

LBMA Responsible Gold Guidance – Version 7
Summary Assessment Report

Based on ISO19011

ASSESSMENT INFORMATION	
Refiner Name:	Mint and Refinery Operation Department BANKO SENTRAL NG PILIPINAS
Refiner Location:	East Avenue, Diliman, 1101 Quezon City, Philippines
Refiner Contact Person: Name, Title: Email: Phone:	Mr. Joseph Norbert S. David; Acting Director JNDavid@bsp.gov.ph +63-2-988-4641
Assessment period:	29.11.2018 - 08.11.2019
Lead auditor and audit team members	Abdul Manan Aruli (AMA)
Dates and places where the onsite assessment activities were conducted	5 & 8 November 2019 – BSP-Quezon City, Manila 6 November 2019 – GBS Davao City 7 November 2019 – GBS Zamboanga City

Assessment scope:	
<i>Refiner location(s) included in the assessment scope</i>	<p>Click here to enter text.</p> <p>Refiner: Mint and Refinery Operation Department East Avenue, Diliman, 1101 Quezon City, Philippines</p> <p>Gold Buying Station: 1. Quezon City 2. Baquio City 3. Davao City 4. Naga City 5. Zamboanga</p>
<i>Assessment Period</i>	29.11.2018 - 08.11.2019
Assessment methodology:	
<p><i>Assessment was taken at Mint and Refinery Operation Department – Refinery Processing, Gold Buying Station (GBS) at Quezon City, GBS Naga City and GBS Baguio City. Each sections/area relevant for LBMA Responsible Gold Guidance was audited and verified by documentation review and management/employee interviews including the verification on production and refining facilities, raw material warehouse, finished goods warehouse and transaction area by observation during the facility tour. The scope of the assessment covers for Refiner’s systems, policies, procedures, processes and activities:</i></p> <p>The evidence of compliance that was reviewed included:</p> <ul style="list-style-type: none"> • The following areas of the facility were visited during the tour: <ul style="list-style-type: none"> o Gold-bearing Receiving Process o Gold-bearing Material Inventory Control Process o Quality Control Process o Finished Goods (Vault) Control Process <p>During facility tour, the assessment team could not visit refinery facilities for Chlorination Process, Aqua Regia Process, Melting Process and Casting Process due to those areas are under rehabilitation.</p>	

The following interviews were conducted with management:

- Mr. Joseph Norbert S. David (Acting Director of Mint & Refinery Operations Department)
- Ms. Catherine Pinky B. Regala, Acting Managing Director, Visayas-Mindanao Operations Sub-sector (VMOSS)
- Atty. Tomas J. Carino, Jr. (Officer-in-Charge, Cash Department, CD)
- Ms. Josefina Sapico (Deputy Director, MROD)
- Mr. Francis Gabriel G. Orduna (Assay Officer, Gold Operation Section, GOS)
- Mr. Alexander C. Ubaldo (Acting Maintenance Manager, MD)
- Mr. Salvador Y. del Mundo (Deputy Director, MROD)
- Ms. Jean V. Albay (Bank Officer IV, MROD)
- Ms. Rosette R. Martal (Acting Deputy Director, Systems and Methods Office, SMO)
- Mr. Kristofferson G. Ignacio (Planning Officer IV, SMO)

□ *The following interviews with employees in Central Office in Quezon City were conducted:*

- Mr. Joseph Norbert S. David (Acting Director of Mint & Refinery Operations Department)
- Ms. Catherine Pinky B. Regala, Acting Managing Director, Visayas-Mindanao Operations Sub-sector (VMOSS)
- Atty. Tomas J. Carino, Jr. (Officer-in-Charge, Cash Department, CD)
- Ms. Josefina Sapico (Deputy Director, MROD)
- Mr. Francis Gabriel G. Orduna (Assay Officer, Gold Operation Section, GOS)
- Mr. Alexander C. Ubaldo (Acting Maintenance Manager, MD)
- Mr. Salvador Y. del Mundo (Deputy Director, MROD)
- Ms. Jean V. Albay (Bank Officer IV, MROD)
- Ms. Rosette R. Martal (Acting Deputy Director, Systems and Methods Office, SMO)
- Mr. Kristofferson G. Ignacio (Planning Officer IV, SMO)
- Ms. Apple Grace N. Catingco (Bank Officer II, MROD)

