



June 2013

**LBMA Responsible Gold Guidance –
Summary Assessment Report**
For third-party audits based on ISO19011:2011

According to LBMA provision this document has to be made publicly available by the refiner.

Company Name:	CHIMET SPA
Reference Standard: LBMA RGG	Other ref.: ISO 19011:2011

Audit Team	
Team Leader:	Team Member:
SIMONE OLMO	//
	//
	//

Type of Audit	Date of Opening Audit	Date of Closing Audit	Total n° of man/days
Full assessment Audit			
Assessment Review	07/02/2018	07/02/2018	1
Follow-up Assessment			

Site(s) address(es):	Site address: Via dei Laghi, 31/33 Frazione Badia al Pino CIVITELLA VAL DI CHIANA 52041 (AR) – ITALY
Refiner Contact Person:	Name: Giovanni Prelazzi
Name, Title:	Title: Compliance manager
Email:	e-mail: Giovanni.prelazzi@chimet.com
Phone:	Phone: +390575415694

	Non Compliance – risk level				
	Compliant	Low	Medium	High	Zero Tolerance
Based on the assessment conclusions, the overall rating of the Refiner's performance is determined to represent:	X				

Is a follow up visit required? (in case of high risk non-compliance)		No
Date(s) of follow up visit:		Assigned auditor:



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AUDIT SUMMARY

Basic Inputs

This assessment review (surveillance audit) has been required by the end of the FY 2017 (01.01.2017 – 31.12.2017). All participants to the assessment review are member of the compliance committee, administration, acceptance and production department.

Time allocated for the audit (1 man day) was found adequate to complete the audit process in time.

The evidences collected from receiving dept., from refinery process and administration dept. were reviewed by the auditor to determine conformance with each applicable requirement and evidences have been discussed and agreed by the compliance committee.

The new version of the supply chain risk assessment that considers Italian AML legislation has been audited and confirmed.

All recommendations identified during the previous audit have been addressed.

There are not non conformances nor observations.

The Gold supplying counterparties percentage is as follows:

Industrial mining operations (large or small scale): 0 %

Type of companies: //

Forms of Gold: //

Countries of provenance: //

Artisanal mining operations: 0%

Type of companies://

Forms of Gold: //

Countries of provenance: //

Traders / brokers: 5%

Type of companies: bullion traders

Forms of Gold: ingots

Countries of provenance: Italy

Recycled material/collectors: 45%

Type of companies: other refiners/collectors

Forms of Gold: ingots / ashes / old jewellery

Countries of provenance: USA / GB / F / CH / D / E / Canada / Italy

Industrial scrap providers: 49%

Type of companies: Manufacturers

Forms of Gold: scraps / ingots / chemicals

Countries of provenance: Italy / UE

Others: 1%

Type of companies :Banks

Forms of Gold: Bullions

Countries of provenance: Italy

Risk assessment analysis outcomes are as follows:

49% of counterparties are qualified as low risk

51 % of counterparties are qualified as medium risk

61% of gold is supplied from low risk counterparties

There are not high risk gold supplying counterparties found during the audit.



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Description of the company activities [mandatory for all audits]:

Chimet has its core business in the activity of refining and recovery precious metals.

Those processes have developed as a result of the international market push and on the needs to recovery of industrial wastes and thus to recover precious metals at their pure state that fall into the production cycle of companies all around the world.

Chimet's foresight has allowed to develop a closed-loop system manufacture without any dispersion or environmental damage

The Company activities are related to: Precious metals refining (doré, electronic scraps, sweepings, crucibles) and related chemicals production. The Company declares not to refine Grandfathered materials and no mined materials during FY 2016

The company is also certified ISO 9001 and ISO 14001 standards and is subject to regular and routine audit by third party.

Internal lab has achieved the specific ISO 17025 certification

Details of these certificates can be found from the company official web site <http://www.chimet.com/it>

Manual adequacy:

All clauses in LBMA Responsible Gold Guidance are addressed and in compliance with provisions.

Assessment of level of compliance of Refiner's systems, processes, procedures and practices according to the LBMA Responsible Gold Guidance:

Step 1: Establish strong Refiner management systems

The company's Policy for responsible sourcing issued is in accordance with LBMA RGG and consistent with the model policy set forth in Annex II of the OECD Due Diligence Guidance. It is confirmed in annual forecast (last forecast 29/01/2018 related to FY 2017).

