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| **LBMA Responsible Gold Guidance -**  **Summary Report**  *For third-party audits based on ISO19011:2011.* | |
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| **Prepared for:** | **London Bullion Market Association (LBMA)** |
| **Date:** | **22 June 2018** |

**MOSCOW**

**2018**

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| **ASSESSMENT INFORMATION** | |
| **Refiner Name:** | *JSC Shyolkovsky Factory of Secondary Precious Metals* |
| **Refiner Location:** | *103A Zarechnaya Str., Shchelkovo, Moscow Oblast, 141100, Russia* |
| **Refiner Contact Person:**  Name, Title:  Email:  Phone: | *Mariya Yurevna Kirillova, Senior Engineer of Raw Materials Preparation and Procurement Department*  [*info@zavodvdm.ru*](mailto:info@zavodvdm.ru)  *+7 (496) 566-49-05, ext. 248* |
| **Lead auditor and audit team members** | *Maria I. Yakovleva*  *Elena A. Pleskova* |
| **Dates and places where the onsite assessment activities were conducted** | 14.06.2018 *-* 19.06.2018  *103A Zarechnaya Str., Shchelkovo, Moscow Oblast, 141100, Russia* |

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|  | **LBMA** **Refiner Assessment Report** | |
|  | **Assessment objectives:** | |
|  | *The purpose of the audit was to assess whether procedures, processes and management practices of the gold refiner comply with LBMA Responsible Gold Guidance.* | |
|  | **Assessment scope:** | |
|  | *Refiner location(s) included in the assessment scope* | *103A Zarechnaya Str., Shchelkovo, Moscow Oblast, 141100, Russia* |
|  | *Assessment Period* | *01 January 2017 – 31 December 2017* |
|  | **Assessment methodology:** | |
|  | *The Auditor used the obtained results to assess availability and implementation of the relevant systems in the gold refining company paying attention to all aspects mentioned in the LBMA Responsible Gold Guidance. In order to review every aspect of the Guidance the Auditor checked documents and interviewed the management/employees, as well as inspected the company.*  *During the audit the Auditor performed the following procedures:*   * *Visual examination of the Company units: Raw Materials Preparation and Procurement Department, untested raw materials storage, precious metals control office; refiner central laboratory;* * *Interview with the Company management: S. I. Rogov, Deputy Director General;* * *Interviews with the Refiner’s employees: M.Y. Kirillova - Senior Engineer of the Raw Materials Procurement Department, M.A. Ermilchava - Engineer of the Raw Materials Procurement Department.* | |
|  | **Statement of the confidential nature of the contents:** | |
|  | *All data in the Assessment Report, as well as all information obtained during the audit, are private and confidential. This fact should be taken into account by the auditor and the gold refiner.* | |
|  | **Any significant or inherent limitations or areas not covered that were within the assessment scope:** | |
|  | *The principles complying with the LBMA requirements for responsible gold supplies can be found in the Refiner’s internal documentation. Therefore, the Assessor believes that the Refiner’s operations can be ranked highly.* | |
|  | **Assessment criteria:** | |
|  | * *The audit team took into account all relevant and objective evidence provided by the gold refiner. Such evidence was both quantitative and qualitative, given that it is acceptable and sufficient to confirm the conclusions of the audit or appraisal team. Acceptable evidence is the evidence relevant for the examined issue and reliable. Sufficiency of the evidence is defined as the total amount of evidence that helps the audit team to make certain conclusions.* * *Actual or possible gaps in the Refiner’s system in regards of the LBMA requirements are rated in accordance with the risk level, which each of them presents to the credibility and integrity of the LBMA Responsible Gold Program for responsible sourcing of gold-bearing materials.* | |

| **Assessment findings:** | | | |  |
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| *Category/subcategory* | *Non-compliance/Observation:*  ***Include evidence found to substantiate the non-compliance as well as frequency of its occurrence.*** | *Recommended corrective action* | *Timeframe for implementing corrective actions* | *Refiner comments* |
| - | - | - | *-* | - |

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| **Assessment conclusions** | Compliant | Low | Medium | High | Zero Tolerance |
| **Based on the above assessment conclusions, the overall rating of the Refiner’s performance is determined to represent:** | + |  |  |  |  |

|  | **ASSESSMENT CONCLUSIONS**  *Refer to the LBMA Third-Party Audit Guidance, Appendix 1 to determine the level of conformance for each sub-category***[[1]](#footnote-1)***.* | | | | | | |  |
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|  |  |  |  | Non Compliance – risk level | | | | |
|  | CATEGORY | SUBCATEGORY | Compliant | Low | Medium | High | Zero Tolerance | |
|  | **General Information** |  |  |  |  |  |  | |
|  | **Step 1:**  Establish strong Refiner management systems | **1.1:** | + |  |  |  |  | |
| **1.2** | + |  |  |  |  | |
| **1.3** | + |  |  |  |  | |
| **1.4** | + |  |  |  |  | |
| **1.5** | + |  |  |  |  | |
|  | **Step 2:**  Identify and assess risk in the supply chain | **2.1** | + |  |  |  |  | |
| **2.2** | + |  |  |  |  | |
| **2.3** | + |  |  |  |  | |
|  | **Step 3:**  Design and implement a management strategy to respond to identified risks | **3.1** | + |  |  |  |  | |
| **3.2** | + |  |  |  |  | |
|  | **Step 4:**  Arrange for an independent third-party audit of the supply chain due diligence | **4.1** | + |  |  |  |  | |
|  | **Step 5:**  Report on supply chain due diligence | **5.1** | + |  |  |  |  | |
| **5.2** | + |  |  |  |  | |
| **5.3** | + |  |  |  |  | |

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:

Signature:

Date:

1. LBMA Responsible Gold Programme-Third Party Audit Guidance. Appendix 1: Definitions of Non-compliances. Pg. 42. [↑](#footnote-ref-1)