



Large-Scale Gold Miners Peer Learning Webinar 1 August, 2013

For distribution: 15 August 2013



Agenda

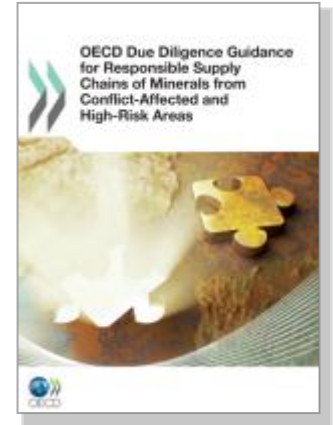
- Welcome
- Introduction to the OECD Due Diligence Guidance
- View from World Gold Council
- Learnings from implementation
 - Perspective from a mining company (AngloGold Ashanti)
 - Perspective from a refiner (Rand Refinery)
- Questions/Feedback
- Next steps



Welcome

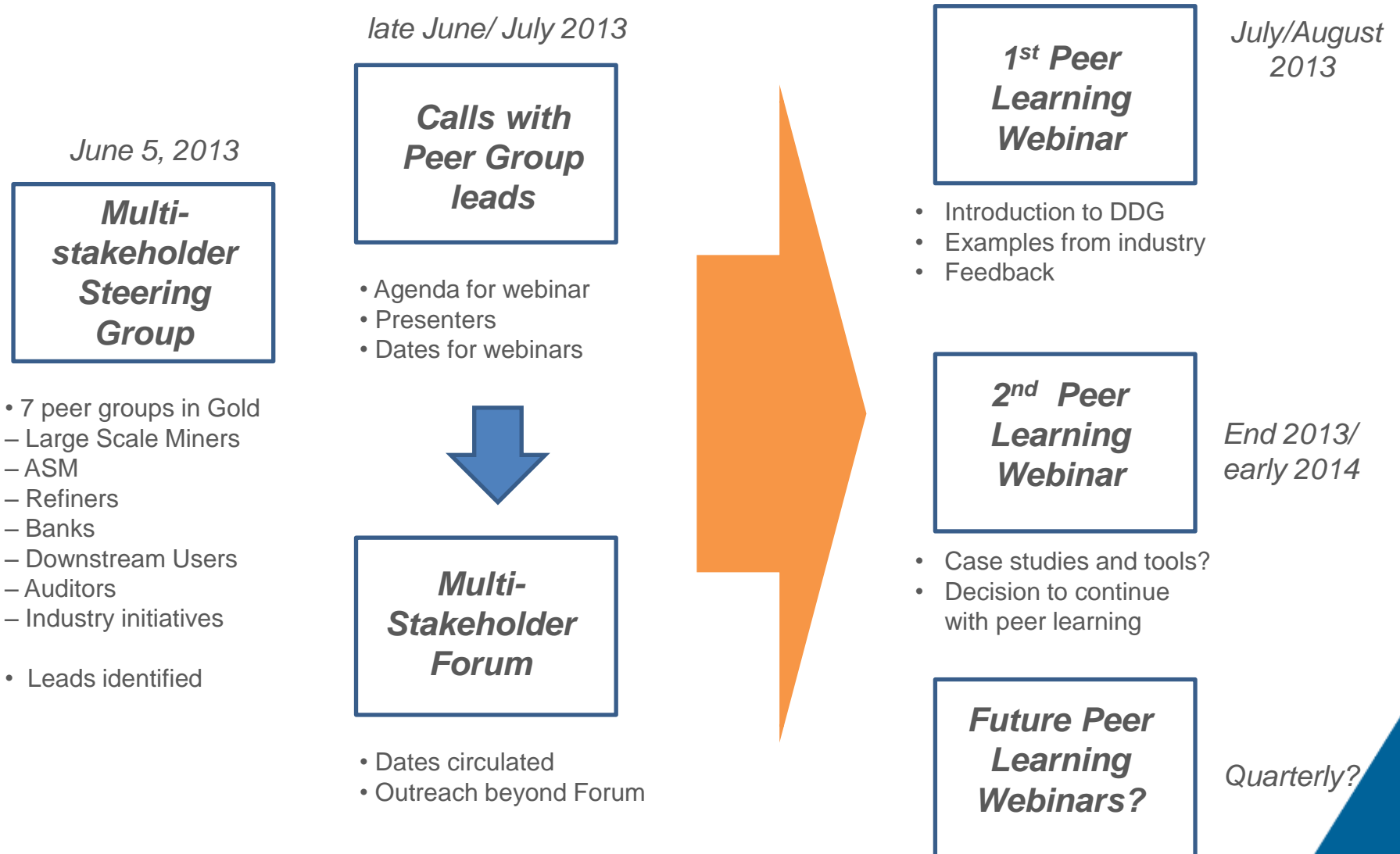
- **Objectives of Peer Learning:**
 - Foster open and constructive exchange of information
 - Learn from companies that are further along in due diligence implementation
 - Introduce tools and resources to you
 - Answer your questions

- **Deliverables from Peer Learning**
 - OECD Due Diligence Guidance introduction
 - Case studies, examples from industry





