

*Responsible gold sourcing:
Industry efforts for gold supply chain due diligence
and chain-of-custody*

JCK Las Vegas
1 June 2013, 13:00 – 14:15

Opening Remarks:

*James Courage
RJC Chairman and CEO of Platinum Guild International*

Moderated by:

Catherine Sproule, Chief Operations Officer, Responsible Jewellery Council

RJC Standards: supporting responsible sourcing in the jewellery supply chain

JCK Las Vegas – 1 June 2013

Fiona Solomon

Director – Standards Development, Responsible Jewellery Council

Why is responsible sourcing important?

- Better control over supply chains
 - identify and manage corporate risk
 - proactive CSR strategy, enhance business reputation
 - new markets, consumer expectations
 - compliance eg Dodd Frank Act, consultation for possible EU initiative, OECD Due Diligence Guidance



Jewellery supply chains - challenges

- Supply chains are complex and multi-tiered, as for many manufacturing sectors
- Varies from mass production to bespoke
- Many small family businesses in the sector
- Often hundreds of suppliers of products and product components
- Orders and volumes frequently changing with seasonal designs, fashion and consumer demand



RJC framework for responsible sourcing

Birmingham
Assay Office

- **Responsible business practices** in the jewellery supply chain
 - Human rights
 - Labour rights
 - Business ethics
 - Environment
 - Health and safety
 - Business partners
- ***More than conflict***
- RJC Members include: miners, refiners, traders, cutters and polishers, manufacturers, wholesalers, retailers.



RJC Standards

RJC Code of Practices

- ✓ Launched in December 2009
- ✓ Assurance for Member's business practices
- ✓ Compulsory for RJC Members



Chain-of-Custody Standard

- ✓ Launched for precious metals in March 2012
- ✓ Assurance metals are from responsible sources
- ✓ Voluntary for RJC Members





RJC Chain-of-Custody Standard

- Opt-in: businesses define what materials / products / facilities are to be covered by the certification.
- *Management systems*: Code of Practices is foundation, plus risk-based due diligence and inventory control.
- *Material*: Supports chain-of-custody for individual or mixed metal sources, as moves through supply chain.
- CoC approach will take time to build: mining sector, refining, alloying, manufacturing, retail.
- RJC support for implementation:
 - Training on CoC standard and help desk for Members.
 - Website resources: webinars, fact sheets, Q&A
 - Harmonisation with relevant standards and initiatives (eg LBMA, EICC, WGC).
 - OECD collaboration – governance, outreach, projects

Chain-of-Custody Certified Refiners / Alloyers

- **Pre-requisite:** Certified against RJC Code of Practices.
- **Conflict-sensitive due diligence for all gold sources.**
 - Implementation of OECD Due Diligence Guidance
 - Can still source from non-RJC/CoC entities, but any non-CoC gold must be kept segregated.
- **Inventory control and chain-of-custody documentation.**
 - Internal systems to support provenance claims.
 - CoC Transfer Documentation designed to support Dodd Frank compliance for customers.



Building bridges with Artisanal and Small-Scale Mining (ASM)

Responsible sourcing – challenge and opportunity for ASM ...

RJC Standards encourage formalisation and professionalisation of ASM, and control of risks. CoC provides vehicle for sourcing relationships that benefit ASM.

Solidaridad



RJC collaborations:

- MOU's with the Alliance for Responsible Mining and Diamond Development Initiative.
- Collaboration with Swiss Better Gold Initiative and Solidaridad.
- Active in OECD program on ASM issues.



**UNITED STATES COUNCIL FOR
INTERNATIONAL BUSINESS**

U.S. & International Efforts on Responsible Sourcing of Minerals

**RJC Industry Briefing on Responsible Gold Sourcing
Las Vegas – June 1, 2013**



**Adam B. Greene
Vice President, Labor Affairs & Corporate
Responsibility**

Global



Network

RJC Briefing on Responsible Gold Sourcing



DRC ranks near the bottom on most indices

- UNDP Human Development Index: 187 out of 187
- World Bank Doing Business: 181 out of 185
- Transparency International: 160 out of 174
- Freedom House: “Not Free”
- Save the Children: World’s worst place to be a mother
- Global Hunger Index: bottom
- Population:
 - 88% below absolute poverty line
 - 70% lack access to adequate food
 - 2.7 million internally displaced



Are minerals causing the conflict?

- In a word – no.
- The main causes stem from political, ethnic, tribal and territorial disputes
- 1994 Rwanda genocide: ~ 800,000 killed in 100 days
 - Had nothing to do with minerals or other resources
- DRC has resource-rich areas with no conflict
- Many other funding sources: “taxes”, timber, robbery
- Major armed groups don’t control any mines
 - M23 rebels get direct funding and military support from neighboring countries



Dodd-Frank Act Section 1502:



U.S. SECURITIES
AND EXCHANGE
COMMISSION

- No hearings, no amendments, DRC not consulted
- Basic elements of the law:
 - Do your products contain tin, tantalum tungsten or gold?
 - If so, did any of those metals originate in the DRC or an adjoining country?
 - If so, did the sourcing of those minerals finance or benefit any armed groups?
- Zero-defect approach (vs. risk-based due diligence)
- Imposes significant regulatory and financial burdens on any sourcing from the DRC – responsible or not

Impact of Dodd-Frank

- Increased attention on the conflict...
 - But with significant negative unintended consequences:
- Resulted in a de-facto embargo:
 - No systems in place can ensure zero-defects
 - Huge costs of trying to map highly complex supply chains
 - Much easier to source elsewhere than to comply
- Exports have plummeted, smuggling has surged
 - 3T export markets limited to China, Vietnam and Indonesia
 - Penalized legitimate enterprises in the DRC
 - Reduced the earning capacity of millions of workers