All supplying counterparties are asked to commit to and acknowledge in writing compliance with the Refiner's own Gold supply chain policy. The supply chain due diligence is in accord to the KYC principles.

The Company has implemented a specific internal procedure for responsible gold sourcing which is shared and available in all departments and it is published in the company web site available to public www.chimet.com.

Chimet does not source gold bearing material originating in high risk areas.

Chimet has implemented a specific procedure about production and traceability and a specific and univocal batch number identifies every single gold bearing material.

All personnel involved in the supply chain process is periodically trained by the assigned person responsible for the implementation of due diligence (Compliance officer).

All transactions are monitored and records are stored for 15 years.

STEP 2: Identify and assess risk in the supply chain

The system for assessing risk among Gold supplying counterparties according to the LBMA Responsible Gold Guidance is correctly described in specific internal procedures (e.g. RGF 02 ITA rev. 05 – dedicated to Traders and to industrial counterparties). This system allows to take into account risks in the entire Gold supply chain, from the point of origin to the Refiner.

Each gold supplying counterparty risk assessed and listed if the qualification process is completed and approved by the Compliance Officer. High risk counterparties' qualification is evaluated directly by the CEO. During FY 2017 no high risk counterparties have been identified. There are not subcontractors.

Enhanced Due Diligence will be triggered if gold bearing materials originate from, or transits via a conflict-affected or human rights abuse high-risk area.

All supply chains are reviewed by senior management annually.

If the risk assessment documentation is missing or there is a lack of information, the supplier is rejected.

All objective evidence exhibited during the audit activity are in compliance with provisions.



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STEP 3: Design and implement a management strategy to respond to identified risks

Every counterparty is periodically assessed by using the Responsible Gold Form assessment tool. Periodicity is related to the level of risk identified (low – 5 years / medium – 3 years / high – 1 year).
Each transaction is strictly monitored and every deviation is communicated to the Compliance officer to investigate.
The refiner adopts an improvement strategy for lacking information.
Chimet sets performance objectives and related deadlines regularly reviewed and communicated to senior management.

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

Chimet SPA has arranged for an independent third party audit for the supply chain due diligence (Bureau Veritas Italia SPA).

STEP 5: Report on supply chain due diligence

The Responsible Gold Guidance Policy and the LBMA Summary report is available on the company web site
<http://www.chimet.com/it/documents>

ASSESSMENT CONCLUSIONS		Non compliance – risk level				
CATEGORY	SUBCATEGORY	Compliant	Low	Medium	High	Zero Tolerance
General Information						
Step 1: Establish strong Refiner management systems	1.1	X				
	1.2:	X				
	1.3	X				
	1.4	X				
	1.5	X				
Step 2: Identify and assess risk in the supply chain	2.1	X				
	2.2	X				
	2.3	X				
Step 3: Design and implement a management strategy to respond to identified risks	3.1	X				
	3.2	X				
Step 4: Arrange for an independent third-party audit of the supply chain due diligence	4.1	X				
Step 5: Report on supply chain due diligence	5.1	X				
Based on the above assessment conclusions, the overall rating of the Refiner's performance is determined to represent:		X				



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Assessment scope:

<i>Refiner location(s) included in the assessment scope</i>	Via dei Laghi, 31/33 Frazione Badia al Pino CIVITELLA VAL DI CHIANA 52041 (AR) – ITALY
<i>Assessment Period</i>	01.01.2016 – 31.12.2016

Assessment methodology:

The Assessment team used a triangulation of findings to evaluate the existence and implementation of appropriate systems at the Refiner, addressing all areas covered by the LBMA Responsible Gold Guidance. Each area of the LBMA Responsible Gold Guidance was verified by documentation review and management/employee interviews, as well as observation during the facility tour.

The evidence of compliance that was reviewed included all the facility's production areas and offices.

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

No significant or inherent limitations or areas not covered within the assessment scope

Assessment criteria:

The auditor took into account all relevant objective evidence provided by the Refiner. Relevant evidence was either qualitative or quantitative in as far as it is appropriate and sufficient to support the auditor conclusions. Appropriate evidence is evidence that is relevant and reliable. Sufficient evidence refers 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.

Auditor confirms 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: SIMONE OLMO

Signature: Simone Olmo

Date: 22/03/2017
