



INDUSTRY ORGANISATIONS ANNOUNCE CROSS-RECOGNITION OF GOLD REFINER AUDITS

17 September 2012, BRUSSELS –The Conflict Free Smelter Program (CFS), London Bullion Market Association (LBMA) and Responsible Jewellery Council (RJC) have today announced their mutual cross-recognition of gold refiner audits.

All three programmes focus on independent third party audits of refiners' due diligence in conformance with the OECD Due Diligence Guidance, which recognises refiners as a key "choke point" in the gold supply chain. The Security and Exchange Commission (SEC) final rules for Conflict Minerals (Dodd-Frank Section 1502) also indicate that manufacturers can meet US requirements by relying on refiners who have been certified by "industry groups' 'conflict-free' designation programmes" such as the CFS, LBMA and the RJC.

All three organisations have developed audit and certification programs that aim to increase conflict-related due diligence and responsible practices in the gold supply chain for their respective sectors. The cross-recognition means audit efficiency for gold refiners as well as the industry as a whole.

The Conflict-Free Smelter (CFS) Program

The Electronic Industry Citizenship Coalition® (EICC®) and Global e-Sustainability Initiative (GeSI) consider mining activities that fuel conflict as unacceptable and are committed to taking action by developing tools and programs to help enable companies in all sectors to source conflict-free minerals from the Democratic Republic of Congo and all other global regions.

One such program is the Conflict-Free Smelter (CFS) Program, a voluntary initiative developed by the GeSI and EICC extractives group, in which an independent third party audits smelters' and refiners' procurement and tolling activities and determines if the smelter or refiner demonstrated that all the minerals they processed originated from conflict-free sources. The CFS Program publishes the list of smelters and refiners who have been found compliant to the CFS Program protocol, on the publically available CFS Program website (www.conflictreesmelter.org).

"The expectations for refiners are changing to include conflict-free sourcing of gold," said Luis Neves, Chairman of GeSI. *"The process of harmonizing and cross-recognizing our programs is a natural next step toward efficient and streamlined auditing to attain that goal across all industries and products."*

"Collaboration is a key component of addressing conflict minerals in an efficient manner," said John Gabriel, Chairman of the EICC. *"The Conflict-Free Smelter Program, the LBMA Responsible Gold Guidance and Audit Protocol, and RJC Member Certification programs all aim for responsible sourcing of gold; we are pleased that the programs are aligning to provide a streamlined, efficient, and credible process for refiners. This allows refiners to spend more time on ensuring their operations do not fund conflict, and less time on undergoing multiple audits."*

The LBMA's Responsible Gold Guidance (the "Guidance") is mandatory for all Good Delivery gold refiners in order to maintain their LBMA accreditation. The sixty-three LBMA Good Delivery Gold refiners include the preeminent

refiners of gold internationally with an annual production making up ~85-90% of world gold production. Compliance with the guidance is reviewed annually by independent auditors and results are submitted to the LBMA, as well as being made publicly available. The Guidance formalises and extends the already existing due diligence in the refining industry by incorporating a risk-based approach to avoid sourcing gold from areas subject to conflict. The Guidance is based on the OECD Due Diligence Guidance, as well as existing practices in Good Delivery refiners aimed at combatting money laundering and terrorist financing.

Stewart Murray, Chief Executive of the LBMA said *“I am delighted with today’s announcement of cross-recognition of gold refiner audits. This is the result of the hard work and commitment of all three organisations to ensure that costs are controlled while responsible sourcing standards are raised”.*

The RJC Chain-of-Custody (CoC) Standard enables responsible sourcing of precious metals for businesses in the jewellery supply chain. RJC’s CoC Standard was launched in March 2012 and is a voluntary standard applicable to gold and platinum group metals (platinum, palladium and rhodium) in addition to the mandatory RJC Code of Practices for RJC Members. RJC CoC Certified entities, including gold refiners, are audited to ensure that CoC precious metals are conflict-free as a minimum, and to ensure systems are in place to assure provenance claims of mined, recycled and/or grandfathered gold. RJC CoC Certified entities must also meet a range of requirements for human rights, labour standards, environmental impact, and business ethics, as set out in the RJC Code of Practices. CoC Certified gold refiners must implement conflict-sensitive sourcing practices in line with the OECD Due Diligence Guidance for all sources of gold to the refinery. RJC has recognised the LBMA and CFS audits as fulfilling relevant requirements of Section 10 of the CoC Standard. As per the other programs, RJC’s Certified Refiners are publicly listed at <http://www.responsiblejewellery.com/chain-of-custody-certification/chain-of-custody-certified-members/>.