Davao City Branch:

- o Ms. Atty. Leonides B. Sumbi (Director, BSPRO Davao)
- o Mr. Nestor B. Bastareche (Acting Deputy Director, BSPRO Davao)
- o Ms. Irma R. Apurada (Acting Manager, BSPRO Davao)
- o Mr. Johannes A. Bantugan (Sr. Materials Control Officer, Gold Buying Station, Davao)
- o Mr. Richmond P. Villamor (Accounts Specialist, FSS, Davao)
- o Mr. Lemuel P. Cal (Messenger, Gold Buying Station, Davao)
- o Mr. Roberto B. Plana (Acting Bank Officer IV, FSS, Davao)

Zamboanga City Branch:

- o Ms. Pilar T. Schagen (Acting Deputy Director, Zamboanga)
- o Ms. Ruth P. Dancel (Acting Bank Officer IV, Admin/Gold Buying Station, Zamboanga)
- o Ms. Lorraine Joy L. Catalan (Security Materials Control Officer II, Gold Buying Station, Zamboanga)

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

During facility tour, the assessment team could not visit refinery facilities for Chlorination Process, Aqua Regia Process, Melting Process and Casting Process due to those area are under rehabilitation

Assessment criteria:

- *The assessment team performed the LBMA Responsible Gold Guidance assessment refer to planned arrangements for the relevant management standards, legal and contractual requirements and other requirements to which the Refiner is committed.*
- *The assessment team 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 assessment team's conclusions. Appropriate evidence is evidence that is relevant and reliable. Sufficient evidence refers to the amount of evidence provided to allow the assessment team to reach a conclusion.

- There no any actual or potential gaps in the Refiner's systems in regards to the LBMA requirements which are 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.
- Since there is no finding during the assessment process, the team does not need to present and explain nonconformities to Senior Management and staffs during closing meeting.
- The assessment team identify improvement that had been done by the refiner such as:

QUEZON CITY:

- a) Conduct of briefings to gold sellers in various Gold Buying Station (GBS) on the BSP Responsible Gold Sourcing Policy and its requirements for purposes of information dissemination.
- b) Conduct of briefings/ trainings to BSP employees on the BSP Responsible Gold Sourcing Policy and the implementation of the LBMA Responsible Gold Guidance version 7
- c) Ongoing upgrading and rehabilitation of the gold refinery plant to improve the facilities complying with the safety and environmental requirements. Tentative target completion of the facility is Q1 2020
- d) Prepared a draft of the Guidelines incorporating the proposed requirements of the Implementing Rules and Regulations on the Republic Act No. 11256 – Proposed revisions in the BSP Gold Buying Program in the Reference Manual, No.REF-SPC-23-02-001, revision Code: 4, effective: 15 Oct 2018, Section: Gold Buying, Subject: Gold Buying Guidelines
- e) Mr. Joseph Norbert S. David attended the 20th Global Precious Metals Conference on 14-15 October 2019 in Grand Hyatt Shenzhen, China.
- f) Mr. Jose Horacio N. Filoteo and Ms. Elaine Kate Pagalilauan Asia attended the Inter-Regional Knowledge Sharing on Child Labour and Working Conditions in Artisanal Small-scale Gold Mining (ASGM) on 28-30 May 2019 at the Hilton Hotel, Manila, Philippines.
- g) Mr. Arsenio Bellen, Jr. attended the OECD 13th Forum on Responsible Mineral Supply Chains on 23-26 April 2019 in Paris, France.
- h) Ms. Catherine Pinky B. Regala; Ms. Illuminada T. Sicat; Mr. Jose Horacio N. Filoteo; Francis G. Orduna; and Rowena T. Arnaez attended the BSP Focus Group Discussion with Small-scale Miners and Gold Traders on Republic Act. No.11256 dated 12 October 2019 at Hotel Veniz, Baguio City, Philippines.

