



Independent Reasonable Assurance Report on the LBMA Refiner's Compliance Report of Allgemeine Gold- und Silberscheideanstalt AG for reporting year 2019

To the Management of Allgemeine Gold- und Silberscheideanstalt AG

KPMG Cert GmbH Umweltgutachterorganisation ('KPMG' or we') have been engaged with letter dated 22 January 2020 to carry out a Reasonable Assurance engagement on Allgemeine Gold- und Silberscheideanstalt AG's LBMA Refiner's Compliance Report - for the year ended 31 December 2019. The Refiner's Compliance Report is based on the criteria described in the Responsible Gold Guidance and Responsible Silver Guidance, published by the London Bullion Market Association ('LBMA'), available at www.lbma.org.uk.

Allgemeine Gold- und Silberscheideanstalt AG's Responsibilities

Allgemeine Gold- und Silberscheideanstalt AG's management is responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the LBMA Responsible Gold Guidance (version 8) and LBMA Responsible Silver Guidance (version 1). This responsibility includes establishing appropriate risk management procedures and internal controls relevant to the preparation of the Refiner's Compliance Report that is free from material misstatements, whether due to fraud or error. The criteria identified by the senior management as relevant for demonstrating compliance with the Guidance are the activities described within the Refiner's Compliance Report.

Ensuring the independence and quality of the auditor

During performance of the engagement we observed the requirements of independence and quality assurance set out in legal provisions and professional pronouncements, in particular the professional code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Our responsibilities

Our responsibility is to carry out a Reasonable Assurance Engagement and to express an independent conclusion based on the work performed and evidence obtained, as to whether the Refiner's Compliance Report, in all material respects, describes fairly the activities undertaken during the year to demonstrate that compliance is in accordance with the requirements of the LBMA Responsible Gold Guidance and Responsible Silver Guidance.



We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 (revised) – ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ (IAASB) and the guidance set out in the LBMA Responsible Sourcing Programme - Third Party Audit Guidance for ISAE 3000 Auditors (‘the Audit Guidance’) as a Reasonable Assurance Engagement. ISAE 3000 requires that we plan and perform the Assurance Engagement to obtain reasonable assurance about whether the Refiner’s Compliance Report is free from material misstatement.

An Assurance Engagement on the Refiner’s Compliance Report involves performing procedures to obtain sufficient appropriate evidence to give reasonable assurance over the Refiner’s Compliance Report. The procedures selected depend on our judgement. These procedures included:

- Inquiries of management to gain an understanding of Allgemeine Gold- und Silberscheideanstalt AG policies and procedures for risk management;
- Interviews with senior management and relevant staff responsible for the preparation of the Refiner’s Compliance Report;
- Interviews with relevant staff responsible for providing the information in the Refiner’s Compliance Report;
- Visits to sites operating in Pforzheim, Germany;
- Assessing the suitability of the Reporting Criteria including the appropriateness of relevant methods, policies, procedures, and internal controls that the refiner has in place with the LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance;
- Reviewing a selection of Gold and Silver supplying counterparty due diligence dossiers and transactions;
- Testing a selection of the processes, controls and estimates that support the information provided in the Refiner’s Compliance Report;
- Reviewing the overall presentation of the Refiner’s Compliance Report to ensure consistency with our findings.

Our conclusion

Based on the work we have performed and the evidence we have obtained, in our opinion, the Refiner’s Compliance Report for the year ended 31 December 2019, in all material respects, describes fairly the activities undertaken during the year to demonstrate compliance with the requirements of the LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance. This conclusion is to be read in the context of the remainder of this Assurance Report, in particular the inherent limitations explained above and this Assurance Report’s intended use.

Restriction on use / limited liability

This Assurance Report is made solely to Allgemeine Gold- und Silberscheideanstalt AG, in accordance with the terms of our engagement contract between us. Those terms permit disclosure to other parties, solely for the purpose of Allgemeine Gold- und Silberscheideanstalt AG showing that it has obtained an independent Assurance Report in connection with the Allgemeine Gold- und Silberscheideanstalt AG Refiner’s Compliance Report. Accordingly, our report shall not be used by any other person or for any other purpose. We have provided the services described above on behalf



of Allgemeine Gold- und Silberscheideanstalt AG. We have carried out our engagement on the basis of the General Engagement Terms included in our engagement agreement dated as of 22 January 2020. By taking note of and using the information as contained in our Assurance Report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms in the engagement agreement (including the limitation of our liability for negligence to EUR 1 million) and acknowledges their validity in relation to us.

