



RJC INDUSTRY BRIEFING
JCK Las Vegas
2 June, 2012



Introducing: Dave Bonaparte,
Senior Vice President JCK



Moderator: Yedwa Simelane,
Senior Vice President, Corporate Affairs
AngloGold Ashanti Limited



Fiona Solomon, Director,
Standards Development
Responsible Jewellery Council



Mike Kleczka,
Manager, Marketing and Sales,
Precious Metals and Nickel,
Kennecott Utah Copper



Larry Drummond,
President and Area Vice
President Americas,
Metalor Technologies USA
Corporation



David Bouffard,
Vice President
Public Relations,
Signet Jewelers
Corporation



Do you know where your gold comes from?

**RJC Chain of Custody Certification:
providing support for supply chain due diligence**

JCK Las Vegas, Saturday June 2, 2012

Fiona Solomon

Director – Standards Development, Responsible Jewellery Council (RJC)

Where does your gold comes from?

Do you have conflict minerals in your supply chain?

Are you following the OECD Due Diligence Guidance?

How are we affected by the US Dodd Frank Act?

Is this gold from the DRC or adjoining countries?

Why are these questions being asked?

Mix of national regulation and intergovernmental initiatives.

Driver: Informal / illegal mining of gold, tin, tungsten and tantalum (“the 3T’s”) has been financing conflict in the Democratic Republic of Congo.

Objectives:

To promote supply chain due diligence by the private sector.

To ultimately eliminate conflict and serious human rights abuses in supply chains of these metals.



Other supply chain issues

- Large-scale mining practices
 - Tailings management
 - Biodiversity
 - Communities and Indigenous peoples
 - Mine closure
- Worker conditions in jewellery pipeline
 - Artisanal mining (outside of conflict)
 - Manufacturing



What is supply chain due diligence for conflict?

- OECD Guidance 5 steps:
 - Step 1 – Strong Management Systems
 - Step 2 – Assess Sources for Risk;
If 'Red Flags', Added Due Diligence
 - Step 3 – Respond and Mitigate Risk
 - Step 4 – Audit Due Diligence
 - Step 5 – Report to Public

- Dodd Frank Section 1502: 'Reasonable inquiry' into country of origin of gold

- Both involve knowing your suppliers & potentially their suppliers



Key: knowing your gold refiner/s

- Refiners are seen as a ‘choke point’ in the supply chain: connect upstream mining with downstream users of gold
- Leading refiners are undergoing 3rd party audits to demonstrate their due diligence practices.
- **Q: Where does your gold come from?**
 - Find out the refiner/s in your supply chain
 - Understand their approach to due diligence



Responsible Jewellery Council (RJC)

Uniquely covers **all** parts of the jewellery supply chain: miners, refiners, traders, cutters and polishers, manufacturers, wholesalers, retailers.

Membership:

- 370+ Members

Auditor Accreditation:

- 230+ RJC Accredited Auditors across 8 firms

Certification:

- 170+ Certified Members – growing daily



RJC Standards

RJC Code of Practices

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



Chain-of-Custody Standard

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





RJC Chain-of-Custody Certification

- Applicable to gold and platinum group metals (platinum, palladium, rhodium). Diamonds under further review.
- Requires independent, third party auditing to achieve Certification against CoC Standard.
- Supports responsible, conflict-sensitive sourcing in supply chains.
 - RJC Code of Practices (or similar) advances responsible business practices for all supply chain participants.
 - Gold refiners must apply conflict-sensitive sourcing for all sources of gold.
 - CoC gold must be conflict-free – due diligence by miners, verification by refiners, chain-of-custody through supply chain.

First CoC Certification announced April 30



Metalor USA Refining Corporation Metalor Technologies SA

- First RJC CoC Certified entities – USA and Switzerland
- First published gold refiner audits in line with OECD Due Diligence Guidance

CoC Certification means:

- Audit of refiner's due diligence practices for all sources
- Appropriate systems to screen and segregate CoC Material
 - In this case, Recycled Gold and Grandfathered Gold (existing stocks produced before January 1, 2012)

Initiatives in the gold supply chain



	LBMA	RJC	WGC	EICC
Applies to	Refiners	All supply chain	Mining companies	Refiners
Focus	OECD Due diligence, KYC and AML	Code of Practices; OECD Due Diligence	Conflict-free; OECD Due Diligence	Country of origin; Dodd Frank Act
Audit outcome	Good Delivery Accreditation	CoC Certification	3 rd party assurance of due diligence	Validated Smelter/ Refiner list
Harmonisation	Opportunity for harmonisation with RJC and EICC	RJC CoC will recognise LBMA and EICC re conflict-sensitive sourcing. WGC supports mined gold due diligence for CoC.	Supports refiner due diligence for mined gold under LBMA, RJC, EICC	Opportunity for harmonisation with LBMA and RJC

