



Audit Summary Report

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| Organization: | Granulati Carrara s.r.l. | | |
| Address: | Via Gottara, 18; Avenza (MS) | | |
| Standard(s): | BS EN ISO 14021:2001+A1:2011 | | |
| Representative: | Mauro Marri (Director & Production Manager) Rita Oper (Marketing Manager) | | |
| Site(s) audited: | Cava Bacino Fantascritti 83 Cava Bacino Fantascritti 95 Cava Bacino Fantascritti 113 (temporary storage) Crushing Plant Avenza | Date(s) of audit(s): | 25 th & 26 th May 2016 |
| Lead auditor: | Flaviano Prosperi Flaviani | Additional team member(s): | Carlo Pacini |
| This report is confidential and distribution is limited to the audit team, client representative and the SGS office. | | | |

1. Objectives of the Audit

The objectives were:

- To verify that claims made regarding recycled content follow the principles of BS EN ISO 14021:2001+A1:2011
- To confirm that the marble off cuts ("scaglia di marmo") are recovered as part of the normal quarrying process.
- To verify that claims regarding recycled content would be in line with clause 7.8 of the standard.
- To verify that the process is reducing or limiting the need for landfill disposal of marble off cuts at the quarries.



2. Introduction

The cutting of marble blocks produces marble off cuts (known as “scaglia di marmo”) that cannot be used in the traditional marble industry and are often heaped for undefined lengths of time at the quarry where they have been produced.

Marble blocks are generally cut into shape using diamond wire, this process produces up to 70 % of off cuts.

These marble offcuts, although mineralogically and petrographically identical to Carrara marble (i.e. rocks that result from the thermal metamorphic recrystallization of limestone and/or dolomite), do not find immediate use in the traditional marble industry (sculptures and home décor).

Due to its chemical purity and petrographical characteristics, suitably processed marble off cuts can be used in a variety of industries, such as the food and pharmaceuticals industry, paints, building additives, construction products, etc ...

Granulati Carrara s.r.l specializes in the processing and further treatment of marble off cuts (also known as “Scaglia di Marmo”) in order to produce granular material and dust from the marble off cuts.

Furthermore, due to recent tightening in the Italian regulations, “scaglia di marmo” off cuts can no longer be stored at the quarry in deposits known as “ravaneti” but need to be removed from the quarry as soon as possible.

Hence, Granulati Carrara s.r.l has established a temporary storage area (located in Cava Bacino Fantascritti 113), where the off cuts are stored while waiting for further processing.

In essence, the process flow describing how “Scaglia di Marmo” is “recycled” can be summarized as follows :

“Scaglia di Marmo” is produced as a by-product
of the cutting and shaping of the marble blocks
at the quarry (eg cava # 83 and cava # 95)



Marble off cuts (Scaglia di Marmo) are transported to a
temporary storage area (cava # 113);



At the temporary storage site, the off cuts undergo a preliminary
cleaning and crushing treatment; they are then transported to the crushing plant
for final processing



Avenza crushing plant is used to crush and grade material (from coarse to fine); this is also point
of sale for any other destination of the aggregates produced by “Granulati Carrara s.r.l”

Basin Fantascritti (where the marble quarries are located) is currently producing 160,000
Ton/year of marble cuts, destined to further processing in order to avoid landfill disposal or virtual
abandonment in the basin itself

3. Process Audit Trails

In performing the audit, various audit trails relating to the production processes were followed in order to verify recycled content, key examples evidence are listed below:

The auditor conducted a 2nd party audit based on audit findings, interviews with personnel, observation of activities, collection of documents and photographic evidence. The aim of the audit was to verify the process flow in order to corroborate any following claim, in conformance with EN ISO 14021:2012, made by Francis Flower Ltd.

Cava Bacino Fantascritti Canalgrande 83 : 10 miners are present on site and the site was visited while cultivation of the marble was in progress. Quarrying of marble and subsequent shaping of the blocks is conducted using diamond wire and Korfman mechanical saws. No explosives are used for quarrying operations.