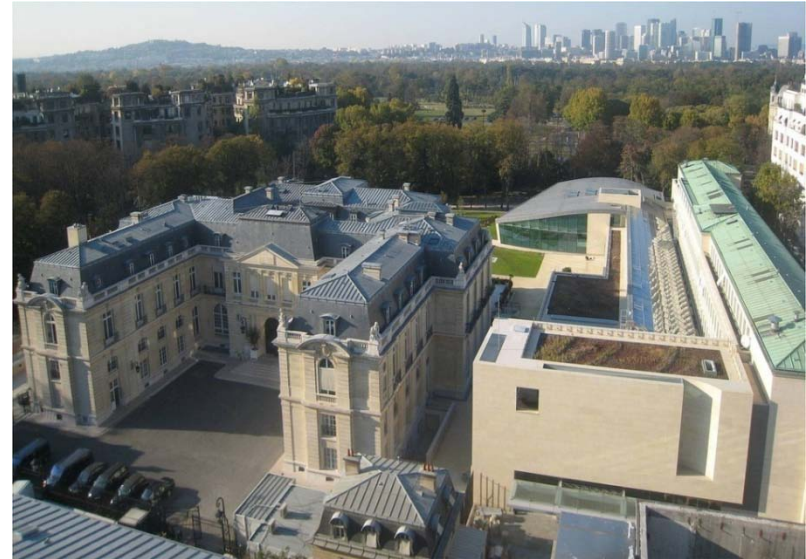


Global Supply Chains



Organization for Economic Cooperation & Development

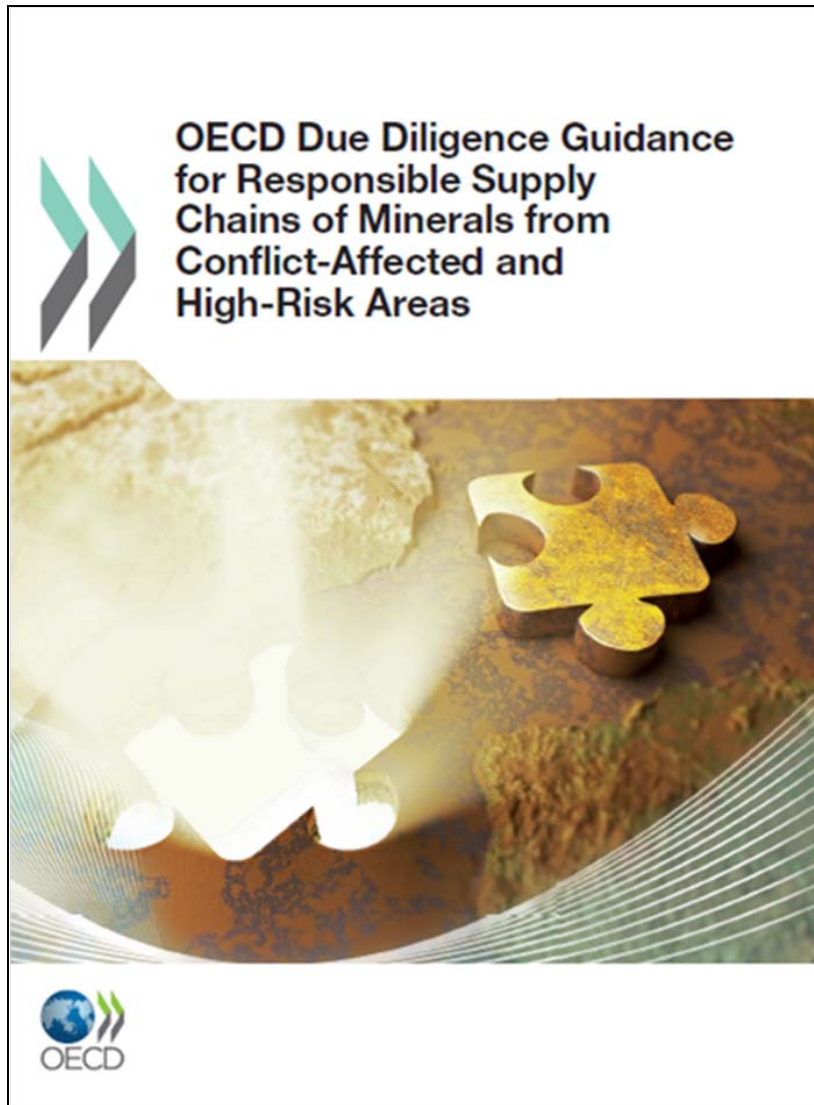
- OECD founded in 1960
 - Successor to the Marshall Plan
 - 34 member countries
- Good-government forum for the leading free-market democracies to:
 - Compare experiences
 - Address common problems
 - Identify best practice
 - Coordinate policies



OECD Due Diligence Guidance



- Internationally recognized framework
- Developed through a multi-lateral, multi-stakeholder process:
 - Governments: OECD, ICGLR, UN Group of Experts
 - Industry: Gold / jewelry; 3T Upstream, Downstream: electronics, automotive, aerospace, manufacturing
 - Civil society: International & DRC organizations
- Promotes responsible sourcing of minerals from the DRC
- Risk-based due diligence: focus on actors vs. minerals



OECD 5-Step Framework

1. Establish strong company management systems
2. Identify and assess risks in the supply chain
3. Design and implement a risk strategy
4. Conduct independent third-party audits
5. Report annually on supply chain due diligence

EU Regulation on Conflict Minerals



Current options being considered:

1. No action
2. Voluntary approach: ask EU enterprises to voluntarily apply the OECD Due Diligence guidance
3. Require due diligence by companies placing minerals (or products) on the EU market for the first time
4. Require public disclosure by EU-listed and large companies to demonstrate due diligence
5. Prohibit imports of minerals into the EU market when operators fail to provide evidence of supply chain due diligence

Thank You

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Signet's Initiatives to Ensure “Conflict-free” Gold Sourcing

David Bouffard

Vice President, Signet Corporate Affairs

Signet Jewelers Ltd.