Peer learning process





THE OECD DUE DILIGENCE GUIDANCE

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OECD Investment Division



Key features of the OECD Guidance

- **One set of expectations**

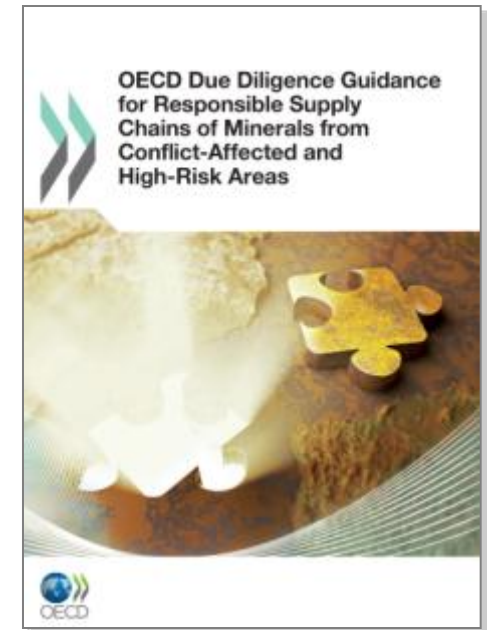
A common framework for due diligence expectations throughout the entire mineral supply chain *from mines until end users*

- **Progressive approach**

The promotion of *constructive engagement with suppliers* in order to gradually affect changes in their sourcing practices without embargoes!

- **Different treatment**

Depending on mineral (e.g. Supplements on Gold, and 3Ts) and location of company in the supply chain (e.g. upstream and downstream companies), resulting in *complementary due diligence processes*





Principles of the OECD Guidance

- Due diligence is a **dynamic, on-going process** with the information collected and built, with quality progressively improved
- Companies are encouraged to **integrate** the due diligence standards and principles into **existing due diligence practices** and management systems
- The due diligence recommendations may be carried out jointly through **industry or other multi-stakeholder initiatives** to save costs and reduce audit fatigue
 - ✓ *Local industry and stakeholder initiatives can help companies implement the OECD Guidance within your sector and market – e.g. WGC, LBMA, Conflict-Free Sourcing Initiative (CFSI), RJC, DMCC and other industry programmes operationalise OECD Guidance.*



Overview of the OECD Guidance

- **Objective:**

To provide clear, practical guidance for companies to ensure they do not contribute to conflict or abuses of human rights through their mineral and metal procurement practices

- **Method:**

5-step risk-based due diligence process

- **Scope:**

Applies to all companies throughout the entire mineral supply chain that potentially use 3T and gold from conflict or high-risk areas





Structure of the OECD Guidance

Due Diligence Guidance includes:

1. A 5-step risk-based due diligence framework for all minerals from conflict-affected and high-risk areas (**Annex I**)
2. A model supply chain policy (**Annex II**):
 - **NO!** Sourcing from parties linked to serious abuses
 - **NO!** Direct or indirect support to non-state armed groups
 - **MITIGATE!** Direct or indirect support to public or private security forces
 - **MITIGATE!** Bribery in the supply chain, fraud or misrepresentation of chain of custody or traceability information
 - **MITIGATE!** Money-laundering through the mineral supply chain
 - **MITIGATE!** Non-payment by suppliers of taxes, fees and royalties related to mineral extraction, transport and export, or non-disclosure of payments by suppliers in accordance with EITI
3. Principles for risk mitigation (**Annex III**)
4. Supplement on Tin, Tantalum and Tungsten
5. Supplement on Gold, including a special Appendix on artisanal and small-scale mining

