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June 2016

**LBMA RESPONSIBLE GOLD GUIDANCE –
SUMMARY ASSESSMENT REPORT**
For third-party audits based on ISO 19011:2011

Company name	[REFINER]
Reference Standard LBMA RGG	Other ref. ISO 19011:2011

Audit Team	
Team Leader	Team Members
Surname, Name	Surname, Name Surname, Name

Type of Audit	Date of Opening Audit	Date of Closing Audit	Total no. of Mandatory Days
Full assessment audit	n/a	n/a	n/a
Assessment review	13 th June 2016	17 th June 2016	5
Follow-up assessment	n/a	n/a	n/a

Site address(es)	Full address
Refiner Contact	Surname, Name and contact

	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:		✓			

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

<u>AUDIT SUMMARY</u>
Basic Inputs
This assessment review is related to the period 01.01.2015 – 31.12.2015.
This is the first full re - assessment Audit.
The Compliance Manager, head of the LBMA compliance team as well as another member of the compliance committee, attended the opening meeting and also were interviewed to verify the

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level of compliance to the LBMA programme together with the other process officers involved in LBMA RGG management system.

Key activities such as re-cycle gold receiving for refinery process, re-cycle gold in-coming inspection and laboratory testing process, supply chain risk assessment, refinery, storage, packaging, inventory, and products delivery were verified and audited.

The number of gold supplying counterparties is mainly confirmed having the same characteristics, with the following percentages:

- Industrial mining operations (large or small scale)%
- Artisanal mining operations: %
- Traders / brokers: %
- Recycled material/collectors: %
- Industrial scrap providers: %

Others: % (Bank)

One high risk gold supplying counterparty is found during the audit.

% of the suppliers are classified as low risk suppliers and % of them are classified as medium risk suppliers.

Time allocated for the audit was found adequate to complete the audit process in time.

All recommendations identified during the previous audit have been addressed.

Description of the company activities (mandatory for all audits)

The Company activities are confirmed to be related to: Precious metals refining (doré, electronic scraps, sweepings, crucibles) and related chemicals production. The Company does not refine Grandfathered materials and few (1 case during fiscal year 2015) mined materials.

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

Details of these certificates can be found from the company official web site (www.companywebsite.com)

Manual adequacy

It was confirmed that key clauses in LBMA Responsible Gold Guidance are addressed.

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

Step 1: Establish strong refiner management systems

[REFINER] has developed the LBMA compliance policy regarding due diligence for supply chain of Gold in compliance with LBMA Responsible Gold Guidance. This policy is published in the company website available at <http://www.refiner.com/policy/conflictminerals>. The policy provides an executive summary of the management systems and procedures governing the due diligence policy for gold supply chains. The Policy underwent an official review process in June 2015.

[REFINER] has implemented an internal management structure to support supply chain of gold in compliance with LBMA Responsible Gold Guidance. Regular training sessions are held for all staff involved with or holding responsibilities related to the supply chain, as well as the management team. The Company Policy is communicated to all employees related to the gold-refining process. The refiner has appointed a compliance officer responsible for enforcing the implementation of the due diligence procedures and who reports to the management. The Senior Management is responsible for overseeing the supply chain and ensures that the compliance department and related departments are provided with adequate resources in order to fulfil their responsibilities.

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The refiner upholds the implementation of their internal due diligence procedures, controls and processes. Transactions are consistently recorded and records are kept for a period of at least 5 years.

The refiner has requested that all gold-supplying counterparties have committed to and acknowledged in writing compliance with the refiner's own Company Policy. The policy is communicated to all counterparties on a yearly basis along with expectations and moral and ethical principles governing the company's activities.

[REFINER] has implemented an effective, anonymised communication mechanism that allows employees to express concerns or provide feedback over issues related to the gold supply chain. Due to recent turnover in staff, it became apparent that not all staff members were aware of the mechanism and that the general training sessions were too infrequent. This was identified as a low-risk non-compliance. The company is therefore incorporating training using the mechanism as part of new joiners' induction sessions.