Largest Specialty Jewellery Retailer in US and UK

SIGNET
JEWELLERS

Total Sales \$3.983 Billion

82% US / 18% UK



Kay Jewellers - #1 mid-market brand
Sales: \$1.953B Stores: 949 in 50 states



H.Samuel - #1 in UK
Sales: \$387.0M Stores: 318



Jared - #1 Off-Mall "Destination Store"
Sales: \$1.003B Stores: 190 in 36 states



Ernest Jones - #1 UK upper middle market
Sales: \$322.5M Stores: 193

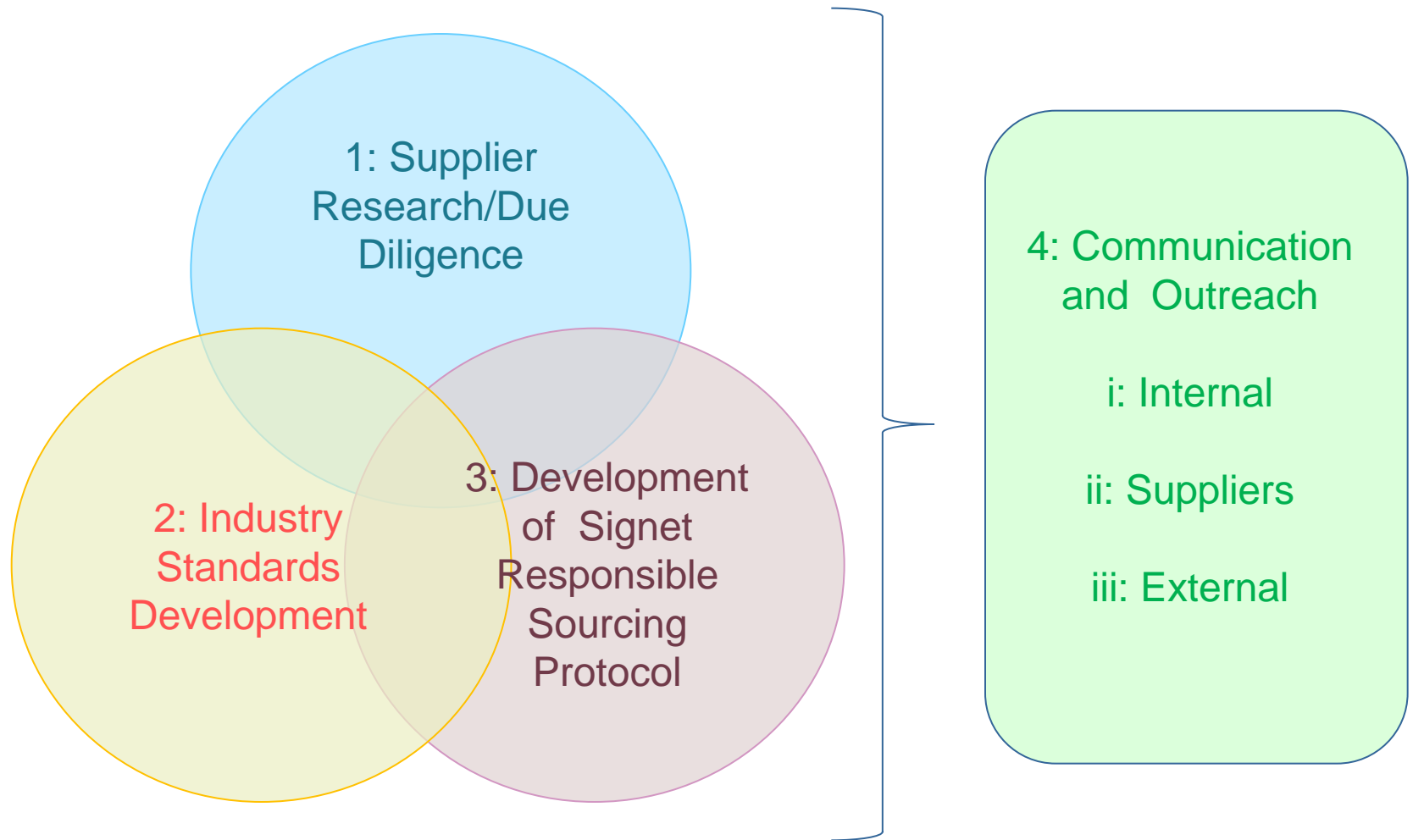
The US Jewelry Market

- World's largest jewelry market by retail value
 - US Consumer Expenditures on Jewelry and Watches: \$71.3 Billion (4.4% Market Share)
 - US Speciality Jewelry Store Sales: \$30.8 Billion (10.4% Market Share)
- #1 market for diamonds
- #3 market for gold
- Global trend-setter: product design is important
- Increasingly a branded jewelry market
- Main occasions;
 - Bridal (engagement and wedding)
 - Valentine's Day, Holiday, Christmas, Mother's Day
- Consumer trust is essential
- "Conflict-free" 3TG supply chain now a legal requirement for US-listed companies

Context

- Signet Jewelers Ltd. is required to comply with US legislation (Wall Street Reform and Consumer Protection Act, “Dodd-Frank”), applicable from 1/1/13 .
- “Dodd-Frank” applies to Signet Jewelers Ltd.’s global supply chain, for both U.S. and U.K. Divisions.
- Many exporters, manufacturers, and suppliers are not aware that suppliers to the U.S. market now face a legal requirement to verify the source of their gold as “conflict-free.”
- Failure to prove the source of gold will mean that US publicly-traded companies will not be able to utilise and sell jewellery containing gold without proper proof of its country of origin.
- Signet believes it can be most effective in influencing improvements in the supply chain by working together with other industry initiatives.
- Signet Jewelers Ltd. has developed its own Signet Responsible Sourcing Protocol (“SRSP”) consistent with other industry initiatives.