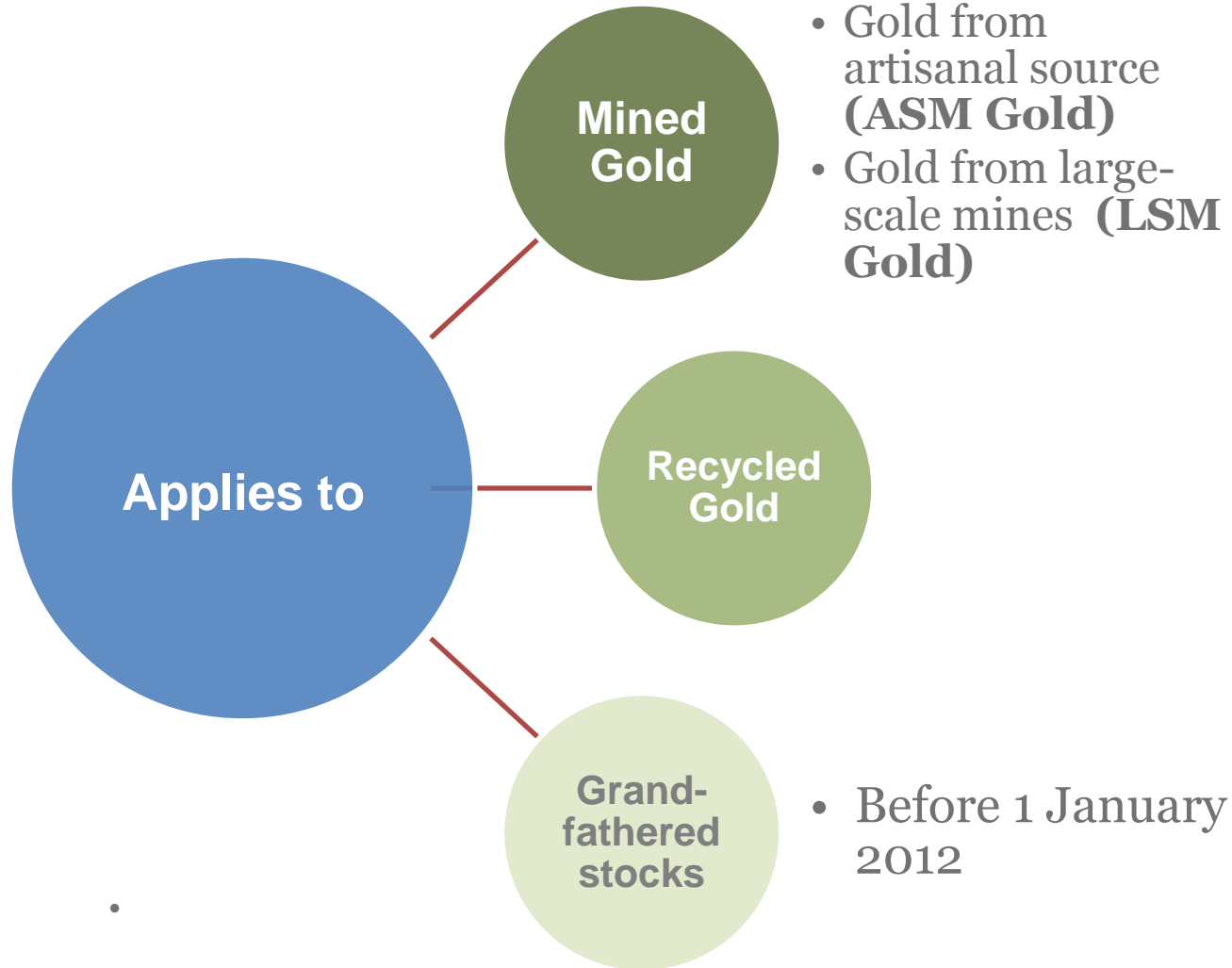


Supplement on Gold: Application

- **Applies to all companies in the supply chain:**
 - “Upstream companies” refers to all the companies between the mine and the refiner, e.g. mining companies, local exporters, traders of unrefined gold, recyclers, refiners
 - “Downstream” companies refers to all companies after the refiner until the consumer, e.g. jewellers, bullion banks, industrial users of gold



Supplement on Gold: Application





Five Step Risk-Based Due Diligence



Step 1

- Establish strong company management systems

Step 2

- Identify and assess risks in the supply chain

Step 3

- Design and implement a strategy to respond to identified risks – *If red flag identified*

Step 4

- Carry out or ensure an independent third-party audit smelter/refiner's due diligence – *If red flag identified*





Step 5

- Report annually on supply chain due diligence – *If red flag identified*



Red Flags



Red flags of gold origin or transit:

-  *The gold originates from or has been transported through a conflict-affected or high-risk area*
-  *The gold is claimed to originate from a country that has limited known reserves or stocks, likely resources or expected production levels of gold (i.e. the declared volumes of gold from that country are out of keeping with its known reserves or expected production levels)*
-  *The gold is claimed to originate from a country through which gold from conflict-affected and high-risk areas is known or reasonably suspected to transit*
-  *The gold is claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold from conflict-affected and high-risk areas is known or reasonably suspected to transit*




Red Flags

Supplier red flags:

-  *Suppliers or other known upstream companies operate in one of the above-mentioned red flag locations of gold origin and transit, or have shareholder or other interests in suppliers of gold from one of the above-mentioned red flag locations of gold origin and transit*
-  *Suppliers or other known upstream companies are known to have sourced gold from a red flag location of gold origin and transit in the last 12 months*

Red flag circumstances:

-  *Anomalies or unusual circumstances are identified through the information collected in Step 1 which give rise to a reasonable suspicion that the gold may contribute to conflict or serious abuses associated with the extraction, transport or trade of gold*



Appendix 1 - Creating opportunities for artisanal and small-scale miners

- The Guidance assumes that legitimate ASM has a key role to play to drive sector-wide change and focuses on means to create market based opportunities for value-creation
- The Appendix to the Gold Supplement to the OECD Due Diligence Guidance offers an agreed roadmap to enable market access through collaborative efforts of all actors involved and to create economically viable development opportunities for artisanal and small-scale miners



Due diligence on gold produced by artisanal and small-scale miners

- Risk assessment for ASM gold is more flexible: retrospectively (i.e. “top-down”) tracing ASM gold is impractical and sometimes impossible
- Companies that source ASM gold however are expected to “assist and enable Legitimate Artisanal and Small-Scale Mining producers to build secure, transparent and verifiable gold supply chains”: *Creates a “bottom-up” flow of information*
- Detailed Appendix on how to create economic and development opportunities for artisanal miners
- All stakeholders encouraged to use the suggested measures in the Appendix



Regulation

US Dodd-Frank and EU Regulations



- ▶ **July 2010** – Section 1502 of the US Dodd-Frank Act includes specific reporting requirements for companies using 3Ts and gold (DRC focus)
- ▶ **August 2012** – Final US rules recognise OECD Due Diligence Guidance (OECD = global focus)
- ▶ **2014** – EU Regulations expected to be finalised (focus OECD)



