Summary Assessment Report


DODUCO Contacts and Refining GmbH
Pforzheim, Germany

Full Assessment
Report date: 28.03.2019

Prepared for:
DODUCO Contacts and Refining GmbH
London Bullion Market Association (LBMA)
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1. **Engagement description**

The client, DODUCO Contacts and Refining GmbH Pforzheim, Germany (hereinafter referred to as DODUCO) mandated KPMG Cert GmbH Umweltgutachterorganisation (hereinafter referred to as KPMG Cert) by written contract dated 19. October 2018 to conduct a 3rd party audit of their Supply Chain Due Diligence according to the LBMA Responsible Silver Guidance and ISO 19011. Qualified Auditors performed the audit of Supply Chain Due Diligence pursuant to the LBMA Responsible Silver Guidance (RSG v1), ISO 19011 and the Responsible Silver Third Party Audit Guidance (v1).

A Full Assessment (certification audit) was performed as this was DODUCO’s first LBMA assessment. The assessment was conducted in accordance with Step 4 of the LBMA Responsible Silver Guidance (v1) required for LBMA Certification and continued listing as Good Delivery Refiner.

2. **Preface**

In particular, this report contains the information regarding the auditors, the assessment scope, methodology, criteria, audit details comments, findings, and the auditor’s conclusions based on the Assessment.

To guarantee the transparency of the report, the format and entries are based on the Responsible Silver Guidance (v1) and the reporting template “Appendix 8 – ISO19011 Refiner Summary Report” published by the LBMA in the Third Party Audit Guidance (v1).

This Refiner Report is submitted (along with the Summary Report) to DODUCO and to the London Bullion Market Association (LBMA), in order for DODUCO to obtain LBMA Responsible Silver Certification and listing as Good Delivery Refiner. The information presented in this report has been reviewed and approved by the refiner and its management. The report is not intended as a basis for third party (business) decisions. We accept no responsibility for third parties.

3. **Assessment information and scope**

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<thead>
<tr>
<th>Assessment information</th>
<th>DODUCO Contacts and Refining GmbH</th>
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<tbody>
<tr>
<td>Refiner Name</td>
<td>DODUCO Contacts and Refining GmbH</td>
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<tr>
<td>Assessment Period</td>
<td>1 January 2018 – 31 December 2018</td>
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<td>Refiner location(s) included in the assessment scope</td>
<td>DODUCO Contacts and Refining GmbH Location Pforzheim</td>
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<td>Audit type:</td>
<td>LBMA RSG Full Assessment</td>
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4. Refiner information

| Refiner Location(s)                        | DODUCO Contacts and Refining GmbH
|                                          | Edelmetall-Recycling/Schneiderei - Precious metals recycling facility
|                                          | Im Altgefäß 12
|                                          | 75181 Pforzheim, Germany |

| Refiner Contact Person / title:            | Mr. Armin Nittel
|                                          | Sales Director Refining
|                                          | ANittel@doduco.net
|                                          | +49 7231 602 482 |

| Certifications currently held              | LBMA RSG (2012)
|                                          | ISO 9001
|                                          | ISO 14001
|                                          | ISO 50001

| Refiner details:                          | Refiner for recycled silver, gold and other precious metals

5. Audit team

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| Auditor Independence / Independence of   | The auditors and the topic experts confirm that they are fully independent from the |
| all team members (including trainees and  | refiner audited and do not have any conflicts of interest that would prevent them |
| Independent Quality Reviewer:            | from objectively assessing the performance of the client. |

| KPMG Cert is an approved service provider (team auditors are LBMA approved). |
| The auditors have completed required LBMA trainings. In addition, the KPMG Cert |
| handbook defines independence requirements which are obligatory for all team |
| members. |

6. Limitations

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

The assessment consisted of collecting and reviewing objective evidence including documentation, employee and top management interviews as well as observations demonstrating that DODUCO’s management system and supply chain due diligence (KYC and KYP) procedures comply with the LBMA RSG.

The following documents, policies, procedures, reports and SAP snapshots were reviewed by the audit team during the audit period (desktop review, onsite audit and reporting) and serve evidence of compliance with the LBMA RSG standard:

- Sourcing Policy for Conflict Minerals and Conflict Countries
- Integrated Management System
- Transaction documents including: Silver purchase documents, photos and descriptions of goods delivered, delivery slips, date and weight of goods delivered (post and prior to refining), lot tracking numbers, laboratory assessments, origin of recycled silver (location of supplier), SAP controls and traceability
- Supplier dossiers: Silver supplier due diligence documentation including KYC documents, digital in SAP, reports generated by third parties (track status and changes to supplier’s PEP & legal status as well as address etc.), supplier audits internal and third party audit reports (visit reports)
- OECD Compliance Report 2018
- Management Review presentation (2018
- Internal procedures for data storage
- Nomination document for the compliance officer (Nov 2018)
- Due diligence management system policies and procedures covering: LBMA Responsible Silver Guidance manual, country risk assessment, Process documentation of supplier information, visit reports
- Quality Procedures: Document Management (22.03.001), Customer Clearance (34-04-002), Risk Management, Precious Metal Supply Chains (21-04-004), Internal training plan, training material on Conflict Minerals, list of participants on trainings for purchase and sales department.

The following departments were visited during the audit:

- Logistics (goods acceptance and controlling)
- Gold vault / quarantine station
- Production (including smelting)
- Laboratory
- Sales
- Top management

The following management members attended the opening / closing meeting:

- Vice President – Global Materials and Precious Metals Management
- QMB / Quality Manager
- Sales Director Precious Metals Refining
- CTO
- Director Global Finance
- Material controlling / Precious Metals Management
- Environmental and Energy Manager
- Account Manager Precious Metal Refining and Precious Metal Products
- Account Manager Precious Metal Refining and Silver Powder
- Head of Purchasing and Precious Metals Management Supply Chain

Interviews were held with the following employees:

- Sales Director
- QMB / Quality Manager
- Environmental and Energy Manager
- Director Global Finance
- Head of Purchasing and Precious Metals Management Supply Chain
- Head of Logistics
- Head of goods receipt
- Internal Logistics Officer
- Vault and sampling Officer
- Shop floor workers
8. **Assessment criteria**

Detected actual or potential gaps in the DODUCO management system that are relevant to the criteria and requirements established by the LBMA were assessed to determine compliance.

The KPMG Audit team considered and drew conclusions based on relevant evidence presented by the Refiner during the audit including observations, interviews, documents and records (on-site and remote). Relevant evidence was pertinent, reliable, objective, quantitative and/or qualitative. In addition, the KPMG Audit team consults publically available sources when appropriate.

9. **Assessment conclusion**

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<th>Category</th>
<th>Subcategory</th>
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Based on the assessment conclusions, the overall rating of the Refiner’s performance is determined to represent:

✓

10. Follow up audit

A follow up audit is not required. In 2020 DODUCO intends to have a Full Assessment to cover silver due to the introduction of an all-new LBMA Guidance document based on the ISAE 3000 audit approach.

11. Final conclusion

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.

Ashley Sebag
Lead Auditor

Cologne, 28 March 2018
KPMG Cert GmbH Umweltgutachterorganisation

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Mara Zimen  
Engagement Manager
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Our services are provided subject to our verification whether a provision of the specific services is permissible in the individual case.

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