Cologne, Germany, 27 March 2020

KPMG Cert GmbH Umweltgutachterorganisation

A handwritten signature in blue ink, appearing to be 'G. Krause', written in a cursive style.

Gerd Krause
Managing Director

A handwritten signature in blue ink, appearing to be 'Mara Zimen', written in a cursive style.

ppa. Mara Zimen



Appendix

Refiner's Compliance Report



Allgemeine Gold- und Silberscheideanstalt AG

Multi-Metal Combined Responsible Gold Guidance (RGG) and Responsible Silver Guidance (RSG) Compliance Report 2019

Table 1. Refiner's details	
Refiner's name	Allgemeine Gold- und Silberscheideanstalt AG
Location	Kanzlerstrasse 17 75175 Pforzheim Germany
Reporting year-end	31.12.2019
Date of Report	26.03.2020
Senior Management responsible for this Report	Karl-Heinz Flach Director TQM & Services, LBMA and CoC – Compliance Officer
<p>Allgemeine Gold- und Silberscheideanstalt AG, hereinafter referred to as Agosi, has been an active member of LBMA since October 2008. Agosi is Part of the Umicore Group based in Brussels, Belgium.</p> <p>LBMA established the Responsible Gold and Silver Guidance for Good Delivery Refiners in order to combat systematic or widespread abuses of Human Rights, to avoid contributing to conflict, comply with high standards of Anti-Money Laundering and Combating Terrorist Financing Practice. In addition, the Guidance has been developed to recognize the increasing importance of having strong corporate Governance and addressing Environmental and Sustainability Responsibilities. Those standards are central tenets of Agosi's robust Integrated Management System, hereinafter referred to as IMSA.</p> <p>The scope of the IMSA covers the following standards and requirements:</p> <ul style="list-style-type: none"> • LBMA RGG and RSG • RJC CoP • RJC CoC • ISO 9001 • ISO 14001 • ISO 50001 • ISO / IEC 17025 • Waste Management Company 	

Agosi evaluation

Table 2: Summary of activities undertaken to demonstrate compliance
Step 1: Establish strong company management systems
<p>Compliance Statement with Requirement: We have fully complied with Step 1 establish strong company management systems.</p> <p>Agosi's IMSA is an Integrated Management System that covers the above-mentioned standards. IMSA assigns roles and accountability and delegates responsibility, ensuring the appropriate resources are available to maintain each management system and LBMA RGG and RSG in particular. The IMSA is supported by additional processes, process descriptions and other guidance documents, which are developed and kept up to date together with process owners and experts from the relevant departments.</p>
1.1 Adopt a company policy regarding due diligence for supply chains of gold and silver
<p>Comments and Demonstrations of Compliance:</p> <p>Agosi updated its Supply Chain Due Diligence Policy for Precious Metals in 2019.</p>

It is consistent with the model Policy set out in the Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Mineral from Conflict-Affected and High Risk Areas.

The Due Diligence Policy remains current and effective for the reporting period. It sets out the responsibilities and commitment to establishing and maintaining strong management systems to combat serious Human Rights abuses associated with the extraction, transport and trade of Precious Metals, to prevent Agosi from contributing to conflict, to conduct stringent and methodical risk based Due Diligence over the Precious Metals Supply Chain, to fight Money Laundering and Terrorist Financing to screen and monitor the Transactions.

The Due Diligence Policy can be found on the Agosi Website in German and English.

For further information : <https://www.agosi.de/unternehmen/verantwortung/unsere-verantwortung/?lang=en>

1.2 Set up an internal management structure to support supply chain due diligence

Comments and Demonstrations of Compliance:

Agosi's IMSA embeds Supply Chain Due Diligence into its organizational structure and processes in the form of Supply Chain Governance, Roles and Responsibilities, internal Audits, Communication throughout the organization and the Management Review.

The LBMA Compliance Officer has direct communication to the CEO of Agosi, and the necessary means to perform the duties and responsibilities for Agosi's Precious Metals Supply Chain Due Diligence. This includes the responsibility to ensure proper and timely communication of information to the Senior Management.

The Anti-Money-Laundering-Officer informs the Senior Management on a monthly basis (or as needed) about e.g. suspicious transactions which become apparent during receiving shipments or findings in documents during the counterparty review.