All the marble off cuts resulting from the quarrying activities, although not classified as waste, must be transported out of the quarry area as soon as possible. "Scaglia di Marmo" (marble off cuts) can no longer be heaped onsite in what used to be known as "ravaneto", but must be transported to a dedicated temporary storage area for safety and environmental reasons. All the off cuts produced by the quarries of Bacino Fantascritti are collected by "DUEGI Trasporti" (a transport company controlled by "Granulati Carrara" and transported to temporary storage area owned by "Granulati Carrara"



View of the quarry



Cutting and shaping of blocks



Heap of "Scaglia di Marmo"



Scaglia di Marmo and undifferentiated off cuts



Cava Bacino Fantascritti Canalgrande 95 : Quarry 95 is cultivated using tunnels and deep mining; nevertheless, cutting process and subsequent shaping of the blocks is conducted using diamond wire and Korfman mechanical saws. No explosives are used for quarrying operations.



Cutting with mechanical saw



Underground quarrying



Rock face



Blocks and off cuts

Cava bacino Fantiscritti loc. Canalgrande n. 113 : This former quarry is the designated temporary storage area, operated by DUEGI Trasporti for selection, cleaning, preliminary crushing and grading of the off cuts originating from the marble quarries and destined to final processing by “Granulati Carrara”. The temporary storage area is located in Ponti di Vara, approx. 12 personnel are employed at the site and Mr. L. Dini is Production Manager. The main objective of the pre-treatment is to reduce the off cuts to a size that can be accepted by the Avenza crushing plant. All activities are performed by experienced personnel who are particularly careful in avoiding any type of contamination and mixing of materials. Mr. G. Del Sarto was interviewed (front loader and jack hammer operator) and appeared to be well informed and conscious of its responsibilities. All equipment is well maintained and fully operational. The pre-treatment facility can process up to 2,500 Ton/day of off cuts



Raw material selected and graded



Heap of pre-processed aggregate



Storage and handling of “Scaglia di marmo”



Mobile crusher



Impianto di produzione “Granulati Carrara Srl”; via Gottara, 18, Avenza – Carrara.

This state of the art crushing plant is dedicated exclusively to the crushing and screening of white marble off cuts. The raw material is stored in a large yard, in order to prevent accidental mixing of materials. Special care is dedicated to the prevention of accidental pollution that may affect the mineralogical purity of the end material.

Mr. Mario Marri in the Production Manager and approx. 20 people work at the plant.

The plant layout consists of a primary crushing jaw crusher with dust recuperation; a conveyor belt then transfers the material to a secondary crushing stage, accomplished by hammer crusher, and screening.

A third crushing stage is achieved using a cone crusher (granulator) and several screens.

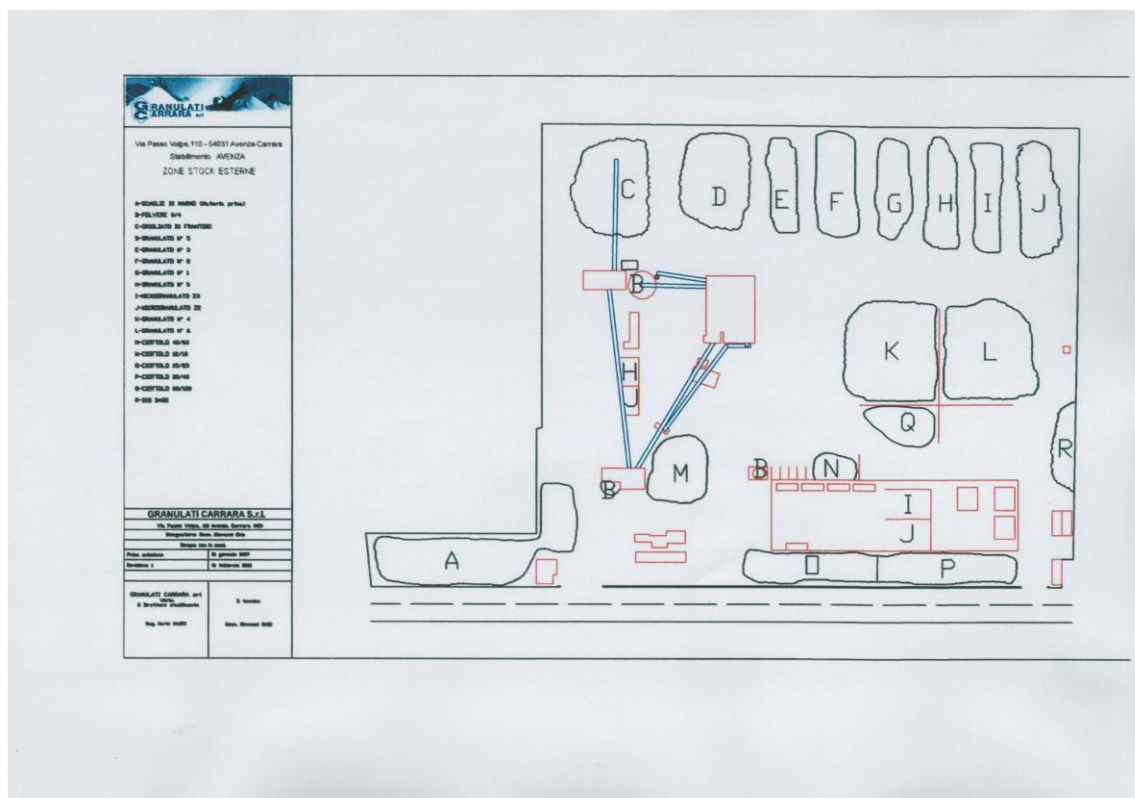
The plant is fitted with 12 silos for storage of fine and very fine material; a larger silos acts as storage.