Step 2: Identify and assess risk in the supply chain

[REFINER] regularly reviews and revises their assessment procedure. The refiner has clearly defined risk categories and has procedures prescribing enhanced monitoring for any high-risk categories identified during the due diligence procedures. Four high-risk transactions were identified during the assessment period. These transactions were satisfactorily managed with all steps in the procedure being followed and involvement of Senior Management.

[REFINER] collects information on clients from reliable and independent sources and conducts their activities with LBMA Good Delivery Refiners.

For sub-contractors, the refiner requires an audit to be carried out on a yearly basis.

The Compliance Officer regularly reports risk assessment and results to the Senior Management. The Senior Management is responsible for approving each new supply chain assessed as high risk, and re-assesses these on an annual basis to determine whether the business relationship should continue. The last Senior Management review was conducted in March 2015. There are documented consequences if the risk assessment reporting tasks are not completed. If documentation is missing or the documentation does not contain sufficient information, then the supplier is rejected until all fields are completed.

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

Risk mitigation strategy has been established formally in the refiner's procedure. Senior Management actively provides support for this strategy. Assessment results did not present any high-risk counterparties at this time.

The Compliance Officer and the compliance team is aware of the enhanced due diligence measures and these are documented ready to be implemented if necessary.

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

This is the fourth year that the refiner completes an LBMA Gold 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.

Step 5: Report on supply chain due diligence

The refiner publishes the LBMA Summary report and Company Policy on their website (link

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provided above).

Assessment Conclusions						
Category	Subcategory	Compliant	Non-compliance risk level			
			Low	Medium	High	Zero tolerance
General information		✓				
Step 1	1.1	✓				
	1.2	✓				
	1.3	✓				
	1.4		✓			
	1.5	✓				
Step 2	2.1	✓				
	2.2	✓				
	2.3	✓				
Step 3	3.1	✓				
	3.2	✓				
Step 4	4.1	✓				
Step 5	5.1	✓				
Based on the above assessment conclusions, the overall rating of the Refiner's performance is determined to represent:			✓			

Assessment scope	
<i>Refiner location(s) included in the assessment scope</i>	1-2 Royal Exchange Buildings, EC3V 3LF London
<i>Assessment period</i>	From 1 st June – 12 th June
Assessment methodology	
<p>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.</p> <ul style="list-style-type: none"> The evidence of compliance that was reviewed included: Documented policy, procedures, records, traceability system The following areas of the facility were visited during the tour: <ul style="list-style-type: none"> R&D centre Factory One Factory Two Factory Three The following interviews were conducted with management: <ul style="list-style-type: none"> Surname, Name; Job title The following interviews with employees were conducted: <ul style="list-style-type: none"> Surname, Name; Job title 	

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Surname, Name; Job title Surname, Name; Job title Surname, Name; Job title Surname, Name; Job title Surname, Name; Job title Surname, Name; Job title
Any significant or inherent limitations or areas not covered that were within the assessment scope:
<i>None</i>
Assessment criteria
<ul style="list-style-type: none">• The auditor or assessment team took into account all relevant objective evidence provided by the refiner. Relevant evidence was both qualitative or quantitative where relevant as far as it is appropriate and sufficient to support the auditor or assessment team's conclusions

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:

Surname, Name

Signature:

Date:

17th June 2016

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LBMA Responsible Gold Guidance – Corrective Action Plan

Assessment findings, including a description of any non-compliance of observation and the timeframe for the implementation of corrective actions:				
Category	Subcategory	Non-Compliance/Observation	Timeframe for implementing the corrective action	Refiner feedback
Step 1.5	1.5.5: Are employees aware of this communication mechanism?	LOW RISK Employees who had recently joined the company were not aware of the mechanism and how to use it effectively.	SIX MONTHS	Training about using the mechanism was introduced as part of employee's induction and orientation sessions. General training sessions are now held twice yearly.