Challenges for Artisanal and Small-Scale Mining (ASM)

- Concerns that increased focus on supply chain due diligence to identify risks of conflict will impact ASM
- ASM are often the target of armed groups: situation is amplified by informality
- Formalisation of ASM is key and the main challenge
- Traceability / chain-of-custody is an instrument for formalisation
- Formalisation also requires enabling legal frameworks at country/region level
- OECD Supplement on Gold (Appendix 1) calls for multi-stakeholder efforts to support legitimate ASM

RJC CoC Standard and Artisanal and Small Scale Mining (ASM)

- Scope for the RJC to formally recognise comparable mining standards. Currently working with ARM and Fairtrade re the Fairtrade-Fairmined Gold Standard.
- Scope to source from legitimate ASM operating on the mining concessions of CoC Certified Entities
 - Incentives for professionalisation and formalisation of ASM.

In 2011, RJC signed MOU's with the Alliance for Responsible Mining (Fairtrade/Fairmined Gold) and Diamond Development Initiative to collaborate on standards and policy work.

RJC Chain-of-Custody – Summary

- CoC for precious metals launched in March 2012.
- Voluntary and designed to support due diligence and chain-of-custody efforts in the jewellery supply chain.
- Controls for conflict-sensitive sourcing AND for responsible business practices in the supply chain.
- Supports chain-of-custody for mined, recycled and 'grandfathered' and/or a mix for gold and platinum group metals.
- CoC Certification for Refiners provides independent audit of their due diligence practices.
- Strong focus on harmonisation with relevant standards and initiatives.
- Involved in range of multi-stakeholder projects, and RJC provides platform for support to wider jewellery supply chain.

For the watch and jewellery supply chain ...

Q: Where does your gold come from?

- Find out the refiner/s in your supply chain
- Understand their approach to due diligence
- Determine your requirements as a customer – assurance of practices, types of sources etc

In 2012, leading refiners will be undergoing 3rd party audits to demonstrate their due diligence practices.

- RJC Chain-of-Custody Certification
- LBMA Good Delivery – Responsible Gold Guidance
- EICC Conflict-Free Refiner program



Contacts – RJC Management Team

Michael Rae ,Chief Executive Officer

Email: michael.rae@responsiblejewellery.com

Catherine Sproule, Chief Operations Officer

Email: catherine.sproule@responsiblejewellery.com

Fiona Solomon, Standards Development Director

Email: fiona.solomon@responsiblejewellery.com

Mila Bonini, Communications Manager

Email: mila.bonini@responsiblejewellery.com

Anna Leach, Administrative Manager

Email: anna.leach@responsiblejewellery.com

Helen D'Ambrosio, Administration Coordinator

Email: helen.dambrosio@responsiblejewellery.com

Marieke van der Mijn, Standards Coordinator

Email: marieke.vandermijn@responsiblejewellery.com

Chinelo Etiaba, Membership Coordinator

Email: chinelo.etiaba@responsiblejewellery.com

Responsible Jewellery Council
First Floor
Dudley House
34-38 Southampton Street
London
UK WC2E 7HF

General Enquiries:

info@responsiblejewellery.com

Tel: +44 (0)20 7836 6376

- Section 1502 requires persons to disclose annually whether any conflict minerals that are necessary to the functionality or production of a product of the person, as defined in the provision, originated in the Democratic Republic of the Congo or an adjoining country and, if so, to provide a report describing, among other matters, the measures taken to exercise due diligence on the source and chain of custody of those minerals, which must include an independent private sector audit of the report that is certified by the person filing the report. Certain aspects of this rulemaking will require consultation with other federal agencies, including the State Department, the Government Accountability Office, and the Commerce Department. Persons are not required to comply with these rules until their first full fiscal year after the date on which the Commission issues its final rules.

