



# Summary Assessment Report

**LBMA Responsible Gold Guidance  
LBMA Responsible Silver Guidance  
Refiner Assessment Report  
based on ISO 19011:2011**

Saxonia Edelmetalle GmbH  
Halsbrücke, Germany

**Full Assessment**

Report date: 25.06.2019

Prepared for:

Saxonia Edelmetalle GmbH

London Bullion Market Association (LBMA)

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# 1. Engagement description

The client, SAXONIA Edelmetalle GmbH, Halsbrücke, Germany (hereinafter referred to as SAXONIA) mandated KPMG Cert GmbH Umweltgutachterorganisation (hereinafter referred to as KPMG Cert) by written contract dated 10 April 2019 to conduct a 3rd party audit of their Supply Chain Due Diligence according to the LBMA Responsible Gold and Silver Guidance and ISO 19011. Qualified auditors performed the audit of Supply Chain Due Diligence pursuant to the LBMA Responsible Gold Guidance (RGG v7), Responsible Silver Guidance (v1), ISO 19011 and the Third Party Audit Guidance (for Gold v3, for Silver v1).

Saxonia Edelmetalle GmbH is an LBMA and LPPM-certified Good Delivery refiner of silver, platinum and palladium. In 2019, a Full Assessment covering both Gold and Silver was performed to achieve compliance with the LBMA Responsible Silver Guidance (v1) and Gold in order to maintain RMI (Responsible Mineral Initiative) certification. The Full Assessment on Gold and Silver was conducted in accordance with Step 4 of the LBMA Responsible Gold Guidance and Responsible and Silver Guidance (v7, v1) required to acquire LBMA Certification and listing as Good Delivery Refiner.

# 2. Preface

In particular, this report contains information regarding the auditors, the assessment scope, methodology, criteria, audit details comments, findings, and the auditor's conclusions based on the Assessment.

To guarantee the transparency of the Summary Report, the format and entries are based on the Responsible Gold Guidance (v7) and the reporting template "Appendix 8 – ISO19011 Refiner Summary Report" published by the LBMA in the Third Party Audit Guidance (Gold v3, Silver v1).

This Summary Report is submitted (along with the Refiner Report) to SAXONIA and to the London Bullion Market Association (LBMA), in order for SAXONIA to achieve LBMA Responsible Gold and Silver Certification, listing as Good Delivery Refiner and RMI certification for Gold. The information presented in this report has been reviewed and approved by the refiner and its management. The report is not intended as a basis for third party (business) decisions. We accept no responsibility for third parties.

# 3. Assessment information and scope

Assessment information	
Refiner Name	SAXONIA Edelmetalle GmbH
Reference Standard LBMA RGG + RSG	ISO 19011:2011
Assessment Period	1 January 2018 – 31 December 2018
Refiner location(s) included in the assessment scope	Main Building (SAXONIA Edelmetalle GmbH) Erzstraße 9, 09633 Halsbrücke
	Recycling (SAXONIA Edelmetalle GmbH) Hauptstrasse 3, 09633 Halsbrücke
	Chemical Department (SAXONIA Galvanik GmbH) Erzstraße 5, 09633 Halsbrücke
Audit type:	Multi-metal Full Assessment: LBMA RSG, LBMA RGG (RMI cross recognition)

Refiner information							
Refiner Location(s)	Main Building (SAXONIA Edelmetalle GmbH) Erzstraße 9, 09633 Halsbrücke  Recycling (SAXONIA Edelmetalle GmbH) Hauptstrasse 3, 09633 Halsbrücke  Chemical Department (SAXONIA Galvanik GmbH) Erzstraße 5, 09633 Halsbrücke						
Refiner Contact Person: Title: Phone:	Group Compliance Officer +49 (0) 3731 2089 290						
Certifications currently held:	<table border="0"> <tr> <td>LBMA RSG</td> <td>ISO 9001</td> </tr> <tr> <td>LPPM Platinum</td> <td>ISO 50001</td> </tr> <tr> <td>LPPM Palladium</td> <td>RMI (formerly known as CFSI)</td> </tr> </table>	LBMA RSG	ISO 9001	LPPM Platinum	ISO 50001	LPPM Palladium	RMI (formerly known as CFSI)
LBMA RSG	ISO 9001						
LPPM Platinum	ISO 50001						
LPPM Palladium	RMI (formerly known as CFSI)						
Refiner details:	Refiner for recycled silver, gold, platinum, palladium and rhodium						

## 4. Audit team

Audit Team	
Auditor Independence / Independence of all team members (including trainees and Independent Quality Reviewer):	<p>The auditors and the topic experts confirm that they are fully independent from the refiner audited and do not have any conflicts of interest that would prevent them from objectively assessing the performance of the client.</p> <p>KPMG Cert is an approved service provider (team auditors are LBMA approved). The auditors have completed required LBMA trainings. In addition, the KPMG Cert handbook defines independence requirements which are obligatory for all team members.</p>

## 5. Limitations

There were no significant or inherent limitations or areas not covered that were within the assessment scope.