Global industry initiatives for gold

Initiative	Organisations involved	Purpose	Participation type	Independent audit required
Conflict-Free Sourcing Initiative (CFSI) - includes the Conflict-Free Smelter (CFS) program	Global e-Sustainability Initiative (GESI); Electronic Industry Citizenship Coalition (EICC) [®]	Verifies that the sources of conflict minerals processed by smelters are conflict-free. Enables downstream companies to identify and source from conflict-free smelters. (Operationalises OECD Guidance for smelter/refiners.)	Voluntary	Yes
WGC Conflict-Free Gold Standard and Tools	World Gold Council (WGC)	Establishes a common approach for mining companies to responsibly mine gold and demonstrates that their mining operations do not fuel conflict or the abuse of human rights. (Operationalises OECD Guidance for mining companies.)	Voluntary	Yes
LBMA Responsible Gold Guidance	London Bullion Market Association (LBMA)	Ensures that all gold feed stock and all gold produced by refiners are conflict-free. Enables downstream companies to identify and source from conflict-free refiners. (Operationalises OECD Guidance for refiners.)	Mandatory for LBMA accredited refiners	Yes
RJC Chain-of-Custody Certification Program	Responsible Jewellery Council (RJC)	Supports the identification and tracking of conflict-free gold throughout gold supply chains with the transfer of chain-of-custody documentation.	Voluntary	Yes
DMCC Practical Guidance for market participants in Gold	Dubai Multi-Commodities Centre	Assists DMCC-licensed members and other industry participants in the UAE to enforce OECD due diligence.	Mandatory for all DMCC-licensed members	Yes



Gold industry Initiatives – complementarities

Support & Recognition throughout gold supply chain



Miners



Refiners



Jewellers

RJC Chain of Custody Covers All Actors



Mutual recognition across the industry

LBMA

RJC

CFSI

Common Features: 3rd Party Audit, OECD & SEC Compliance

	LBMA	RJC	CFSI
Tailored Focus	London Bullion Market	Jewellery Supply Chain - Mine to Retail	Manufacturers
Audit outcome	Continued Good Delivery Accreditation	CoC Certification	Validated Smelter/ Refiner list
Harmonisation	RJC CoC, CFS audits = Responsible Gold Requirement	LBMA, CFS = RJC	RJC, LBMA audits = CFS.

One Audit Report – Three Programmes

***World Gold Council and ARM Fairtrade/Fairmined initiatives support refiner due diligence**



Other Great Lakes-based initiatives

Initiative	Organisations involved	Purpose	Participation type	Independent audit required
ITRI Tin Supply Chain Initiative (iTSCi)	ITRI; Tantalum Niobium International Study Center; Pact; Channel Research	Supports responsible sourcing from Central Africa through the development of (1) a physical chain-of-custody system that tracks and monitors minerals from mine to smelter and (2) a due diligence system that includes independent audits and mine site and transportation route assessments.	Voluntary	Yes
Certified Trading Chains	German Federal Institute for Geosciences and Natural Resources (BGR)	Supports responsible sourcing from Central Africa through the creation of a certification framework for artisanal mining sites.	Voluntary	Yes
ICGLR's Regional Certification Mechanism	International Conference on the Great Lakes Region (ICGLR)	Establishes a certification mechanism for the mining and trading of conflict minerals from the Great Lakes Region.	Mandatory for member countries	Yes

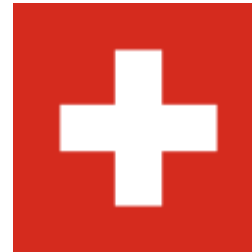


OECD Implementation Programme

- **Problem-solving and information-sharing**
 - Common and coordinated solutions
- **Collaboration**
 - Consistency and harmonisation of expectations:
 - ✓ *Collaborated multiple industry programmes to support harmonisation and a level playing field*
- **Promotion and dissemination**
 - Tools, workshops and training seminars
- **Peer-learning**
 - 3T Pilot from August 2011 – December 2012
 - Gold implementation programme launched this year – training and case studies
- **ICGLR-OECD-UN GoE Forum**
 - In-person meeting in May and November each year – *next meeting on 13-15 November to be held in Kigali, Rwanda*



Selection of OECD Multi-stakeholder Steering Group members



BEDEWA



global witness



PARTNERSHIP AFRICA CANADA

*Observatoire
Gouvernance et Paix*



Thank you!

For further information on this project and to download the OECD Due Diligence Guidance:

www.oecd.org/daf/investment/mining

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World Gold Council Conflict-Free Gold Standard



The Conflict-Free Gold Standard

What is the Conflict-Free Gold Standard?

- A common approach by which gold producers can assess and provide assurance that their gold has been extracted in a manner that does not cause, support or benefit unlawful armed conflict or contribute to serious human rights abuses or breaches of international humanitarian law

Why have we developed it?

- An industry-led approach to address concerns that link gold mining to the financing of armed conflict
- Designed to “operationalise” the OECD Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas
- Intended to promote responsible mining and encourage investment in conflict-affected areas when it is appropriately undertaken
- Endorsed by LBMA and aligns with their Responsible Gold Guidance

The Conflict-Free Gold Standard

How the Standard has been developed?

- Under the mandate of the Board of the World Gold Council and overseen by the Responsible Gold Steering Committee
- Extensive consultation process, including two draft Standards
- Two pilot case-studies in Mexico and Ghana
- Designed to be both pragmatic and credible

Anticipated timeline

- October 2012: Final Standard published
- 2013: First year of implementation
- Early 2014: First public disclosure re: conformance, with external assurance
- The World Gold Council is not acting as a certifying body