Signet activity is in 4 inter-related areas

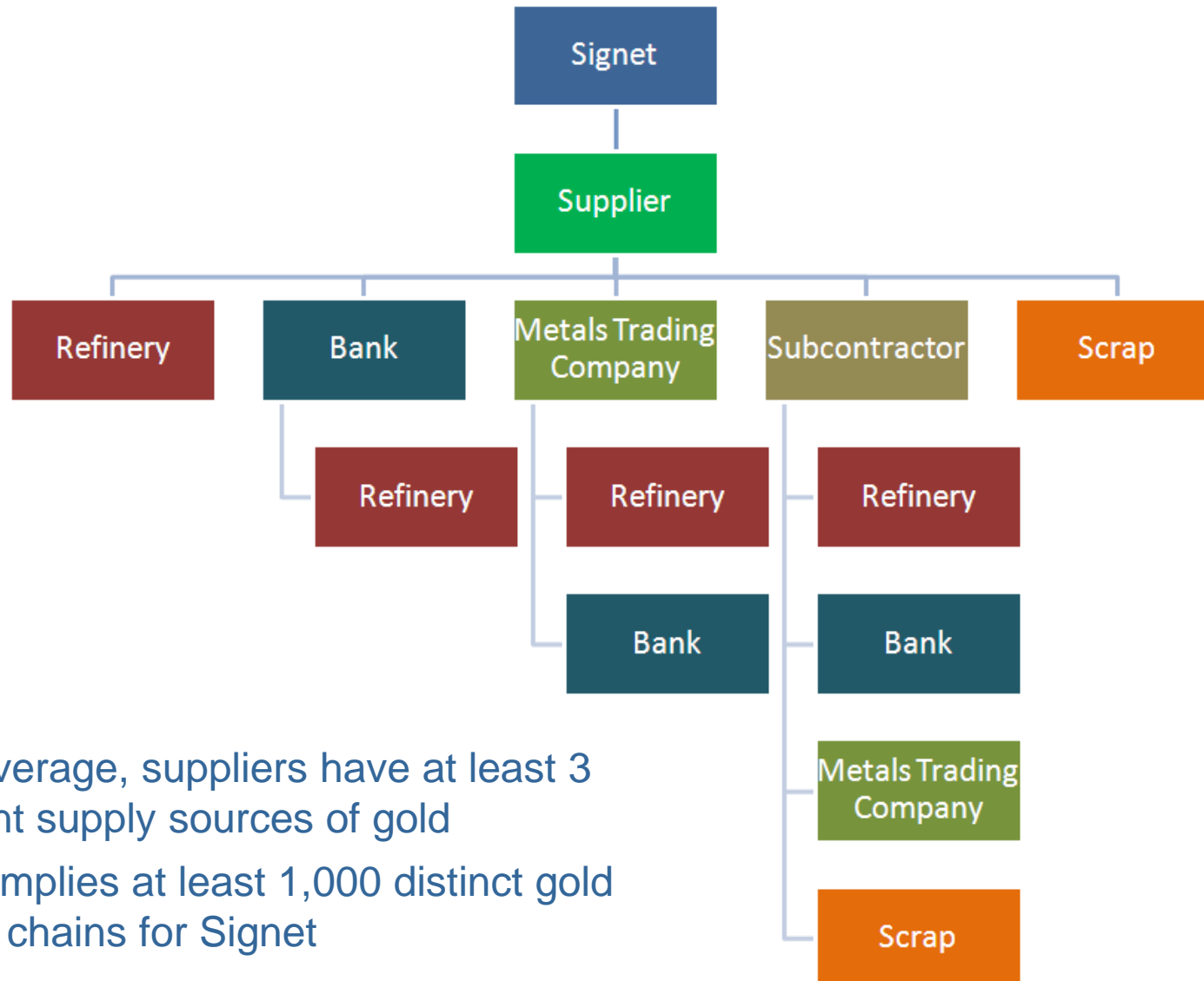


Signet's Process



- Dodd-Frank compliance is imperative for Signet legal compliance.
- Conflict-free gold is first step in a broader initiative of responsible sourcing.
- Signet has undertaken robust and detailed due diligence of its gold supply base in 2011/12.
 1. Initial questionnaire to identify scale and complexity of supply chain
 2. Online survey of 95%+ of gold supplies to identify supply sources at multiple levels (100% supplier participation)
 3. Consultative evaluation of draft Signet Responsible Sourcing Protocol (“SRSP”) for gold, with representative selection of suppliers
- SRSP is a global approach based on existing standards and guidance (esp. OECD, RJC and LBMA guidance and standards).
- SRSP will ensure compliance with Dodd-Frank Act and is company policy from 1/1/13.
- Focus is on ability to identify refinery and bank sources of gold.
- We understand compliance is a process of continuous improvement.

Signet Supply Sources (simplified)



- On average, suppliers have at least 3 different supply sources of gold
- This implies at least 1,000 distinct gold supply chains for Signet

Supplier Requirements

- Signet's suppliers will be required to validate, certify and audit supplies of gold from every source used, including subcontractors; the SRSP is intended as a guide for suppliers to enable this certification.
- Suppliers will need to pass on the same Signet Responsible Sourcing Protocol ("SRSP") requirements to all subcontractors, who will in turn need to assess this draft SRSP, ensure due diligence is undertaken on their own supply chain, and confirm a capability to certify and audit against the SRSP.
- Signet's suppliers will remain responsible and accountable for certification and external audit of supplies to Signet, based on this SRSP. Signet will not certify and audit suppliers.
- Suppliers will need to certify and audit the gold supplied to Signet, either by certification of all gold manufacture and supply, or, if this is not possible, by segregating manufacture and supply of gold to Signet from manufacture and supply of gold to other customers.
- Signet's suppliers and their supply chains must certify to existing industry guidance and standards such as OECD, LBMA, RJC, or EICC.
- Main focus is to identify the refinery/smelter source of gold.

Trade association support is important to improve awareness, confidence and to ensure compliance

- **Global** guidance and standards: OECD, LBMA, RJC, EICC, WGC
- **USA:** Jewelers of America, Jewelers' Vigilance Committee, National Retail Federation
- **India:** Gold and Jewellery Export Promotion Council, SEEPZ Gems & Jewellery Manufacturers' Association
- **Italy:** Chamber of Commerce, Vicenza Fair, Federorafi
- **Middle East:** Dubai Multi Commodities Centre
- **U.K:** British Jewellers' Association
- **China:** Shanghai Gold Exchange (tbc)

Most industry trade associations have adopted and/or recognized global guidance and standards, to protect future exports of jewelry to USA

Signet's guidance for suppliers:



- Evaluate your supply chain and understand all your sources of gold, and their responsible sourcing policies (if any).
- Start discussions with banks, manufacturers, refineries now.
- Identify areas of possible compliance with conflict minerals guidance (esp. RJC, LBMA, OECD).
- Especially: identify the ability of sources to ensure all gold is ultimately from certified refineries (via banks, metals trading companies, suppliers).
- Remember, it takes time to do this due diligence and put proper processes in place.
- Even if your customer is not US-listed, you may still need to certify your products, as your customer's customer may be listed.
- We recognize your supply chains are complicated due to your use of multiple sources for gold (e.g., refineries, banks, subcontractors, scrap).
 - However, we believe you can ensure a “conflict-free” supply chain, over time, without fundamentally altering your suppliers' businesses.



RICHLINE GROUP

A Berkshire Hathaway Company

LEADERSHIP. INTEGRITY. VISION

LEACH  GARNER®

RICHLINE BRANDS



Richline Responsible

The Richline Responsible Oath reflects our shared values and commitment to ethics, compliance and sustainability. The oath recognizes “Richline must serve the greater good by bringing together people and resources to create economic value with a world-conscious accountability”.

CODE OF BUSINESS CONDUCT AND ETHICS

A. Scope.

This Code of Business Conduct and Ethics applies to all Richline Group directors, officers and employees, as well as to directors, officers and employees of each subsidiary of Richline Group. Such directors, officers and employees are referred to herein collectively as the “Covered Parties.” Richline Group and its subsidiaries are referred to herein collectively as the “Company.” The code of conduct supports the values of the company. It is basically a set of rules and tells all our associates what the proper practices are.

B. Purpose.

The Company is proud of the values with which it conducts business. It has and will continue to uphold the highest levels of business ethics and personal integrity in all types of transactions and interactions. To this end, this Code of Business Conduct and Ethics serves to:

- (1) emphasize the Company’s commitment to ethics and compliance with the law;
- (2) set forth basic standards of ethical and legal behavior;
- (3) provide reporting mechanisms for known or suspected ethical or legal violations; and
- (4) help prevent and detect wrongdoing.

- Obey the Law



Legal
Responsibilities

- Be Ethical



Ethical and
Social
Responsibilities

- Be a Good Citizen to Our Earth



Sustainable
Responsibilities

- Be Viable and Verifiable



Economic and
Organizational
Responsibilities





Legal Compliance: Laws, Rules, Regulations

Richline Group, Inc. and its divisions have developed the **Richline Responsible Program (RRP)** in response to new regulatory and customer supply chain initiatives, aimed at bettering our manufacturing and sourcing marketplace,