Rio Tinto

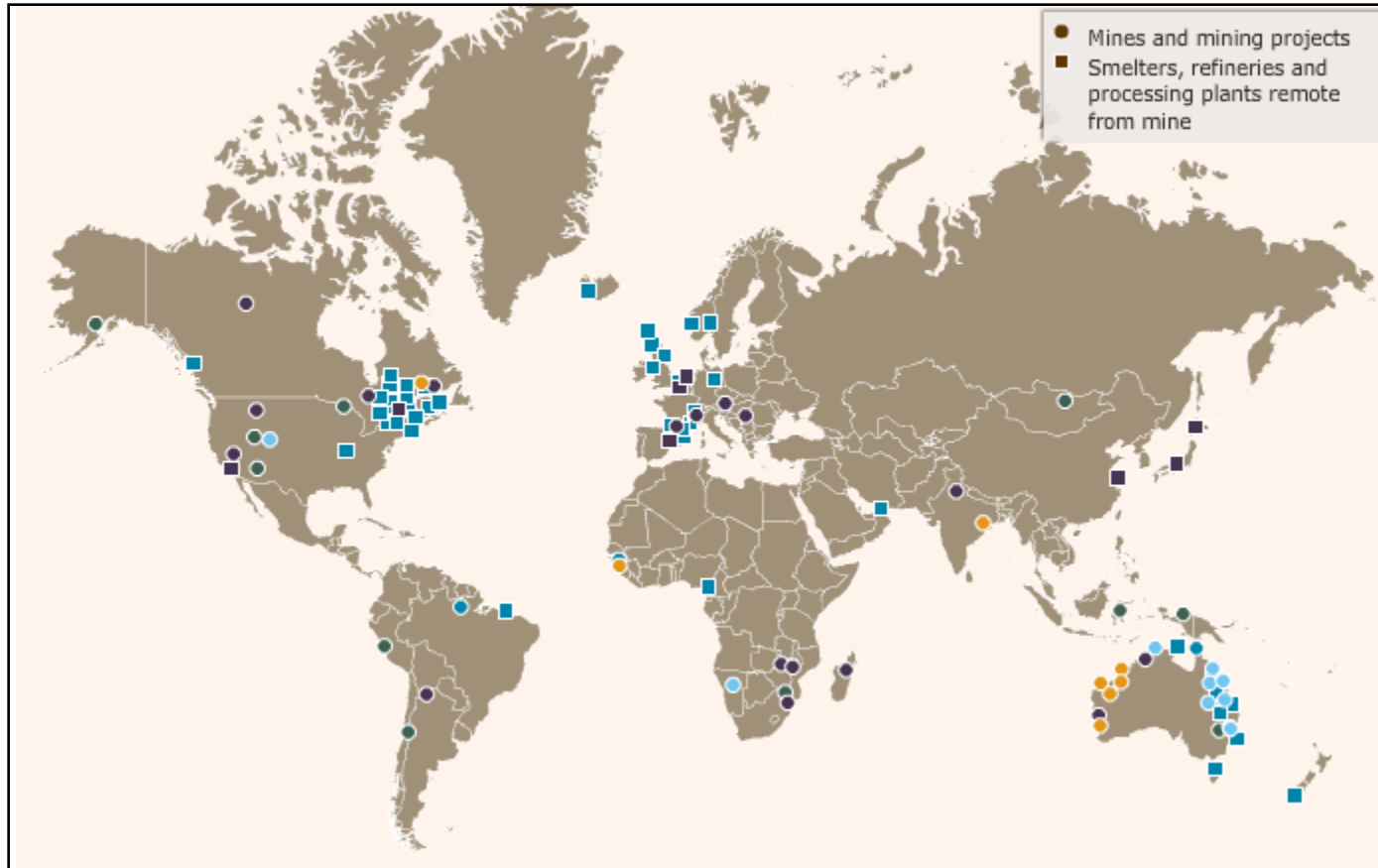
Kennecott Utah Copper RJC Industry Briefing: JCK

June 2, 2012

Presented by:
Mike Kleczka



Rio Tinto: We are part of something bigger



65,000 Employees, 50 Countries and 6 Continents

Group overview

Rio Tinto is organized into five principal product groups:



