspend or close the business relationship will be taken.

Process for design and implement systems to respond to identified risks.

1. Report Findings to Designated Senior Management Where appropriate, information gathered and actual and potential risks identified in the supply chain risk assessment will be communicated to Senior Management.

2. Devise a Strategy for Risk Management of an Identified Risk by either (i) Mitigation of the Risk while Continuing Trade, (ii) Mitigation of the Risk while Suspending Trade or (iii) Disengagement from the Risk If the result of the silver supply chain due diligence concludes that there is money laundering, terrorist financing, serious human rights abuse, direct or

indirect support to illegitimate non-state armed group, or fraudulent misrepresentation of the origin of minerals or if the possibility of the same is deemed too high, JBR will stop immediately to refine silver from this provenance/supplier and report it to the appropriate authorities if applicable. However, in case of indirect support to non-state armed group carried out by extortion of good faith miners, refiners or other supply chain actors, JBR may continue to refine silver coming from this source provided that it adopts an improvement strategy.

If the result of the silver supply chain due diligence concludes that it is possible that there is money laundering, terrorist financing, serious human rights abuse, direct or indirect support to illegitimate non-state armed group or fraudulent misrepresentation of the origin of minerals, JBR should suspend refining silver from this provenance/supplier until it can obtain additional information/data confirming or refuting the preliminary assessment. Where the result of the due diligence is not fully satisfactory or when the result of the due diligence concludes that there is direct or indirect support to illegitimate public or private security forces, bribery, non-fraudulent misrepresentation of the origin of minerals or non-compliance of taxes fees and royalties due to government, but the assessed company in the supply chain is using reasonable and good faith effort, JBR may continue to refine silver coming from this source provided that it adopts an improvement strategy, devised with input and engagement from the supplier, which clearly defines performance objectives within a reasonable timeframe.

3. Where a management strategy of risk mitigation is undertaken, it will include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated senior management. The principles of risk mitigation that underpin this section focus on good faith efforts to make meaningful improvements on the supply chain where JBR does not terminate their relationship with suppliers. The improvement strategy described in section 2 above shall state clear performance objectives, including qualitative and/or quantitative indicators in order to measure improvement. Significant and measurable improvement towards eliminating the risk within six months from the adoption of the risk management plan must be identified.

Additional measures will then be defined in a revised improvement strategy, based on the progress achieved within the first six months. If no such measurable improvement can be demonstrated within the six-month period, JBR shall suspend the relationship until the supplier has responded to the improvement plan. Risk mitigation plans and their effectiveness are subject to on-going monitoring with regular reports made to senior management.

JBR shall consider suspending or discontinuing engagement with a supplier after failed attempts at mitigation within six months from the adoption of the risk management plan. Where appropriate, JBR will consult and or monitor progress with stakeholders on the risk mitigation plan and make use of leverage over the actors across the supply chains who could contribute to risk mitigation.

Where appropriate JBR will cooperate and/or consult relevant stakeholders (such as local or central authorities, upstream companies, international or civil society organisations and affected third parties). JBR may also benefit from the creation or support of community-based monitoring networks to facilitate monitoring of risk mitigation measures. On the

deadline, an assessment will be performed in order to determine if the measures have been properly undertaken. Senior Management shall be informed of the results and make a decision as to whether to continue dealing, disengage or suspend the supply chain in question. The decision-making process will be documented

The results of the risk management strategy adopted either of the following are undertaken (i) mitigation of the risk while continuing to trade (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk.

During this financial year JBR had no risk mitigation measures implemented, with stakeholders, counterparties, national or local government nor disengaged with and supplier or end user.

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

Compliance Statement with Requirement:

JBR have fully complied with step 4: Arrange for an independent third-party audit of our supply chain due diligence.

JBR have engaged the services of the assurance provider RCS Global as their independent reasonable assurance report can be viewed on www.jbr.co.uk, the audit was undertaken in September 2021 for the reporting period 2020-21.

JBR shall rotate auditors every 10 years (or shorter) in line with the EU mandatory audit firm rotation requirements to enhance independence.

We were found to be in overall compliance with the LBMA responsible sourcing programme and audit found no medium or high risk areas for immediate attention.

Step 5: Report on Supply Chain due diligence

Compliance Statement with Requirement:

JBR have fully complied with step 5: Report on supply chain due diligence.

Further information and specific details of how JBR systems, procedures, processes and controls have been implemented to align to the specific requirements in the LBMA Responsible Silver Guidance, have been set out in our responsible supply chain policy available on www.jbr.co.uk policies & procedures.

Management Conclusion

JBR is in compliance with the requirements of the LBMA Responsible Silver Guidance for the reporting period April 2020-March 2021. JBR implemented effective management systems, procedures, processes and practices to conform to the requirements of the LBMA Responsible Silver Guidance as explained in table 2 of the guidance, for the reporting year April 2020- March 2021.

JBR are committed to continuous improvement for all aspects of its supply chain and any corrective actions identified will be monitored internally on a regular basis and action taken when and where appropriate.

We have published our public interest report to meet step 5 annual reporting expectations on our website www.jbr.co.uk responsible sourcing tab 2022.

Other report comments

If users of this report wish to provide any feedback to JBR Recovery Ltd with respect to this report, they can contact via email simon.meddings@jbr.co.uk or compliance@jbr.co.uk

Signed: *Simon Meddings*

Simon Meddings - Managing Director

Date April 2022



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