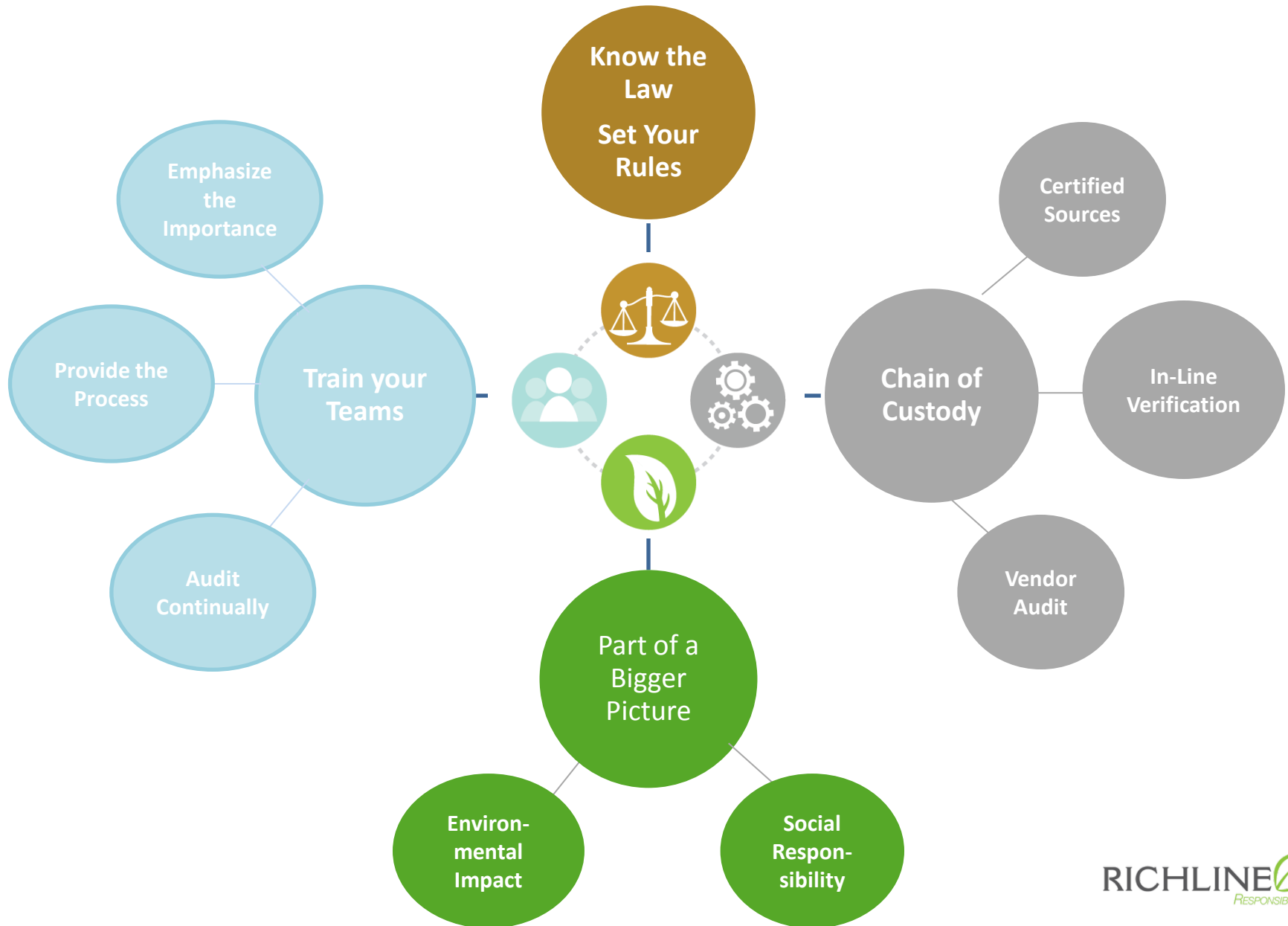
Included in this comprehensive set of operating improvements is a new vendor packet that requires enhanced documentation of compliance with socially responsible labor and environment laws as well as certified satisfaction of other Ethical Sourcing requirements.

Specifically, we now require that all Vendor Partners, as all Richline facilities, are compliant with regulatory laws that govern current labor and environmental practices plus full compliance with the following U. S. Regulations”

- Patriot Act Anti-Money Laundering Program
- Foreign Corrupt Practices Act (FCPA)
- **Dodd Frank Conflict Minerals statute #1502**
- Health and Safety Laws

Additionally, each Vendor partner will be responsible for attaining and maintaining all tenets of the Richline Responsible Program and will be audited, by third-party, independent audit, on a regular basis.

The Keys to Conflict Mineral Compliance





COMMIT TO COMPLIANCE

Part of a
Bigger
Picture

Richline Group and its strategic business units, including LeachGarner and Richline Brands are committed to taking a leadership role in working with stakeholders and industry peers to develop sustainable, practical solutions that create transparency in the supply chain and promote responsible sourcing of minerals.

We are now prepared for the supply of gold components and products fully compliant with the SEC guidelines.



EMBRACE TRACK, TRACE AND TRANSPARENT

Chain of
Custody

The Richline Responsible chain-of-custody process, with track and trace audit, is the continued basis of our sustainability and accountability efforts and programs.



ORGANIZE, MANAGE, MEASURE, AUDIT

Provide
the
Process

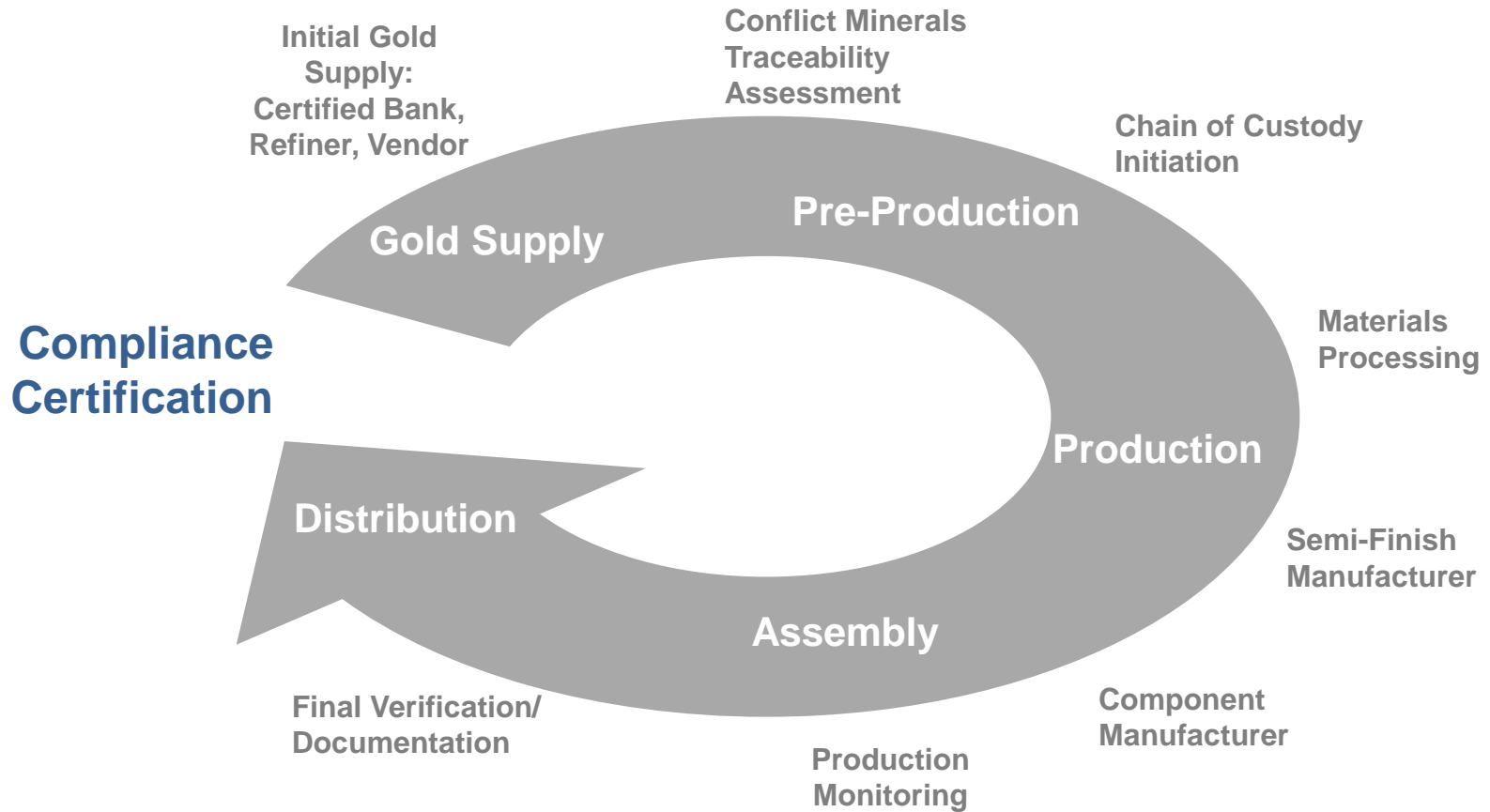
Top management, of the SEC listed Berkshire Hathaway Company, mandates management execution of full, detailed and audited procedures.



