



# Summary Assessment Report

**LBMA Responsible Gold Guidance -  
Summary Assessment Report  
based on ISO 19011:2011**

C.HAFNER GmbH & Co. KG  
Gold- und Silberscheideanstalt  
Wimsheim, Germany

**Full Assessment**

Report date: 18.03.2019

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Prepared for:

C.HAFNER GmbH & Co. KG

London Bullion Market Association (LBMA)

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# 1. Engagement description

The client, C.HAFNER GmbH & Co. KG Gold- und Silberscheideanstalt, Wimsheim, Germany (hereinafter referred to as C.HAFNER) mandated KPMG Cert GmbH Umweltgutachterorganisation (hereinafter referred to as KPMG Cert) by written contract dated 12 November 2018 to conduct a 3rd party audit of their Supply Chain Due Diligence according to the LBMA Responsible Gold Guidance and ISO 19011. Qualified auditors performed the audit of the Supply Chain Due Diligence pursuant to the LBMA Responsible Gold Guidance (RGG v7), ISO 19011 and the Third Party Audit Guidance (v3).

In 2018, an Assessment Review was performed for the reporting year 2017. This year a Full Assessment was conducted for the reporting year 2018 in accordance with Step 4 of the LBMA Responsible Gold Guidance (v7) required to maintain LBMA Certification and listing as Good Delivery Refiner.

# 2. Preface

In particular, this report contains the 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 report, the format and entries are based on the Responsible Gold Guidance (v7) and the reporting template "Appendix 8 – ISO 19011 Refiner Summary Report" published by the LBMA in the Third Party Audit Guidance (v3).

This Refiner Report is submitted (along with the Summary Report) to C.HAFNER and to the London Bullion Market Association (LBMA), in order for C.HAFNER to maintain LBMA Responsible Gold Certification and listing as Good Delivery Refiner. The information presented in this report has been reviewed approved by the refiner and its management. This 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	C.HAFNER GmbH & Co. KG Gold- und Silberscheideanstalt
Reference Standard LBMA RGG	ISO 19011:2011
Assessment Period	1 January 2018 – 31 December 2018
Refiner location(s) included in the assessment scope	C.HAFNER GmbH & Co. KG Gold- und Silberscheideanstalt locations in Wimsheim, Pforzheim and Pama
Audit type:	LBMA RGG Full Assessment

## 4. Refiner information

Refiner information		
Refiner Location(s)	C.HAFNER GmbH & Co. KG (Headquarter and production) Maybachstraße 4 71299 Wimsheim, Germany	
	C.HAFNER GmbH & Co. KG (Edelmetall-Recycling/Scheiderei - Precious metals recycling facility) Esslinger Str. 11 75179 Pforzheim, Germany	
	C.HAFNER GmbH & Co. KG (Gold- und Silberscheideanstalt, collection facility in Austria) Gewerbestraße 2422 Pama, Austria	30
Refiner Contact Person:	Quality Manager and Compliance officer	
Certifications currently held:	RJC COP RJC CoC LBMA RGG	ISO 9001 ISO 13485 ISO/IEC 17025
Refiner details:	Refiner for recycled gold and other precious metals	

## 5. 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>

## 6. Limitations

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

## 7. Assessment methodology

The assessment consisted of collecting and reviewing objective evidence including documentation, employee and top management interviews as well as observations demonstrating that C.HAFNER's management system and supply chain due diligence (KYC and KYP) procedures comply with the LBMA RGG.

The following documents, policies, procedures, reports and SAP snapshots 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 standard:

- Supply Chain Policy
- Transaction documents including: gold purchase documents, photos and descriptions of goods delivered, delivery slips, date and weight of goods delivered (post and prior to refining), lot tracking numbers, laboratory assessments, origin of recycled gold (location of supplier), SAP controls and traceability
- Supplier dossiers: Gold supplier due diligence documentation including KYC documents, digital in SAP, reports generated by third parties (track status and changes to supplier's PEP & legal status as well as address etc.), supplier audits internal and third party audit reports
- Risk assessment documentation (procedure, criteria and methodology, supplier assessments document R-27 Risk assessment, CO-02 Due diligence documentation based risk and supplier category)
- Due diligence management system policies and procedures covering: LBMA Responsible Gold Guidance – Manual (Handbook R-23 Risk assessment, CO-02 Collecting due diligence information); and relevant RJC COP and CoC procedures training (OA-108), complaints mechanism, internal reporting
- Risk Management Report 2018 (total suppliers in 2018, amount of gold received, suppliers per risk category, suppliers suspended and reason, origin of gold 2018, number of supplier audits per risk category, etc.)
- Management Review 2018 (draft)
- Process documentation of supplier information
- Supplier's declaration, supplier termination (example)
- Procedures related to bribery, money laundering and finance of terrorism, (COP 8, COP 9)

The following departments were visited during the audit

- Logistics (goods acceptance and controlling)
- Gold storage / quarantine station
- Production (including smelting)
- Laboratory
- Sales
- Finance and Controlling
- Transaction controlling
- Top management
- Customs department

The following management members attended the opening / closing meeting:

- Top management (Managing Directors)
- Quality Manager, Compliance Officer
- Precious Metal Controlling Officer / Due Diligence Senior Manager
- Quality Assurance Officer
- Head of Precious Metals Trading
- Director Sales Recycling
- Human Resources Officer
- Director Operations
- Safe and vault officer
- Department head of processes and building services

Interviews were held with the following employees:

- Top management (Managing Directors)
- Quality Manager, Compliance officer
- Precious Metal Controlling Officer / Due Diligence Senior Manager
- Quality Assurance Officer
- Managing Director Finance and Controlling
- Debtor Management
- Head of occupation health and safety and environment
- Logistics Control Officers
- Internal Logistics Officer
- Vault and sampling Officer
- Laboratory Manager
- Laboratory technicians
- Shop floor workers
- Customs officer
- Head of recycling facility

## 8. Assessment criteria

Detected actual or potential gaps in the C.HAFNER 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.

## 9. Assessment conclusion

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

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

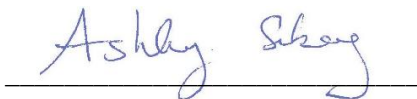
## 10. Follow up audit

A follow up audit is not required. In 2020, C.HAFNER intends to have a Full Assessment on the LBMA Responsible Gold Guidance due to the introduction of the LBMA RGG v8 according to ISAE 3000.

## 11. 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, 18 March 2019

KPMG Cert GmbH Umweltgutachterorganisation



Gerd Krause

Managing Director



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