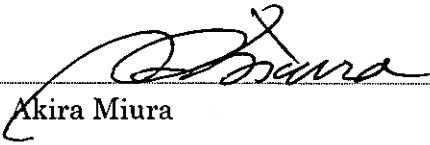


PPC LBMA Responsible Gold Guidance Compliance Report

The LBMA Responsible Gold Guidance has been established for Good Delivery Refiners to adopt high standards of due diligence in order to combat systematic or widespread abuses of human rights, to maintain environment and sustainability, to avoid contributing to conflict, to comply with high standards of anti-money laundering and combating terrorist financing practice.

This report summarizes how Pan Pacific Copper Co., Ltd. (hereinafter referred to as PPC) has complied with the requirements of the LBMA Responsible Gold Guidance.

Table 1: Refiner's details	
Refiner's name	Pan Pacific Copper Co., Ltd.
Location	18F JX Bldg., 1-2, Otemachi 1-chome Chiyoda-ku, Tokyo, Japan
Reporting year-end	March 31, 2020
Date of Report	June 5, 2020
Senior management responsible for this report	 Akira Miura President & Representative Director

PPC's evaluation

Table 2: Summary of activities undertaken to demonstrate compliance
Step 1: Establish strong company management systems
Compliance Statement with Requirement: We have fully complied with Step 1: Establish strong management systems.
PPC has adopted a policy regarding due diligence for supply chains of gold.
Comments and Demonstration of Compliance: During the reporting year, we implemented our Gold Supply Chain Policy, which is consistent with the model set out in the Annex II of the OECD Due Diligence

<p>Guidance. In February 2020, we revised Gold Supply Chain Policy and established provisions to respect the environment and sustainability. This Policy sets out our responsibility to respect human rights, environment and sustainability, and not to contribute to conflict, and our commitment to refraining from any action which contributes to the financing of conflict.</p>
<p>PPC has set up an internal management structure to support supply chain due diligence.</p>
<p>Comments and Demonstration of Compliance: PPC operated an internal management system to support supply chain due diligence, which includes the definition of the governance, roles and responsibilities, internal audit, communication and senior management review as per the adopted policy. The compliance officer has been assigned to manage the process, and has a direct line of reporting to senior management.</p>
<p>PPC has established a strong internal system of due diligence, controls and transparency over gold supply chain, including traceability and identification of other supply chain actors.</p>
<p>Comments and Demonstration of Compliance: PPC has a robust gold-bearing materials receipt process. Specific documents must be received and transactional details entered before we process the gold-bearing material. Each lot received is accurately registered in our transactional system.</p>
<p>PPC has strengthened company engagement with gold supplying counterparties, and where possible, assisted gold supplying counterparties in building due diligence capabilities.</p>
<p>Comments and Demonstration of Compliance: In fiscal 2019, we sent our Gold Supply Chain Policy and the JX Nippon Mining & Metals Group's Basic Procurement Policy to new silver supplying counterparties to encourage them to understand those policies. We use a register to record when, to whom and how we sent our policies.</p>
<p>PPC has established an internal and external communication mechanism.</p>
<p>Comments and Demonstration of Compliance: PPC has a mechanism allowing employees and external stakeholders to voice concerns over the gold supply chain or a newly identified risk. A functional hot-line is established, which is reviewed by the compliance officer. There was no concern raised regarding the gold supply chain in fiscal 2019.</p>
<p>Step 2: Identify and assess risks in the supply chain</p>
<p>Compliance Statement with Requirement: We have fully complied with Step 2: Identify and assess risks in the supply chain.</p>

<p>Comments and Demonstration of Compliance: PPC devised a strategy to respond to the identified risk.</p>
<p>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.</p>
<p>Comments and Demonstration of Compliance: No reasonable risk of our involvement in money laundering, terrorist financing, conflict, human rights abuses or violations of environmental or other sustainability-related legal requirements was identified in our due diligence conducted in fiscal 2019.</p>
<p>Step 4: Arrange for an independent third-party audit of the supply chain due diligence</p>
<p>Compliance Statement with Requirement: We have fully complied with Step 4: Arrange for an independent third-party audit of the supply chain due diligence.</p>
<p>Comments and Demonstration of Compliance: PPC engaged the services of the assurance provider KPMG AZSA Sustainability Co., Ltd., and their independent assurance report is attached.</p>
<p>Step 5: Report on supply chain due diligence</p>
<p>Compliance Statement with Requirement: We have fully complied with Step 5: Report on supply chain due diligence.</p>
<p>Our Gold Supply Chain Policy is available on PPC's website, and our Compliance Report with the independent assurance report is available on PPC's website (http://www.ppcu.co.jp/eng/products/pm_sa.html).</p>

PPC's overall conclusion

<p>Table 3: Management conclusion</p>
<p>Is the Refiner in compliance with the requirements of the LBMA Responsible Gold Guidance for the reporting period?</p>
<p>Yes</p>
<p>In conclusion, PPC implemented effective management systems, procedures, processes and practices to conform to the requirements of the LBMA Responsible Gold Guidance, as explained above in Table 2, for the reporting year ended March 31, 2020. PPC is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis.</p>

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

Comments and Demonstration of Compliance:

PPC identifies and assesses risks in the supply chain. For every supplier, we have established a client database, and we assess risks thereof based on information provided by reliable, independent data providers, where available, and government sanctions lists together with a KYC questionnaire and/or investigation at a supplier's site, where appropriate. We included the environment and sustainability in our risk assessment criteria in February 2020. To be specific, we started to assess risks associated with environmental pollution, health and safety issues, and labor rights violations, among other things. This process is now a formal requirement before entering any business relationship with a gold supplying counterparty. In addition to this, the JX Nippon Mining & Metals Group, to which PPC belongs, has implemented a program for eliminating associations with antisocial forces from fiscal 2014, where we screen suppliers using an external database. We believe this has strengthened our due diligence process.

PPC assesses risks in light of the standards of their due diligence system.

Comments and Demonstration of Compliance:

Supply chain due diligence comprising all measures required by the LBMA Responsible Gold Guidance is performed before entering into a business relationship with any gold supplying counterpart. Since there was no transaction determined high-risk in fiscal 2019, we did not perform enhanced due diligence for higher-risk categories. We conduct appropriate scrutiny and monitoring of transactions undertaken through the course of the relationship following a risk based approach.

PPC reports risk assessment to senior management.

Comments and Demonstration of Compliance:

The Compliance officer reported to senior management the outcome of supply chain due diligence based on the internal audit report etc. at the end of fiscal 2019. Senior management must approve all new suppliers classified as high risk, but no supplier classified as high risk was identified in fiscal 2019. Senior management retains the ultimate control and responsibility for the gold supply chain.

Step 3: Design and implement a management system to respond to identified risks

Compliance Statement with Requirement:

We have fully complied with Step 3: Design and implement a management system to respond to identified risks.

PPC has 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.

Table 4: Other report comments

If users of this report wish to provide any feedback to PPC with respect to this report, they can send an e-mail to the functional mail box: conflict_minerals@ppcu.co.jp