MINE TO MARKET

END-TO-END RESPONSIBILITY

Sourcing • Custody • Compliance





Statement of Compliance

In support of our responsible sourcing policy, LeachGarner will:

Only accept gold from refiners on the LBMA good delivery list, EICC/GeSI conflict-free compliant smelter list, **certified members of the Responsible Jewellery Council** or refiners which certify and independently audit that all gold supplies are conflict free, in accordance with one of the following standards: **RJC chain of custody standard**, OECD Responsible Supply Chain of Minerals from Conflict-Affected and High Risk Areas Supplement or the World Gold Council Conflict-Free Standard.

Only accept gold from Banks which certify and independently audit that all gold is supplied from Refineries which adhere to the refinery compliance requirements listed above.

Only accept gold from Precious Metals Trading Companies which certify and independently audit that all gold from Refineries and / or Banks which adhere to the Refinery & Bank compliance requirements listed above.

Only accept scrap and / or recycled gold from customers or suppliers which certify and independently audit that all scrap and recycled gold is identifiable as its own production and supply, i.e. scrap gold is returned product from customers, faulty inventory or scrap generated during the production process.



Train your
Teams

Richline Responsible Mandated Training

Online :Conflict Minerals Compliance Course Summary

This course covers the fundamentals of the Conflict Minerals Rule.

The course is an important training tool for any Richline entity or related company that utilizes conflict minerals — or metals derived from them — in its products or any part of its supply chain.

The course includes pop quizzes, news clippings and a final quiz highlighting real-world compliance issues that employees, vendors and stakeholders must learn to recognize and respond to appropriately.

The topics covered in this course include:

- Overview of the Conflict Minerals Rule
- Compliance process
- Does the Rule apply?
- Conducting a "reasonable country of origin inquiry" (RCOI)
- Due diligence
- Conflict Minerals Report
- Costs of non-compliance

SUGGESTED READING



MJSA Guide to the Dodd-Frank Conflict Minerals Rule

By Peggy Jo Donahue

Introduction

When the Dodd-Frank Wall Street Reform and Consumer Protection Act was voted into law in the summer of 2010, very few people in the jewelry industry expected the new law to have anything to do with the raw materials they source.

But near the end of the Act, in Section 1502 of the massive bill, was a provision regulating the trade in four minerals, implicated in fueling a horrific war in the Democratic Republic of Congo (DRC) that has killed more than five million people and has involved a brutal campaign of rape against women and girls. The metals included tantalum (extracted from columbite-tantalite ore), tin (produced from cassiterite ore), tungsten (produced from wolframite ore), and gold.

The new law required publicly traded companies that use the four minerals to track down their origins through the supply chain and disclose whether they are fueling conflict in the DRC and other adjoining countries covered by the law (Angola, Burundi, Central African Republic, the Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia). The amendment's compliance rule was to be created by the Securities and Exchange Commission (SEC), which would collect reports from the publicly traded companies the agency monitors.

After two years in development, with input from many in the private sector (including MJSA and other industry groups), the SEC released its Conflict Minerals Rule in August 2012. For a full copy of the 365-page document, go to www.sec.gov/rules/final/2012/34-67716.pdf.

Who Must Comply

- If your company IS publicly traded, it must comply with the SEC rule implementing the conflict minerals provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502.
- If your company is NOT publicly traded, it is not required to comply with the SEC rule, although you may still voluntarily choose to follow some of its guidelines.
- If your company is NOT publicly traded, but it does contract work for a publicly traded company that "has actual influence" over the manufacture of the product (see below), the

THE ESSENTIAL GUIDE TO CONFLICT MINERALS AND THE DODD FRANK ACT



IV. PRACTICAL STEPS FOR SUPPLIERS: MEETING CONFLICT FREE STANDARDS

This section is designed to help suppliers by recommending practical steps they can take to answer the questions posed above and to provide required assurances, enabling them to continue current business relationships

and enter new ones. As noted earlier, the steps will depend greatly on the inquiries of the particular SEC-listed company. The four examples at the end of this section will illustrate the range of what might be required. Here are some suggested steps to help a supplier meet conflict free standards:

Communicate with your customers to find out what they require regarding conflict minerals. Then, communicate these requirements to your suppliers.

VII. GLOSSARY

3Ts The shorthand used for "tin, tungsten and tantalum," three of the four conflict minerals designated by *Dodd Frank*. The fourth conflict mineral is gold.

Conflict Free Products are considered by *Dodd Frank* to be "DRC conflict free" if they do not contain minerals that directly or indirectly finance or benefit armed groups in the covered countries.

"Conflict Free" Smelter A designation offered by EEIC-GeSI indicating that a smelter or refiner is compliant with the organization's supply chain due diligence standards. EEIC-GeSI maintains a list of conflict free smelters and refiners.

V. CONCLUSION

This Essential Guide serves as a summary of the impact of *Dodd Frank* on the supply chain for gold, tungsten and tin in the jewelry industry. It additionally suggests the steps that may be needed to supply an SEC-listed company, or a company in the indirect supply chain of an SEC-listed company. You may have to add certain procedures to your business practices in order to continue to do business with these companies. It is important that you frequently communicate with your business partners to understand the requirements of the companies you supply in order to tailor your practices to their needs.



Industry Leadership and Certifications:

Certified Members Responsible Jewelry Council



Members of Jewelers Vigilance Committee



Members of Manufactures Jewelers Silversmith Association



Supporters of International Precious Metals Institute



Collaboration with UL for audit and verification of compliance and process'



ISO14001:2004 Environmental Management Certificate

**Thank You
for Your Consideration**



RESPONSIBLE GOLD SOURCING



RANDPURE



OROAFRICA



absolute™

COMPANY BACKGROUND

Since 1945

Principles of leadership, innovation and responsibility

RJC membership

Gold supply due-diligence

Chain of custody

Conflict free sourcing



AFRICA

Accounts for 50% of the world's gold reserve

Social conscience ideology

Transparent and accountable

Key challenges

PARTNERSHIP

Unique certified responsible gold initiative
Rand Refinery world's largest refinery
LBMA referee



RESPONSIBLE LEADERSHIP

“You cannot escape the responsibility of tomorrow, by evading it today.”