1.3 Establish a strong internal system of due diligence, controls and transparency over gold and silver supply chains, including traceability and identification of other supply chain actors

Comments and Demonstrations of Compliance:

Agosi has an SAP ERP System. Prior to processing Gold, Silver, and other Precious Metals, the counterparty's delivery note must have been received and relevant transaction details entered in the SAP ERP System. Lots received are registered in the transaction system, ensuring traceability within the production flows. The ERP System tracks and records the date when material was received as well as the date the material was refined. Before processing the incoming material, specific checks e.g. visual inspection for external damage, inspection of gross weight, visual inspection of the goods and plausibility check are carried out on the received material, as described in the internal Guidelines.

Non-compliances that are detected from deliveries of counterparties or document reviews will be reported to the LBMA Compliance Officer / Senior Management. Trainings are held for the relevant staff, in order to provide the necessary information and sensitize them on Due Diligence topics in their daily doing.

Employees receive training from the Integrated Management Systems Manager regarding the requirements of the LBMA RGG and RSG and the Anti-Money-Laundering-Officer conducts training on the topic of Money Laundering.

1.4 Strengthen company engagement with gold and silver supplying counterparties and where possible assist gold and silver supplying counterparties in building due diligence capabilities:

Comments and Demonstrations of Compliance:

The Agosi sales department informs its counterparties about their obligation to accept Agosi's Due Diligence policy in sales and advisory meetings and have them acknowledge their acceptance in writing.

For that reason a checklist is available in IMSA. This document serves as a guide for the sales staff to inform counterparties about Agosi's due diligence policy. Additionally, this checklist includes a subchapter that is presented by the Agosi sales staff to the relevant counterparties to promote establishing their own Precious Metals Supply Chain Due Diligence and encourage and support them to implement Responsible Sourcing.

1.5 Established a company-wide communication mechanism

Comments and Demonstrations of Compliance:

A grievance procedure is in place that allows internal and external interested parties to make complaints about the Gold and Silver Supply Chain or any newly identified risk.



The email address of the LBMA Compliance Officer is published on the Agosi website under subtopic Responsibility-Non-conflict Precious Metals In addition a link to the Umicore (Parent Company) contact page is provided, where complaints can be submitted completely anonymously.
For further information: <https://www.agosi.de/unternehmen/verantwortung/coc-gold-von-agosi/?lang=en>

Step 2: Identify and Assess Risks in the Supply Chain

Compliance Statement with Requirement:

We have fully complied with Step 2: Identify and Assess Risks in the Supply Chain

2.1 Agosi has a process to identify risk in the supply chain:

Comments and Demonstrations of Compliance:

Agosi developed a Business Partner Screening (BPS-Scoring) to identify and manage possible risks deriving from Business Partners. The risk profile takes into consideration various Know Your Counterparty (KYC), Know Your Material (KYM) and Know Your Transaction (KYT) criteria and requirements.
(KYC) measures cover the collection of data about the Business Partners for identification and the evaluation of the Data's content according to defined risk criteria.

The same applies for the incoming and outgoing Material (KYM). The Business Partner must state the origin or the use for the material which will be delivered to Agosi. In addition, the complexity of the Business Transaction (type of material, weight, origin, carrier) and the Documentation hereof will be investigated and assessed (KYT).

This Process is a I requirement before a business relation must be engaged with counterparties.

This process covers the business related to Precious Metals as well as Base Metals.

2.2 Asses risks in light of the standards of their supply chain Due Diligence system

Comments and Demonstrations of Compliance:

The above-mentioned measures under Step 2.1 are based on the LBMA RGG and RSG, RJC Requirements and national Anti-Money Laundering Legislation. Depending on the Risk Level of certain criteria enhanced Due Diligence is triggered by Red Flags.

The final decision whether the counterparty meets Agosi's requirements for compliance falls to the Anti-Money-Laundering-Officer and the Senior Management in case of High-Risk Supply Chains. One important risk identification approach is the screening of possible risks deriving from the counterparty's Country or Country of Origin of the Precious Metals. The country of registration and the country from which the materials originate from are looked at and evaluated according to the World Justice Program.

The origin of the material will be evaluated against conflicts in that country (based on Heidelberg Institute Conflict Barometer) and environmental issues (based on the Environmental Performance Index).

A periodic monitoring and reviewing of the transactions with our counterparties is maintained after a business partner account is established.