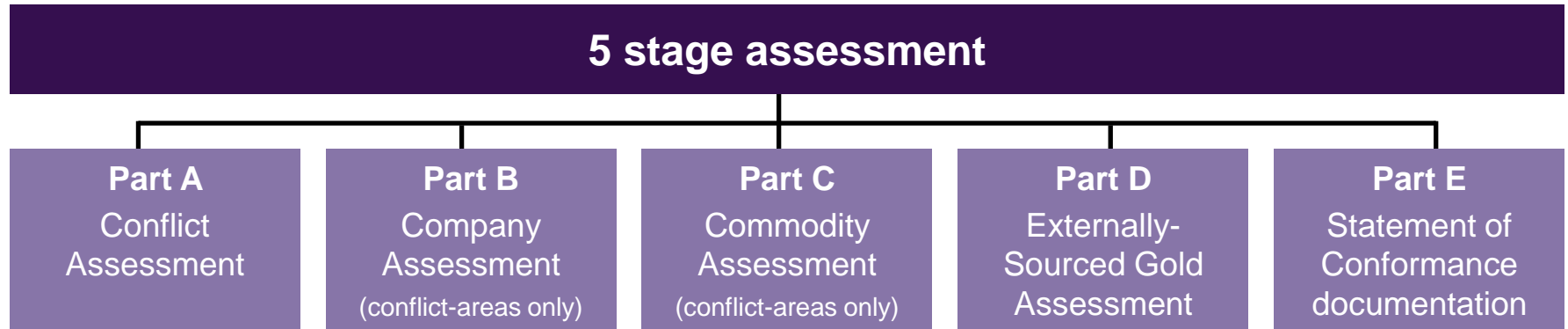
Consultation & Engagement for the CFGS (selection)



Conformance and Public Disclosure

- World Gold Council member companies and other entities who apply the Standard will be expected to report publicly on their conformance or otherwise with the Standard
- This “Conflict-Free Gold Report” should be publicly disclosed in company reports and/or on the company website and should be externally assured. This should be done at least annually and will cover activities over a 12 month period
- Two Guidance Documents are available to support implementation and assurance:
 - Guidance for Implementing Companies
 - Guidance for Assurance Providers
- The Standard and Guidance documents include approaches to addressing deviations from conformance

Conflict-Free Gold Standard: Structure



- For non-conflict affected regions, parts A, D and E remain relevant
- Companies required publicly to disclose conformance with the Standard (e.g. in annual report, sustainability report)
- Independent, third party assurance of this disclosure
- Based on established benchmarks (e.g. OECD Guidance, UN Guiding Principles on Business and Human Rights, Voluntary Principles on Security and Human Rights, EITI)

Conclusions

Why is the Conflict-Free Gold Standard important?

- Action to eradicate the misuse of gold to fund conflict
- Protects the reputation of gold
- Designed to support responsible production and avoid stigmatising countries and, thereby, increasing instability and poverty
- Underlines gold's role as a source of social and economic development
- Developed through an intensive consultation process
- Public disclosure and external assurance
- Credible and pragmatic
- First industry-led standard that seeks to define 'responsible conduct' in conflict-affected areas

Thank you

To view a copy of the Conflict-Free Gold Standard and see views from a range of stakeholders, please visit:

<http://www.gold.org/conflict-free>

http://www.gold.org/video/play/gold_standard_film/

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CONFLICT-FREE GOLD: LESSONS LEARNT

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AUGUST 2013



DISCLAIMER

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ANGLOGOLDASHANTI



- We are members of the World Gold Council, London Bullion Market Association (LBMA) and Responsible Jewellery Council
- We implement the OECD Guidance through the [World Gold Council Conflict-Free Gold Standard](#) and [London Bullion Market Association Responsible Gold Guidance](#)
- Queiroz refinery passed LBMA Responsible Gold Audit in June

PART A – CONFLICT ASSESSMENT OF OPERATING ENVIRONMENT

- **Part A of the Standard looks at a desktop conflict assessment** of mines' locations
- **Initial 2013 pilot has focussed only on AGA's African operations**
- **Part A assessment was conducted by the Public Affairs Africa team** (responsible for political risk and government relations)

Part A focuses on two areas:

- **Section 1 International sanctions:** *“is intended to ensure that the mining and onward transport of gold does not take place in breach of International Sanctions”.*

FOR THIS WE ARE USING EXTERNAL ASSESSMENT: Official sanctions lists for the countries in which we do business including the websites of the *European Union*; the *United Nations Security Council*; and the *UK government's* official sanctions lists. An evidence pack of these websites was assembled, scanned, printed and stored.

- **Section 2 Recognition of conflict:** *“uses external, objective criteria to assess whether the area in which the mine is located should be considered ‘conflict-affected or high-risk’”*

FOR THIS WE ARE USING EXTERNAL AND INTERNAL ASSESSMENT: (1) *the Heidelberg Conflict Barometer*, as required by the Standard, to determine if our operations are located in ‘conflict affected or high risk’ areas and (2) our own internally developed ‘*threat matrix*’, and assessed at site level, to determine if our operations self-assess their situation as ‘conflict affected or high risk’.

PART A – CONFLICT ASSESSMENT OF OPERATING ENVIRONMENT

INTERNAL AGA THREAT MATRIX ASSESMENT: RISK RATINGS

- **The Threat Matrix is an internal tool** developed by AGA’s Global Security and Public Affairs departments
- The threat matrix is being **piloted at all of AGA’s African operating countries**
- **Provides a supplementary view** to the Heidelberg Conflict Barometer

COUNTRY THREAT STATUS INDICATOR						
PROCESS INSTRUCTIONS TO USER		SECTION A	Likelihood		Impact	
Step 1 Likelihood	The users must agree upon the likelihood of the key question rating it from Rare to Certain and assign the corresponding value as per table to the right in Section A.		SECTION A	Rating	Description	Rating
Step 2 Consequence	The users must consider the consequence of the event, apply a rating from Slight through to Extreme and assign the corresponding value as shown in the table to the right in Section A. Both financial and Non financial consequence should be taken in consideration.	4		Certain	4	Extreme
Step 3 Confirm Risk	The assigned values for likelihood and consequence should be multiplied and the total sum value compared against the table to the right in Section B in order to identify the risk rating from Low (total of less than 4) through to High (total of more than 12).	3		Likely	3	Major
Step 4 Input Data	The Risk Rating Numerical Value should now be entered into the RRVN Cell (in front of the corresponding question)	SECTION B	2	Unlikely	2	Minor
Step 5 Repeat	Repeat steps 1 to 4 for each key question		1	Rare	1	Slight
Step 6 Theme Average	The average value for the section will be entered in the bottom cell.					