Coarse aggregates are stored in heaps, separated depending on the grading. The material destined to Francis Flower is classed as “marmot 6 e 7” and is graded 25/50.

The plant can produce up to 300,000 Ton/year of material, working on two shifts.

The plant is in full working condition and appears to be well maintained, in accordance with a maintenance program defined on a yearly basis. During the course of the visit, several workers were interviewed, including M. Marri (production manager), G. Menchini (plant manager), M. Orlandi (Technical and Logistics manager), G. Grassi (front loader operator).

All incoming and outgoing operations are monitored by a CCTV and the material is continuously checked in order to identify and eliminate any possible contamination.



Plant layout



Crushing plant



Storage of raw material



Loading of raw material x primary crushing



Storage in yard of finished product



Storage in yard of coarse material



Storage in silos of fine material



4. Data Verification

Key documents, records, spreadsheets, databases, formulae and calculations were observed to support recycled content claims were reviewed, key examples are listed below:

Delivery Note # 5807 25th may 2016; 33 Ton of "White Marble Off Cuts" transported by truck by "DUEGI Trasporti" to "Granulati Carrara srl"

Bill of Lading # 8093/002 10th march 2016; 3,259 Ton of "Granulato Bianco di Carrara" (25/50); transported by ship (CITADEL) to Avonmouth (UK) to Francis Flower

5. Audit Findings and Recommendations

The claim is made by "Francis Flower Ltd". The audit concerned the upstream part of the production process of the raw material supplied to "Francis Flower Ltd" from "Granulati Carrara s.r.l".

Within the limits of the scope, it can be stated that 100 % of the material sold to "Francis Flower Ltd" by "Granulati Carrara s.r.l" originates from the recuperation of "Scaglia di marmot Bianco" i.e. off cuts originating from the processing of slabs of Carrara Marble.

Any claim made by the final user that the material consigned is 100 % the result of reworking of raw material otherwise destined to disposal is justified and truthful.



Conclusion

Following an audit undertaken at Granulati Carrara srl, on 25th & 26th may 2016, in the opinion of the audit team the claim made with respect to the recycled content of Scaglia di Marmo, was found to be in accordance with the principles of BS EN ISO 14021:2001+A1:2011.

The methodology used embraced SGS internal verification procedures and included:

- A review of relevant documentation.
- A risk based sampling approach to verification of data, process checks, and interviews with employees undertaken on-site.

This conclusion is based upon material and documentary evidence provided by the organisation and relates to the situation that prevailed at the time of the audit. SGS will not be undertaking any routine periodic audits following the issue of this conclusion so no statement can be made about future recycled content.

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