



**LBMA RGG and RSG
Summary Assessment Report
For third-party audits based on ISO19011**

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

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

Audit Team	
Team Leader:	Team Member:
Fabrizio Bordin	Simone Olmo

Type of Audit	Date of Opening Audit	Date of Closing Audit	Total n° of man/days
Full assessment Audit	12/03/2019	29/03/2019	8
Assessment Review			
Follow-up Assessment			

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

AUDIT SUMMARY
Basic Inputs
<i>The Full assessment review according to RSG and the Full re-assessment according to RGG have been required by the end of the FY 2018 (01/01/2018 – 31/12/2018). All participants to the assessment review are member of the compliance committee, administration, acceptance and production department. Time allocated for the audit (8 man day) was found adequate to complete the audit process in time.</i>



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The evidences were collected from:

- *receiving (logistic) dept.,*
- *refinery dept,*
- *administration dept.*

and were reviewed by the auditor team to verify conformance with every applicable requirement and evidences have been discussed and agreed by the compliance committee. There are not non conformances nor observations.

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, industrial scraps, sweepings, crucibles) and related chemicals production.

The Company declares changes as follows:

GOLD: while in FY 2017 the excluded materials were Grandfathered and mined materials in FY 2018 the only excluded material is Grandfathered.

SILVER: Application of Responsible Silver Guidance confirmed through the present audit

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>

Manual adequacy:

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

All applicable statutory requirements have been verified and are complied with.

The management system in general has been updated with application of RSG and has been updated without substantial changes..

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

Step 1: Establish strong Refiner management systems

The company's Policy for responsible sourcing issued is in accordance with LBMA RGG and RSG. It was confirmed in Annual meeting held on 4 March 2019 related to FY 2018.

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

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

Chimet does not source gold/silver 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 r silver bearing material.

All personnel involved in the supply chain process is periodically trained by the assigned person responsible for



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*the implementation of due diligence (Compliance officer).
All transactions are monitored and records are stored for 10 years.*

STEP 2: Identify and assess risk in the supply chain

The system for assessing risk among Gold/Silver supplying counterparties according to the LBMA Responsible Gold Guidance and Responsible Silver Guidance is correctly described in specific internal procedures (e.g. Questionnaire RGF 02 rev. 07, KYC questionnaire LBMA, PGI 7.4.G Rev. 4, IO 10.6.4 Rev.5. Procedures updated for FY 2018). This system allows to take into account risks in the entire Gold/Silver supply chain, from the point of origin to the Refiner.

*Each gold/silver 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 2018 no high risk counterparties have been identified. There are not subcontractors.*

Enhanced Due Diligence will be triggered if gold/silver 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 refused.

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

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

*Every counterparty is periodically assessed by using the RGF 02 rev. 07 updated 04/03/19 (assessment tool).
Periodicity is related to the level of risk identified*

LOW RISK: 5 years,

MEDIUM RISK: 3 years

HIGH RISK: 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

This is the sixth year (second Full Re-assessment) that the refiner completes an Responsible Gold Guidance and the first Full assessment for Responsible Silver Guidance with audits completed once a year. The refiner has ensured that these audits are diligently completed in accordance with the LBMA Guidance and the OECD Guidance.

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 refiner publishes the LBMA Summary report and Company Policy regarding gold and silver supply chain on their website <http://www.chimet.com>

ASSESSMENT CONCLUSIONS						
CATEGORY	SUBCATEGORY	Compliant	Non compliance – risk level			
			Low	Medium	High	Zero Tolerance
General Information						
Step 1: Establish strong Refiner management systems	1.1	x				
	1.2:	x				



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	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				

Assessment scope:	
<i>Refiner location(s) included in the assessment scope</i>	<i>Via dei Laghi, 31/33 Frazione Badia al Pino CIVITELLA VAL DI CHIANA 52041 (AR) – ITALY.</i>
<i>Assessment Period</i>	<i>12-13-19-20-28-29/03/2019</i>
Assessment methodology:	
<p><i>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 and Responsible Silver Guidance. Each area of the LBMA RGG and RSG was verified by documentation review and managers/employees interviews, as well as observation during the facility tour.</i></p> <p><i>The evidence of compliance that was reviewed included all the facility's production areas and offices. The following interviews with managers/employees were conducted:]</i></p> <p><i>Giovanni Prelazzi - LBMA compliance officer</i></p> <p><i>Lucilla Bittoni - Certification Dept</i></p> <p><i>Stefano Mannelli - Accounting and precious metals purchasing Manager</i></p> <p><i>Mario Crocini - Foreign Sale Manager</i></p> <p><i>Filippo Falsini - Production Manager</i></p>	
Any significant or inherent limitations or areas not covered that were within the assessment scope:	
<i>No significant or inherent limitations or areas not covered within the assessment scope</i>	
Assessment criteria:	



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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.

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: *Fabrizio Bordin*

Signature: *Fabrizio Bordin*

Date: *29/03/2019*