## 6. Assessment methodology

The assessment consisted of collecting and reviewing objective evidence including documentation, employee and top management interviews as well as observations demonstrating that the management system and supply chain due diligence procedures comply with the LBMA RGG and RSG.

The following documents, policies, procedures, reports and screenshots were reviewed by the audit team during the audit period (desktop review, onsite audit and reporting) and serve evidence of compliance with the LBMA RGG and RSG standard:

- Quality Management Handbook including supporting process descriptions including organisation and delegation of roles and responsibility, document control, goods receipt (2018)
- (Compliance) Management Handbook (update in 2019)
- Supply Chain Due Diligence Policy (2018 and update in 2019<sup>1</sup>)
- Code of conduct
- Risk assessment of potential internal risks in the implementation, monitoring, maintenance and development of the compliance management system
- KYC company guideline
- Country risk assessment matrix
- Responsible supply chain company instruction
- Designation of Compliance officer and duties
- Counterparty due diligence procedures and internal approval process: KYC Questionnaire, KYC application, new supplier intake form, beneficial owner form, blacklist
- Training documentation and participation lists for due diligence training and awareness in 2018 and 2019 covering money-laundering LBMA Responsible Gold/ Silver Guidance , CFSI/RMI training documents based on OCED DDG
- Transaction documentation (digital and physical) : Delivery notes and shipping documentation, date and weight of goods delivered (post and prior to refining), Line Item Summary (LIS) descriptions of goods delivered, lot I.D. number, laboratory assessments (precious metal assay), origin of recycled material (location of counterparty), internal smelting approval and material composition, ERP controls and traceability, customer invoice

The following departments were visited during the audit

- Precious Metals goods receipt (goods acceptance and controlling), storage
- Sales
- Engineering
- Sampling stations
- Production
- Laboratory
- Smelter
- Workshop (Precious metals processing)

The following management members attended the opening / closing meeting:

- Managing Director SAXONIA Edelmetalle GmbH
- Group Compliance Officer
- Manager QM/EM
- Director Sales & Recycling/Chemicals
- Manager Production (Recycling)

Interviews were held with the following employees:

- Managing Director SAXONIA Edelmetalle GmbH
- Group Compliance Officer
- Manager QM/EM
- Director Sales Recycling/Chemicals
- Manager Production (Recycling)
- Employees Precious Metals goods receipt
- Employees Sales

<sup>1</sup> <https://saxonia.de/downloads/>

## 7. Assessment criteria

Detected actual or potential gaps in the supply chain due diligence management system that are relevant to the criteria and requirements established by the LBMA were assessed to determine compliance.

The KPMG Audit team considered and drew conclusions based on relevant evidence presented by the Refiner during the audit including observations, interviews, documents and records (on-site and remote). Relevant evidence was pertinent, reliable, objective, quantitative and or qualitative. In addition, the KPMG Audit team consults publically available sources when appropriate.

## 8. Assessment conclusion

Category	Subcategory	Compliant	Low	Non-compliance – risk level		
				Medium	High	Zero Tolerance
General information						
Step 1	1		✓			
	2	✓				
	3			✓		
	4		✓			
	5	✓				
Step 2	1		✓			
	2.1		✓			
	2.2	✓				
	2.3	✓				
	2.4		✓			
Step 3	3	✓				
	1	✓				
	2	✓				
	3	✓				
Step 4	4	✓				
	-	✓				
Step 5	-	✓				

Category	Subcategory	Compliant	Low	Non-compliance – risk level		
				Medium	High	Zero Tolerance
Based on the assessment conclusions, the overall rating of the Refiner's performance is determined to represent:			✓			

## 9. Follow up audit

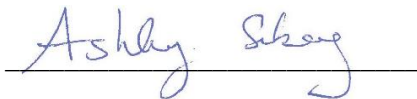
A follow up audit is not required.

In 2020 SAXONIA intends to have a multi-metal Full Assessment to cover gold, silver, platinum and palladium.

## 10. Final 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.



Ashley Sebag

Lead Auditor

Cologne, 25 June 2019

KPMG Cert GmbH Umweltgutachterorganisation



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