ABRAHAM LINCOLN

THE BIRTH OF AN ETHICAL LUXURY JEWELRY BRAND

Guarantees provenance and absolute
Chain of Custody from **Ore to Store**

Ethical ingredient- RandPure™ certified virgin African gold

Quick Response Code verifies traceability and origin

Tamper-evident packaging





CERTIFIED	 RANDPURE	Vm <small>VERIFIED MINER</small>	Cf <small>CONFLICT FREE</small>	
		PI <small>PROCESSED IN</small>	Qc <small>QUALITY CONTROLLED</small>	

Rand Refinery (Pty) Ltd confirms that batch

AGG2011-2 processed on **2011/11/28**

meets the following criteria:

1. **NEWLY MINED ONLY**
 The gold content in this batch was produced from newly mined gold (ore) and not from secondary gold

2. **CONFLICT FREE**
 The gold content in this batch was produced from ore with warranties confirming conformance to prevailing conflict zone regulations and guidance from the World Gold Council (WGC) and the London Bullion Market Association (LBMA) which, in turn, adhere to due diligence guidelines by the Organisation for Economic Co-operation and Development (OECD)

3. **SEGREGATED PRODUCTION LINE**
 The production line for the gold content in this batch was completely segregated from other ore / recycle streams / secondary gold that do not have the appropriate warranties - at all stages of the refining process

Country of Origin:

Burkina Faso , Mali , South Africa , Zimbabwe

Independently certified by: Date: **2012-08-23**

Rand Refinery (Pty) Ltd, Refinery Road, Industree West, Germiston, 1401, South Africa P.O. Box 565, Germiston, 1400, South Africa. Tel: +27 (0) 11 418 9000 Fax: +27 (0) 11 418 9031 www.randrefinery.com Email: gms@rand.co.za			
 <small>ISO 9001:2008</small>	 <small>ISO 14001:2004</small>	 <small>OHSAS 18001:2007</small>	Directors: Adv. R. Rametshe (Chairman), Prof. Mervin (Deputy Chairman), Mr. Greg (Chief Executive), Dr. Peter O. Bhebe, Dr. David P. Mphahlele, Dr. Ntshengile Mphahlele, Mr. Mphahlele, Mr. Mphahlele Company Secretary: S. Ndlovu South Africa, Republic of Ireland

 INSPECTORATE	Rand Refinery (Pty) Ltd certification for production line segregation is supported by Inspectorate as regular auditors of the production process only. The application of the Inspectorate logo does not confirm nor imply that the production process of each and every batch has been audited by Inspectorate.
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Ec EXCEPTIONAL CRAFTSMANSHIP	Af ABSOLUTE FINENESS	Cf CONFLICT FREE	Tv TRACEABLE VIRGIN GOLD	Cd CONTRIBUTES TO DEVELOPMENT	 RANDPURE™
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absolute™
ETHICALLY MINED. PURELY REFINED.



www.absoluteluxury.co.za

周大福
CHOW TAI FOOK

FINENESS:
WEIGHT:
SIZE:
WIDTH:
Au BATCH:
SERIAL #:

PEOPLE PLANET PROFIT

We acknowledge industry efforts but we face a challenging road ahead

Minimum compliance levels

How responsible is responsible?

Full traceability and absolute Chain of Custody from **Ore to Store**

Conflict-free gold from certified newly-mined gold doré with traceable virgin metal of known provenance which contains no secondary, untraceable sources-scrap or recycled gold

Socio economic development and conservation in Africa



PEOPLE PLANET PROFIT

Contribution to HIV/Aids development,
health programs, child feeding schemes,
education assistance, anti-malaria initiatives, skills development
and infrastructure/improving sanitation



PEOPLE PLANET PROFIT



PEOPLE PLANET PROFIT

Recycled and scrap gold loop-hole

Key challenge for supply chain is to make a real difference



“We are
all connected
and what we do affects
the world.”

NELSON MANDELA

Responsibly yours,
Madrie Scott





Metalor USA Refining Corporation

Responsible Jewellery Council Chain of Custody



RJC CoC Certification:

- The Entity prepares for and requests a Certification Audit from an RJC Accredited Auditor.
- During the Certification Audit, the Auditor verifies the Entity has systems in place that conform to the CoC Standard to source CoC Materials and/or supply them to other participants in the Jewellery supply chain.
- Based on the Auditor's Audit Report, the RJC can grant CoC Certification to the Entity, authorizing it to begin issuing CoC Transfer Documents for CoC Materials.
- Within 12-18 months, the Auditor conducts a Surveillance Audit of the CoC Certified Entity to verify that systems, including the issuing of CoC Transfer Documents are working effectively. Any minor non-conformances found during the Certification Audit must be addressed prior to the Surveillance Audit.
- After the Certification Period of 3 years, a Certification Audit would be required to renew CoC Certification, followed by a Surveillance Audit within 12-18 months



Do your homework before the audit

- We downloaded and reviewed all 6 of the RJC Chain-of-Custody certification documents
 - Out of the 6, we found the RJC CoC Tool Kit very useful:
 - ↳ It easy to use
 - ↳ Contains instructions for both the entity and the auditors
 - ↳ Provides a glossary of terms
 - ↳ Provides a self assessment worksheet
 - ↳ There are also other forms in the toolkit you will need, but these are ones we found most useful
- In addition we also used the RJC's pre-recorded Web-Based training seminars and are available on line at any time.

Doing your homework will help you build a solid plan and map-out the actions you will need to achieve certification



Build a Team

- We assembled a “Certification Team” consisting of people who's skill sets contributed key components within the standard.
 - Quality Management
 - ES & S Management
 - AML Management
 - Human Resources
 - IT Management
 - Manufacturing
 - Metal Control
 - Commercial
 - Finance



Next we reviewed existing:

- **SOP's**
- **The Employee handbook**
- **Manufacturing routings and capabilities**
- **IT systems**
- **Commercial policies**
- **AML policies**
- **Filing methods and controls**

We found all the above with the exception of Commercial Policies required some changes and that 18 new SOP's were necessary to comply with the standard.

Keys to Achieving CoC Certification

Have a comprehensive AML – Due Diligence Program



One file One Customer



Keys to Achieving CoC Certification

- **Do your homework**
- **Before the CoC audit make your own audit**
- **Have strong, clear work instructions ... details are important**
- **Ensure your systems can track “Eligible Material” from the source, though transport, manufacturing and so on**
- **Work with the Auditors, do not treat them as adversary. Auditors use the CoC standard to gauge if entity is in compliance. If the entity is not in compliance, do not fault the auditing team**



Responsible Jewellery Council

Metalor USA Refining first refiner in the world to receive RJC Chain of Custody Certification

Certified Entry	Certification Number
Metalor USA Refining Corporation	C0000 0001
Metalor Technologies SA	C0000 0002
Metalor Technologies (Hong Kong) Ltd	C0000 0003

Responsible Jewellery Council ... Chain of Custody



METALOR[®]

Are there any questions?