Michael Rae, Chief Executive Officer of the RJC said, *“The collaboration between RJC, LBMA and EICC-GeSI on our respective audit programs aims to support the broader efforts to address conflict materials issues. All supply chain participants can benefit from our constructive approach to collaboration and harmonisation announced today.”*

	LBMA	RJC	CFS
Common Features: 3 rd Party Audit, OECD DDG & SEC compliance			
Tailored Focus:	London Bullion Market	Jewellery Supply Chain – Mine to Retail	Manufacturers
Audit Outcome:	Continued Good Delivery Accreditation	CoC Certification	Validated Smelter/Refiner list
Mutual Recognition:	RJC CoC and CFS audits = Responsible Gold Requirement	LBMA and CFS = conflict-sensitive sourcing only.	RJC and LBMA audits = CFS
Disclaimer: Fulfilling CFS Requirements only meets the LBMA & RJC conflict-free audit requirements to avoid duplication. There are additional requirements for refiners to achieve LBMA & RJC certification.			

The industry programmes are aligned with the recently issued SEC final rules as well as the OECD Guidance and Gold Supplement. Industry programmes, such as those developed by the GeSI and EICC Extractives group, LBMA and the RJC, were implicitly recognised as compliant with the SEC rules. *“An issuer would have reason to believe representations were true if a processing facility received a ‘conflict-free’ designation by a recognised industry group that requires an independent private sector audit of the smelter, or an individual processing facility, while it may not be part of the industry group’s ‘conflict-free’ designation process, obtained an independent private sector audit that is made publicly available.”*

The CFS, LBMA and RJC audit programmes aim to ensure that the global gold market can continue to function smoothly supported by market participants’ efforts to demonstrate that their gold-containing products are "conflict free".

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About Electronic Industry Citizenship Coalition® (EICC®)

The EICC was established in 2004 to improve social, economic, and environmental conditions in the global electronic supply chain through use of a standardised code of conduct. The EICC was incorporated in 2007 as an association to ensure greater awareness of the Code, and to expand its adoption across the industry. The EICC includes over 70 global electronics companies. For more information or to view the EICC Code of Conduct, see www.eicc.info.

About Global e-Sustainability Initiative (GeSI)

The Global e-Sustainability Initiative (GeSI) is a strategic partnership of the Information and Communication Technology (ICT) sector and organisations committed to creating and promoting technologies and practices that foster economic, environmental and social sustainability. Formed in 2001, GeSI's vision is a sustainable world through responsible, ICT-enabled transformation. GeSI fosters global and open cooperation, informs the public of its members' voluntary actions to improve their sustainability performance, and promotes technologies that foster sustainable development. GeSI has 31 members representing leading companies and associations from the ICT sector. GeSI also partners with two UN organisations - the United Nations Environment Program (UNEP) and the International Telecommunications Union (ITU) - as well as a range of international stakeholders committed to ICT sustainability objectives. These partnerships help shape GeSI's global vision regarding the evolution of the ICT sector, and how it can best meet the challenges of sustainable development. For more information, see www.gesi.org.

About the London Bullion Market Association (LBMA)

The LBMA is the international trade association that represents the wholesale market for gold and silver bullion, which is centred in London but has a global client base, including the majority of the central banks that hold gold, private sector investors, mining companies, producers, refiners and fabricators. The membership currently includes 137 companies which are involved in the bullion market, including trading houses, banks, refiners, miners and fabricators as well as those providing services to the market such as consultants, supervisors and assayers. The membership encompasses a total of 22 countries. The LBMA was formally incorporated in 1987 at the behest of the Bank of England to take over the roles previously played by two separate organisations, the London Gold Market and London Silver Market, whose origins go back to the mid-nineteenth century. For more information about the LBMA, please visit www.lbma.org.uk.

About Responsible Jewellery Council (RJC)

The Responsible Jewellery Council is an international not-for-profit organisation bringing together more than 380 member companies. RJC and its Members are committed to promoting responsible ethical, human rights, social and environmental practices in a transparent and accountable manner throughout the jewellery industry from mine to retail. This commitment aims to reinforce consumer and stakeholder confidence in diamond, gold and platinum metals jewellery products. The RJC has developed the RJC Member Certification system which applies to all Members' businesses that contribute to the diamond, gold and platinum metals jewellery supply chain. All Certified Members of the RJC are audited by accredited, third party auditors to verify their conformance with the RJC's Code of Practices. A voluntary Chain-of-Custody Standard has also been developed for gold and platinum group metals. The RJC is a [Full Member of the ISEAL Alliance](#) – the global association for sustainability standards. For more information on RJC Members, Certification, and Standards please visit www.responsiblejewellery.com