Score	ELI	RESPONSES COLOR CODING
< 4	Low	No
4 - 8	Medium	Not really
8 - 12	Medium To High	Most often yes
> 12	High	Yes

PART A – CONFLICT ASSESSMENT OF OPERATING ENVIRONMENT

OUTCOMES AND FINDINGS

- **None of the African countries where AGA has operations are currently subject to international sanctions** that relate to the export of gold.
- **Mali** and the **Democratic Republic of Congo** are identified as conflict-affected or high risk countries in either the 2011 or 2012 Heidelberg Conflict Barometer.
- **Operations that we have self-assessed as being in conflict-affected or high risk countries cannot yet be confirmed**, but will be reported on publicly in 2014. The reason for this is that the methodology used is still being finalised.

PART B – HUMAN RIGHTS

- **ASSESSMENT:** Does company have systems in place to discharge its responsibility to avoid causing, supporting or benefiting unlawful armed conflict, or contributing to serious human rights abuses or breaches of international humanitarian law?
- **EVIDENCE:** Required in five parts:
 - i. **Public commitment:** has human rights policy; participates in human rights initiatives; etc.
 - ii. **Activities:** Either **not** subject to or **not** found culpable in credible allegations of human rights abuses; uses its influence to prevent abuses by others.
 - iii. **Security:** No credible allegations of human rights abuses against its security personnel; conducts due diligence investigation on its public and private security providers

PART B – HUMAN RIGHTS (CONT'D)

- iv. **Payments and benefits-in-kind:** not provided to armed private groups who have committed or been credibly accused of human rights abuses; publicly disclosed where made to governments or government entities
 - v. **Engagement, complaints and grievances:** engages with stakeholders including vulnerable groups; has effective systems in place for reporting of and remedying of concerns and grievances
- To assess its conformance, AGA examined its existing risk management systems, its policies, standards & procedures on the five areas; conducted extensive media searches of allegations of human rights violations; assessed its VPSHR implementation programme and compliance with various human rights initiatives in which it participates, including the Global Compact and the UN Guiding Principles on Business & Human Rights

PART C – COMMODITY ASSESSMENT CHAIN OF CUSTODY

- Part C relates to **handling of gold and gold bearing material** on the mine site and movement of gold once it leaves the mine. Part C has 3 components:
 - Nature of gold production
 - Control of the gold at the operation
 - Transportation of the gold to the refinery (doré) or smelter (concentrate)
- A **risk based approach** is adopted for the implementation of Part C:
- Mine site supply chain is mapped from the shaft or pit, to point of gold dispatch and handover to next participant in the chain of custody
- Risk points for potential gold leakage and process losses or inefficiencies in the supply chain identified and ranked using information from process experts
- Common gold mine **risk points**:
 - loading of trucks and movement to the plant (open pit mines)
 - milling and gravity concentration circuits, loaded carbon handling, elution circuit
 - smelt-house and despatch of gold from the smelt-house
- Focus of gold control is on the **extent of gold leakage** and how this is managed:
gold that is stolen from the process can be used to fund armed conflict

PART C – COMMODITY ASSESSMENT CHAIN OF CUSTODY (CONT'D)

- **Operational effectiveness and efficiency** around each risk point:
 - Analyse and review to determine whether gold is properly **controlled and managed**
 - **Supply chain process data** around the identified risk points analysed for variances from industry norms
 - Example: tons of ore loaded into trucks in the pit compared to the tons crushed, milled and treated. Variances greater than 10% require investigation
 - **Custodianship of the gold** from mine to the transport company and eventually to refinery
 - Gold bars are signed over to the transporter at the mine smelt-house
 - Due diligence needs to be conducted on the transport company (with the refinery)
 - Suitable **warranty** needed for the refinery and the transporter. This testifies that the gold being despatched has been produced in accordance with the Conflict-Free Gold Standard. It is attached to the waybill and bar lists for every despatch of gold
 - Mine site assessment involves the following disciplines: Mining, metallurgy, geology, financial, security, safety and health. Estimated duration is three days per mine site.
 - Assessment uses **existing systems and databases** for metal accounting, risk management, mineral resources and ore movement tracking
-

FINALLY...

- Part D: Externally sourced gold. AGA does not source gold externally
- Part E: Management Statement of Conformance. Depends on Parts A – D
- External assurance: The auditors of AGA's financial and sustainability reports will provide assurance as part of their annual audit process
- Reporting: In the annual Sustainability Report
- Dodd Frank s1502: short form report required for our Brazilian refinery

LESSONS LEARNT AND CONCLUSIONS

- Processes were/are in place, but not necessarily documented or sufficiently rigorous
- Requirement for implementation of the CFGS helped to fast track some lagging processes
- Alignment between CFGS and LBMA RGG made for straightforward conversations with refiners
- On track for external audit in Q1 2014...