**Responsible
Jewellery
Council**

METALOR[®]

50 g
999.9
FINE GOLD

Conflict Free Gold – Certifying Kennecott Gold Bars

Vania Grandi, VP Marketing

June 1, 2013



Conflict Minerals - Context



OECD Voluntary - Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

"Dodd-Frank Wall Street Reform and Consumer Protection Act"

Section 1502: Mandates Disclosure and Due Diligence Requirements

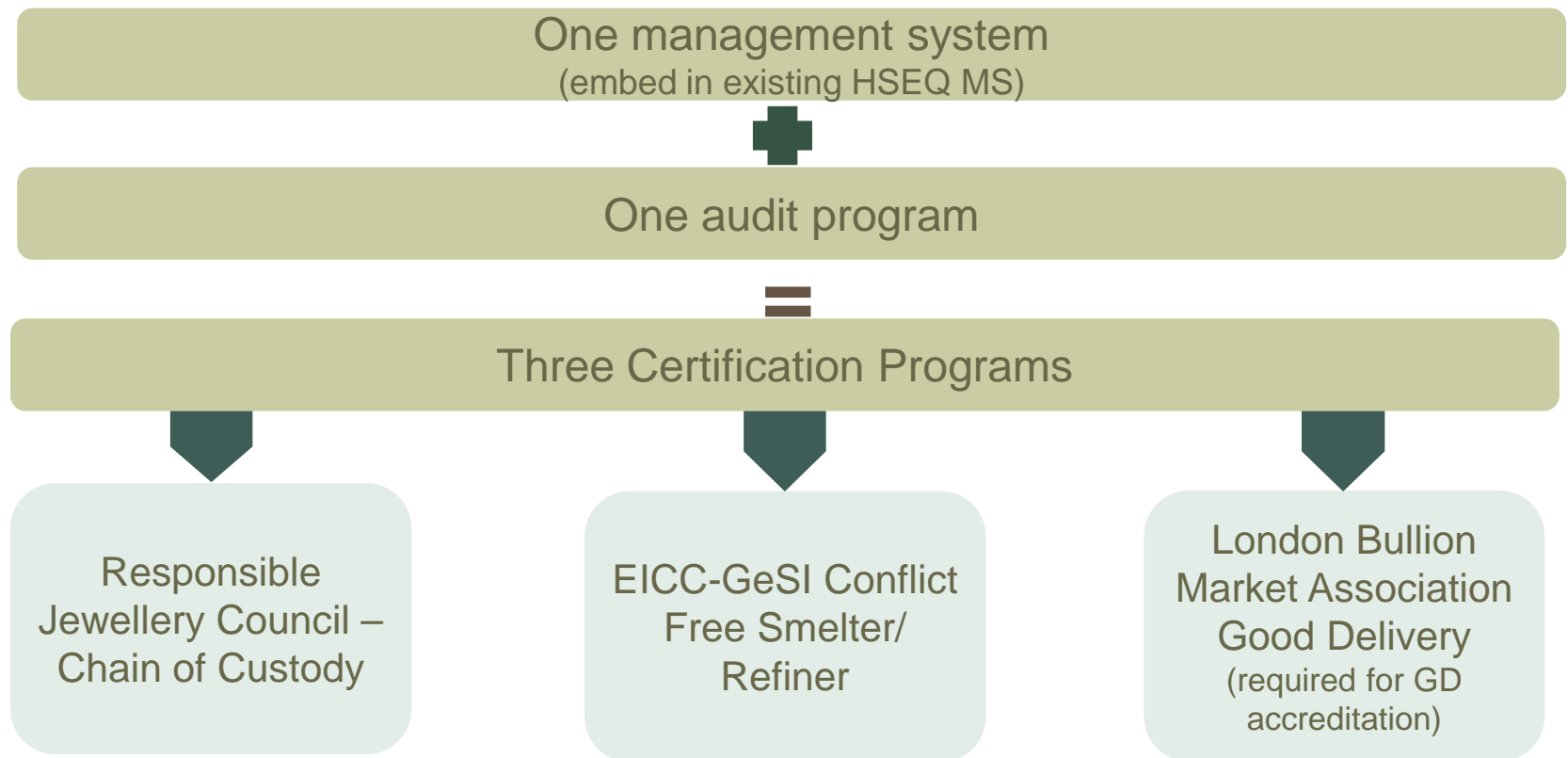
Supply chain due diligence & disclosure

Certification and assurance programs

RioTinto

Proposal

Certify Kennecott Utah Copper gold as conflict free



Why these certifications

Capitalize on Kennecott's reputation as conflict free, responsible producer with a fully integrated mine-to-metal operation

RJC Chain of Custody

- Most comprehensive – EICC-GeSI and LBMA will recognize
- Enhances Rio Tinto and Kennecott's RJC Responsible Mining Certification

EICC-GeSI

- Intel has pledged to be conflict free and has expressed strong interest for Kennecott to receive conflict free certification because Kennecott's gold has appeared in Intel's supply chain (e.g., Technic, an Intel supplier, called to ask if we were on EICC list)
- Many businesses are looking to the EICC-GeSI conflict free smelter/refiner lists as a basis for their due diligence

LBMA Responsible Gold

- LBMA Good Delivery List widely recognized as the de facto standard for the quality of gold and silver bars – LBMA Good Delivery Accreditation requires certification against Responsible Gold standard

RioTinto

Business case

Market access

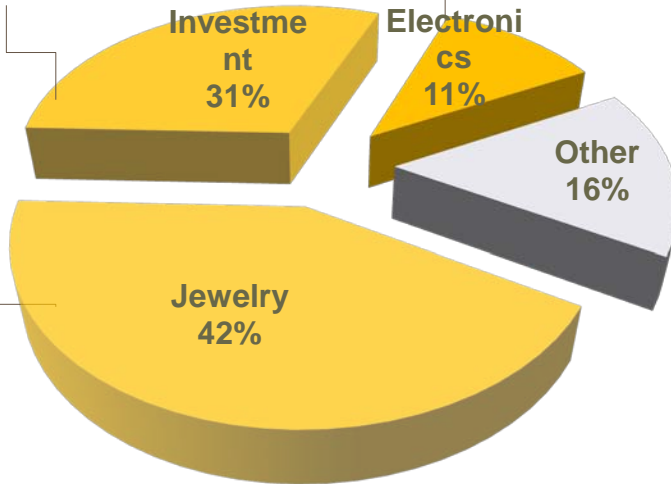
Reputation

Management and
compliance systems

LBMA Good Delivery

EICC-GeSI

RJC Chain of Custody



- 90% of gold refining capacity is anticipated to be certified by 12/31/2013
- Reaffirms our commitment to sustainable development
- Simplifies Rio Tinto's SEC Dodd Frank §1502 reporting obligations
- Formalizes existing marketing procedures and processes for gold chain of custody and sales
- Highlights gaps in SOP from operations and maintains oversight to keep them up to date



Resource
Development



License to
Operate



Operational
Excellence



People &
Culture

RioTinto

*Comments and Questions
are welcome*