DAVAO CITY:

- a) Engr. Johannes A. Bantugan (BSP Davao City) attended 2019 Society of Metallurgical Engineers in the Philippines (SMEP) Metallurgical Conference (METCON 2019) with the theme "Adapting and Refining Emerging Technologies in Minerals, Metals and Materials", October 25, 2019 at the Almont Inland Resort, Butuan City, Philippines
- b) Engr. Johannes A. Bantugan contributed as a resource speaker in the Orientation & Dialogue with the Cooperative Development Authority (CDA) and the Bangko Sentral ng Pilipinas (BSP) for the Artisanal Small-scale Gold Mining Communities under the Convening Actors to Develop and Implement Strategies to Reduce Child Labour and Improve Working Conditions in Artisanal and Small-scale Gold Mining (CARING Gold Mining Project), held on July 23, 2019 at Crown Jewel Hotel, T'boli, South Cotabato, Philippines.

ZAMBOANGA CITY:

- a) The BSP Zamboanga's Economic and Financial Learning Center (EFLC) with Ms. Ruth Dancel conducted Financial Learning Seminars to various schools and institutions about the functions of BSP including BSP Responsible Gold Sourcing Policy, held on February



18, 2019 at Zamboanga City State Polytechnic College, and held on February 27, 2019 at Talon-Talon National High School.

- b) *Mr. Arsenio Bellen, Jr. conducted the Echo on the 13th Forum on Responsible Mineral Supply Chains held on May 30, 2019 via video conference to all Gold Buying Stations (GBS) in Quezon City, Naga City, Zamboanga City and Davao City.*
- c) *Ms. Ruth P. Dancel, conducted LBMA Responsible Gold Guidance to the inquiring gold traders held on 18 September 2019 in the Office of the Deputy Director, BSP Zamboanga Branch.*
- d) *Ms. Ruth P. Dancel rendered her service as resource speaker on the Functions of BSP and BSP Responsible Gold Sourcing Policy during the Pre-retirement Innovations and Options for Results (PRIOR) for Senior Citizens in the Division, held on October 29, 2019 at Grand Astoria Hotel Celebrity Hall2, Mayor Jaldon Street, Zamboanga City*

Assessment findings:				
<i>Category/subcategory</i>	<i>Non-compliance/Observation: Include evidence found to substantiate the non-compliance as well as frequency of its occurrence.</i>	<i>Recommended corrective action</i>	<i>Timeframe for implementing corrective actions</i>	<i>Refiner comments</i>
	<u>QUEZON CITY:</u>			
Step 1.4	<u>Positive Observation:</u> Conduct of briefings to gold sellers in various Gold Buying Station (GBS) on the BSP Responsible Gold Sourcing Policy and its requirements for purposes of information dissemination.			
Step 1.5	<u>Positive Observation:</u> Conduct of briefings/trainings to BSP employees on the BSP Responsible Gold Sourcing Policy and the implementation of the LBMA Responsible Gold Guidance version 7			
Step 3.2	<u>Positive Observation:</u> Ongoing upgrading and rehabilitation of the gold refinery plant to improve the facilities complying with the safety and environmental requirements. Tentative target completion of the facility is Q1 2020.			



Step 3.2	<p><u>Positive Observation:</u></p> <p>Prepared a draft of the Guidelines incorporating the proposed requirements of the Implementing Rules and Regulations on the Republic Act No. 11256 – Proposed revisions in the BSP Gold Buying Program in the Reference Manual, No.REF-SPC-23-02-001, revision Code: 4, effective: 15 Oct 2018, Section: Gold Buying, Subject: Gold Buying Guidelines</p>			
Step 1.2	<p><u>Positive Observation:</u></p> <p>Mr. Joseph Norbert S. David attended the 20th Global Precious Metals Conference on 14-15 October 2019 in Grand Hyatt Shenzhen, China.</p>			
Step 1.2	<p><u>Positive Observation:</u></p> <p>Mr. Jose Horacio N. Filoteo and Ms. Elaine Kate Pagalilauan Asia attended the Inter-Regional Knowledge Sharing on Child Labour and Working Conditions in Artisanal Small-scale Gold Mining (ASGM) on 28-30 May 2019 at the Hilton Hotel, Manila, Philippines.</p>			
Step 1.2	<p><u>Positive Observation:</u></p> <p>Mr. Arsenio Bellen, Jr. attended the OECD 13th Forum on Responsible Mineral</p>			