RAND REFINERY

Rg	Responsible Gold
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Neil Harby	
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1 August 2013	
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Purpose of Presentation

- Current Status of Responsible Gold Initiatives
 - LBMA Responsible Gold Guidance
 - Chain of Custody (“green gold”)
 - Responsible Jewellery Council

- Organisational Awareness
 - Senior Management – this presentation
 - Organisation – awareness campaign
 - Depositing Customers – sensitisation
 - Board – Board Reports

- Responsible Gold Policy
 - Where does Rand Refinery stand?
- Know Your Customer
 - Who are we dealing with?
- Anti-Money Laundering
 - Are our dealings legitimate?
- Supply Chain Policy
 - Where is the gold coming from and how did it get here?

The only initiative we **MUST** adhere to.

The LBMA is an organisation that controls the London Gold Market and in this capacity developed the “Good Delivery Rules” to ensure the integrity of this market.

As part of these rules the LBMA introduced the Responsible Gold Guidance (RGG) to ensure that all Refineries adhere to the principles of Responsible Sourcing as identified by the OECD.

- Rand Refinery is an LBMA Accredited Refinery
- Rand Refinery is an Ordinary Member of the LBMA
- Rand Refinery is an LBMA Referee
- Rand Refinery played an integral role in developing the LBMA RGG

If we do not conform to the RGG, Rand Refinery will lose Accreditation.

Pm Process Mapping

Understand the Process – Identify the Risk

The Organisation for Economic Cooperation and Development (OECD) has suggested a 5 step process of due diligence:

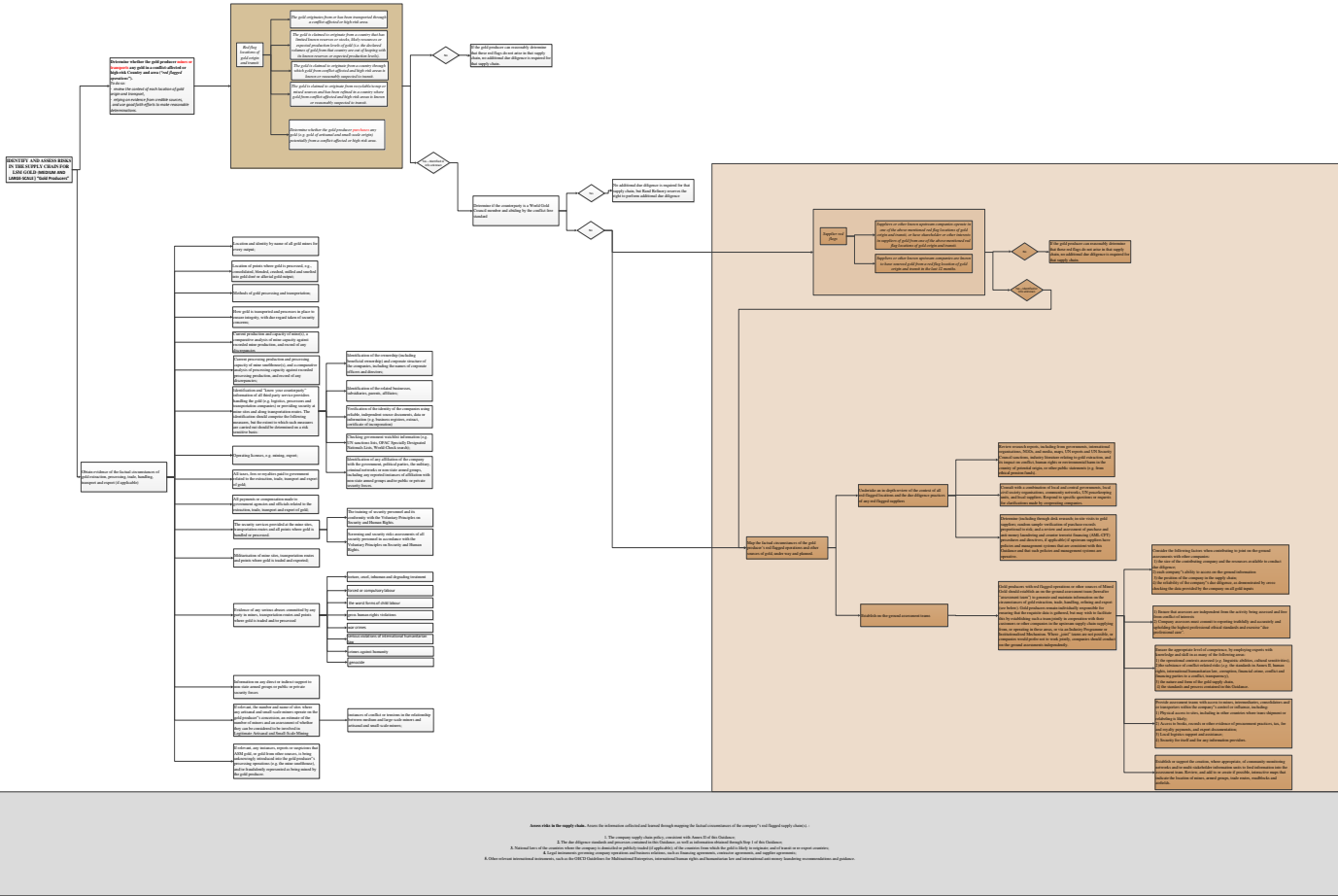
- STEP 1: Establish strong company management systems
- STEP 2: Identify and assess risks in the supply chain
- STEP 3: Design and implement a strategy to respond to identified risks
- STEP 4: Carry out independent third-party audit of smelter/refiner's due diligence practices
- STEP 5: Report annually on supply chain due diligence

In order to implement this process and fully understand the Risks, you need to develop Process Maps. Process Maps rationalise and distil the logical steps to enable all requirements to be covered. A Depositing Customer Assessment Tool can then be developed.