In case of detection of a non-Compliance the business relationship will be suspended and necessary, a suspicious activity report (German AML requirement) will be filed.

2.3 Agosi reports risk assessment to senior management:

Comments and Demonstrations of Compliance:

An internal guideline based on the principles and regulations under the LBMA RGG/RSG Step 2.2 was approved by the Senior Management of Agosi to have risks reported to the senior management. High Risks deriving from BPS-Scoring require the approval of the CEO or CFO.

The Anti-Money-Laundering-Officer reports to the Senior Management and other designated personal from the internal Sales and Technology Departments in a monthly meeting. In those meetings, the most recent transactions will be discussed.

In case the monitoring of business transactions detects risks according to the applied Internal Guideline the CEO or CFO will be contacted for further decision making. The Senior Management together with the Anti-Money-Laundering-Officer retain the ultimate control and responsibility of continuing a business relation or not.



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

Agosi has fully complied with Step 3: Design and implement a management system to respond to identified risks:

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

Agosi has devised a strategy for risk management of any identified risk by either a) mitigation of the risk while continuing to trade, b) mitigation of the risk while suspending trade or c) disengagement from the risk.

Comments and Demonstrations of Compliance:

Agosi has devised and adopted an appropriate strategy for Risk Management of identified issues based on a 'prevent, detect and respond model', as required by the OECD Due Diligence Guidance and by the UN Guiding Principles on Business and Human Rights. The protocol created allows Agosi to manage risks through risk assessment and investigation (enhanced due diligence) and to mitigate and remediate Human Rights impacts in the Precious Metal Supply Chain.

The strategy includes estimation of the level of the risk, taking in to consideration the Country of Origin, counterparty, Product, complexity of the supply chain and any other relevant circumstances and applying defined strategies according to the according level or risk.

Agosi has a strategy of risk reduction. It includes measurable steps, performance monitoring, regular process risk assessment and regular reporting to senior management.

Comments and Demonstrations of Compliance:

The cases of High-Risk Counterparties - as defined by the LBMA RGG and RSG - identified in Agosi's Precious Metals Supply Chain in 2019 have been further investigated. In all cases measurable steps have been identified, implemented and monitored. In dealing with any High-Risk Counterparty, Agosi undertook its Due Diligence practices in line with the standards required.

The Anti-Money-Laundering-Officer informs the Senior Management monthly (or as needed) about e.g. suspicious transactions or risks which became apparent during the counterparty review.

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

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

We have fully complied with Step 4 Arrange for an independent third-party audit of the supply chain due diligence

Comments and Demonstrations of Compliance:

Agosi engaged the services of the LBMA approved auditing firm KPMG Cert GmbH Umweltgutachterorganisation. The Audit for LBMA RSG and RGG was performed under the ISAE 3000 standard. Their independent Reasonable Assurance for LBMA RGG and RSG Report for 2019 is publicly available on Agosi's website (<https://www.agosi.de/unternehmen/verantwortung/coc-gold-von-agosi/>) and it is also attached to this report

Step 5: Report on supply chain due diligence

Agosi fully complies with Step 5: Reports on supply chain due diligence

We have fully complied with Step 5 Reports on supply chain due diligence

Comments and Demonstrations of Compliance:

The Precious Metals Supply Chain Policy adopted by Agosi is available on the company's website as well as Agosi's Compliance Report referring to calendar year 2019. The independent third-party audit Report is publicly available on Agosi's website www.agosi.de and <http://www.lbma.org.uk/good-delivery-list>.

Refiner's Overall Conclusion

Table 3: Management conclusion

Is the refiner in compliance with the requirements of the LBMA Responsible Gold and Silver Guidance for the reporting period?


Agosi implemented effective and robust management systems, procedures, processes and practices to conform to the requirements of the LBMA RGG and RSG. Agosi has demonstrated its commitment to continuous improvement and any corrective actions identified will be monitored internally on a regular basis.

Other details

Table 4: Other report comments

Users of this report are welcome to provide feedback or address relevant queries to Agosi by emailing: Karl-Heinz.Flach@agosi.de

Pforzheim, 26. March 2020

Allgemeine Gold- und
Silberscheideanstalt AG 

Allgemeine Gold- und Silberscheideanstalt AG Kanzlerstraße 17
75175 Pforzheim | Germany

CEO



Franz Josef Kron

LBMA Compliance Officer



Karl-Heinz Flach