	Supply Chains on 23-26 April 2019 in Paris, France.			
Step 3.2	<p><u>Positive Observation:</u></p> <p>Ms. Catherine Pinky B. Regala; Ms. Illuminada T. Sicat; Mr. Jose Horacio N. Filoteo; Francis G. Orduna; and Rowena T. Arnaez attended the BSP Focus Group Discussion with Small-scale Miners and Gold Traders on Republic Act. No.11256 dated 12 October 2019 at Hotel Veniz, Baguio City, Philippines.</p>			
	<u>DAVAO CITY:</u>			
Step 1.2	<p><u>Positive Observation:</u></p> <p>Engr. Johannes A. Bantugan (BSP Davao City) attended 2019 Society of Metallurgical Engineers in the Philippines (SMEP) Metallurgical Conference (METCON 2019) with the theme "Adapting and Refining Emerging Technologies in Minerals, Metals and Materials", October 25, 2019 at the Almont Inland Resort, Butuan City, Philippines</p>			
Step 1.4	<p><u>Positive Observation:</u></p> <p>Engr. Johannes A. Bantugan contributed as a resource speaker in the Orientation & Dialogue with the</p>			



	Cooperative Development Authority (CDA) and the Bangko Sentral ng Pilipinas (BSP) for the Artisanal Small-scale Gold Mining Communities under the Convening Actors to Develop and Implement Strategies to Reduce Child Labour and Improve Working Conditions in Artisanal and Small-scale Gold Mining (CARING Gold Mining Project), held on July 23, 2019 at Crown Jewel Hotel, T'boli, South Cotabato, Philippines			
	<u>ZAMBOANGA CITY</u>			
Step 1.4	<u>Positive Observation:</u> The BSP Zamboanga's Economic and Financial Learning Center (EFLC) with Ms. Ruth Dancel conducted Financial Learning Seminars to various schools and institutions about the functions of BSP including BSP Responsible Gold Sourcing Policy, held on February 18, 2019 at Zamboanga City State Polytechnic College, and held on February 27, 2019 at Talon Talon National High School.			
Step 1.5	<u>Positive Observation:</u> Mr. Arsenio Bellen, Jr. conducted the Echo on the 13 th			

	Forum on Responsible Mineral Supply Chains held on May 30, 2019 via video conference to all Gold Buying Stations (GBS) in Quezon City, Naga City, Zamboanga City and Davao City.			
Step 1.4	<u>Positive Observation:</u> Ms. Ruth P. Dancel, conducted LBMA Responsible Gold Guidance to the inquiring gold traders held on 18 September 2019 in the Office of the Deputy Director, BSP Zamboanga Branch.			
Step 3.1	<u>Recommendation:</u> To scan documents in order to keep and maintain in electronic files	To be considered in year 2020	Starting from 02 January 2020 - continue	
Step 3.2	<u>Recommendation:</u> To do an initiative for a survey study to identify the potential counterparty and trader in identified areas.	To be considered in year 2020	Click here to enter text. Starting from 02 January 2020 - continue	

ASSESSMENT CONCLUSIONS					
CATEGORY	Compliant	Non compliance – risk level			
		Low	Medium	High	Zero Tolerance
Step 1: Establish strong company management systems	5	0	0	0	0
Step 2: Identify and assess risk in the supply chain	3	0	0	0	0
Step 3: Design and implement a management strategy to respond to identified risks	2	0	0	0	0
Step 4: Arrange for an independent third-party audit of the supply chain due diligence	1	0	0	0	0

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.

Lead Auditor: Abdul Manan Aruli (AMA)



Signature:

Date: 2019-11-09