This tool enables the Due Diligence Process to be followed and triggers Enhanced Due Diligence when required.

Pm Process Mapping

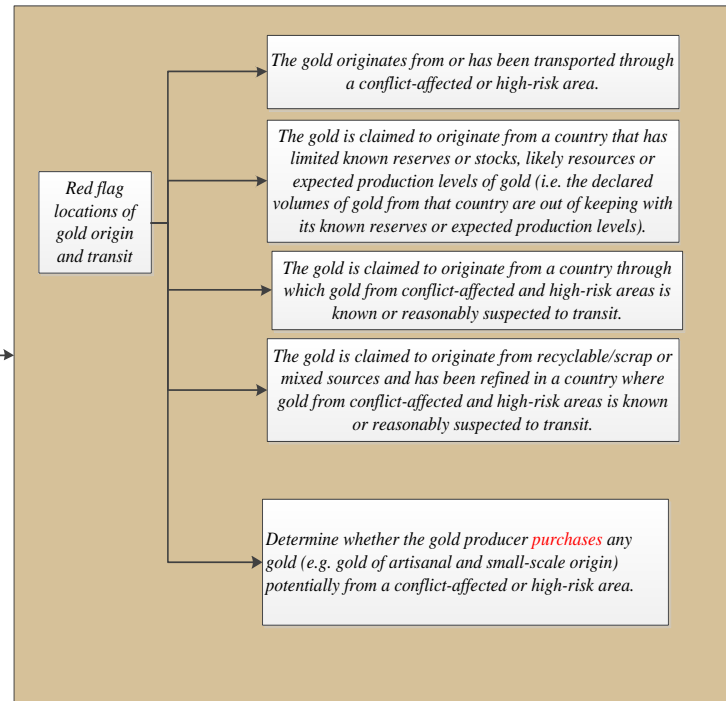
Large Scale Mining



Pm Process Mapping

Large Scale Mining - detail

Determine whether the gold producer **mines or transports** any gold in a conflict-affected or high-risk Country and area (“*red flagged operations*”).
To do so:
- review the context of each location of gold origin and transport,
- relying on evidence from credible sources,
- and use good faith efforts to make reasonable determinations.



If the Process Map raises a “red flag”, Enhanced due-diligence will be triggered.



“The objective of our Standard is to create absolute trust that the gold produced under our guidelines neither fuels armed conflict, nor funds armed groups, nor contributes to human rights abuses associated with these conflicts. The Standard is designed to apply globally, for World Gold Council members and other companies involved in the extraction of gold.”

- Rand Refinery is an active member of the Steering Committee that developed the Standard
- Recognition that the Mine Production Chain of Custody ends in the Melthouse of the Refiner
- Mutual Recognition of LBMA RGG

Part E – Statement of Conformance Documentation

Overview

In order to maintain the integrity of the supply chain, companies need to provide a statement that gold and gold-bearing material being dispatched is in conformance with this *Standard*.

Suggested Language

The following is suggested language for a Statement of Conformance that should be supported by appropriate assurance and documentary evidence:

{Mine company name} confirms, to the best of our knowledge, that this gold or gold-bearing material has been produced by a mine which is in conformance with the World Gold Council Conflict-Free Gold Standard.

Gold or gold-bearing concentrate which is NOT in conformance with this *Standard* will need to be specified as such.

Dc Depositing Customer Assessment Tool

How will Rand Refinery meet the Requirements?

- Application to trade form updated to include the following:
 - Method of material processing – required specifically by OECD
 - Method of transport – supply chain audit if required
 - KYC for Non FATF/FICA area countries – confirmation of compliance
 - Beneficial owner declaration
 - Responsible gold procedures – has the company established and implemented policies and procedures
 - Acknowledgement and declaration – abiding by local regulatory requirements with regards to KYC, AML and not involved in any illegal activities
- Resources to verify information received on application form:
 - World Check – risk screening
 - Intierra – mining database
 - Control risks – country and area risk analysis
 - Dun and Bradstreet – background screening for international applications
 - Corporate Verification – background screening for local applications

How will Rand Refinery meet the Requirements?

- Assessment tool is used to identify risks
 - **BROWN FLAGS – NON NEGOTIABLE FINDINGS**
 - **RED FLAGS – management decision will be taken**
 - **GREEN FLAGS – low risk**
- Application and assessment summary is presented to the customer committee for approval
- Contract will be signed that includes Responsible Gold warranty
- Responsible Gold Declaration on waybill/bar-list
- What have we done so far:
 - KYC including EDD and supply chain verification on 12 customers identified by Deloitte, high risk customers and new applications
 - Letter to all customers informing them to include waybill/bar-list warranty
 - Issuing of new contracts to customers that have passed the KYC/AML
 - Verifying and auditing of all suppliers in the supply chain

What else can/should you be doing?

- Enhanced Product Opportunities
 - Provenance
 - Streaming
 - Certified Products

- Responsible Jewellery Council
 - Chain of Custody Standard
 - Holistic Guidance
 - “Value-add”
 - Global
 - Voluntary



RAND REFINERY

THANK YOU

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Q&A, FEEDBACK



Next steps

- Forum meeting 13-15 November 2013 in Kigali, Rwanda
- Feedback to this webinar (content, approach) – written comments welcome
- OECD Website:
<http://www.oecd.org/daf/inv/mne/mining.htm>