Iron Ore



Diamonds and Minerals



Energy



Aluminium



Copper

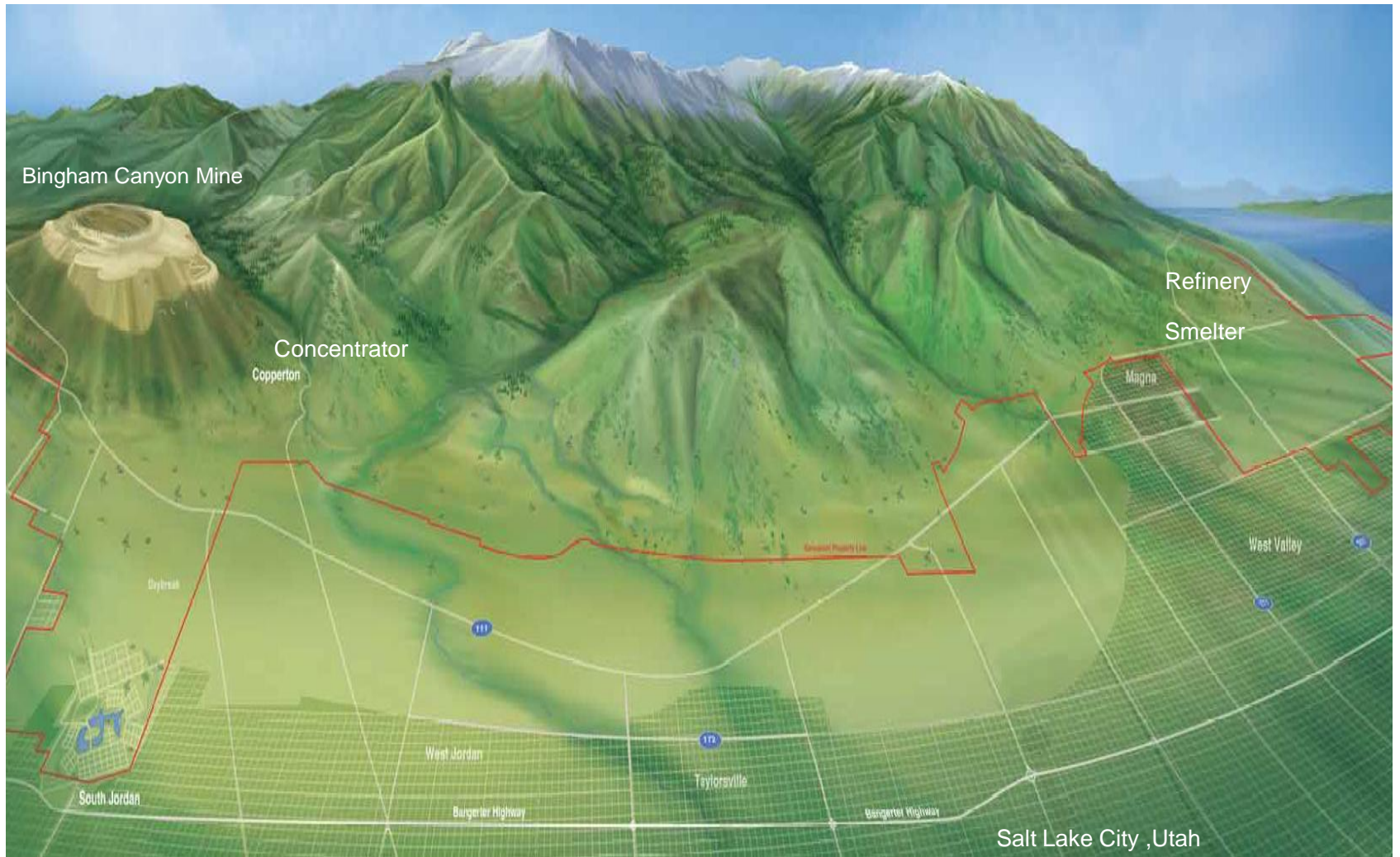
We're helping to produce the London 2012 medals

- Rio Tinto will exclusively provide the metal to produce the 4,700 gold, silver and bronze medals at the London 2012 Olympic and Paralympic Games.
- We support London 2012's commitment to delivering the most sustainable games ever. It aligns with Rio Tinto's commitment to sustainable development wherever we operate. We have rigorous standards for air quality, ecosystems, biodiversity, climate change, the use of energy, land and water and waste disposal. Before we even open a mine we plan for its closure and how to restore the land

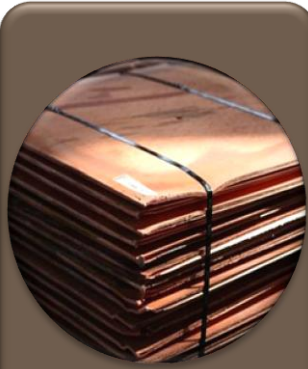
Kennecott Utah Copper



Kennecott Utah Copper



In 2011, Kennecott Utah Copper produced approximately:



215,000 tons
of copper



379,000
ounces of
gold



3.2 million
ounces silver



14 million
pounds of
molybdenum



797,000 tons
of sulfuric
acid



Sustainable Development

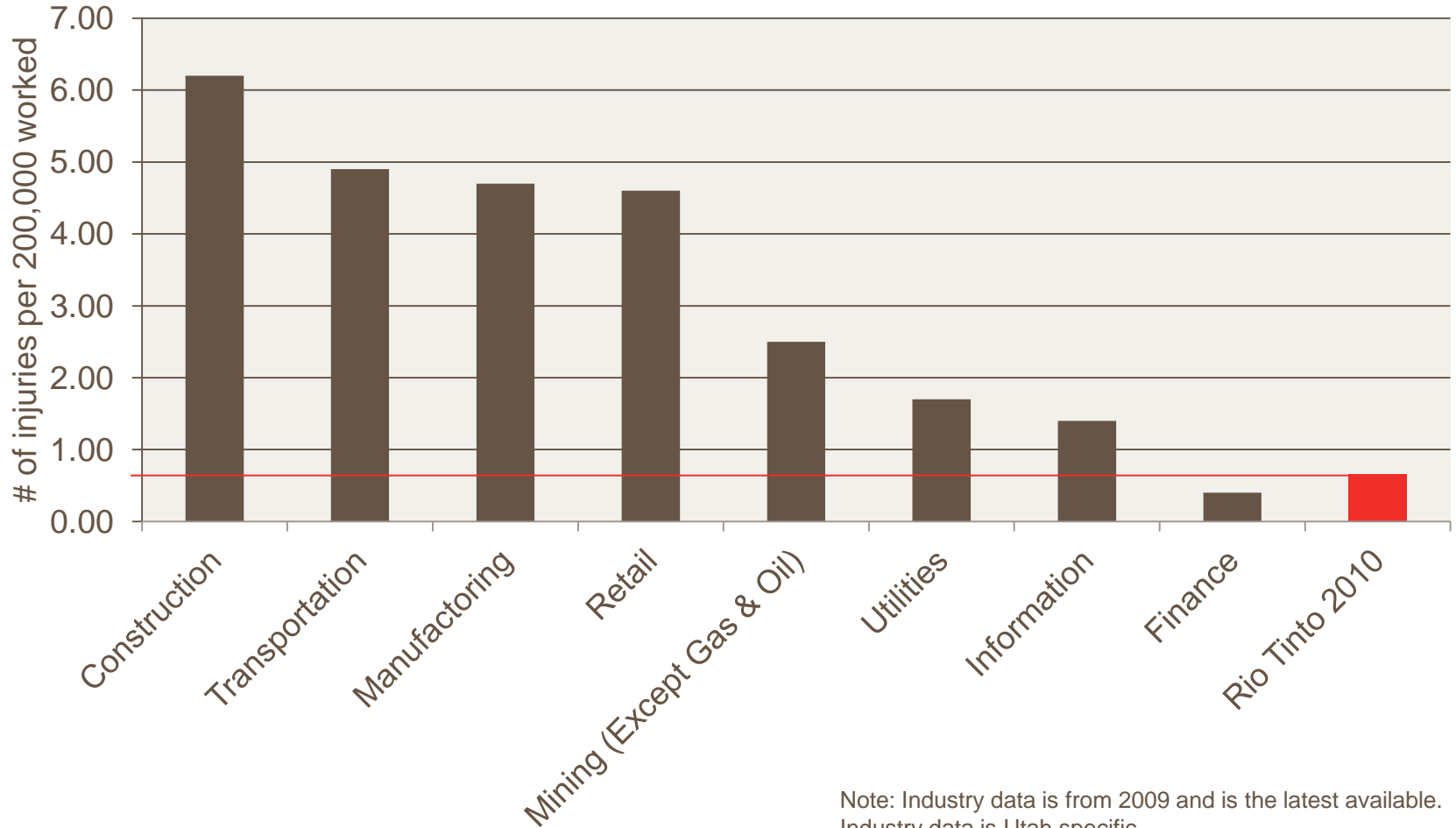
Kennecott Utah Copper Sustainable Development Framework

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”



Health and Safety

Rio Tinto all injury frequency rate compared to other industries



Note: Industry data is from 2009 and is the latest available. Industry data is Utah specific.

Chain of Custody: Opportunities

- Kennecott is Unique
 - Vertical Integration
 - Complete Control
 - Limited exposure

Chain of Custody: Challenges

- Multiple Initiatives:

RJC-WGC-OECD-EICC- LBMA-???

- Complex Constituencies: What do our customers need/want?
- Local vs. Global: “How does what we do here effect what we do there?”
- Resource Allocation: “How many Audits?”
- Corporate Focus: “Why are we doing this?”

Our Approach

- Consensus: Multi-level engagement
- Co-ordinate:
- Participate: EICC Pilot Audit
- Validate and Advise

Responsible Refining

Larry Drummond, President
Metalor USA Refining
2 June 2012
JCK Las Vegas
RJC Industry Briefing

1) Do you know where your gold comes from?

-
- 1) Do you know where your gold comes from?
 - 2) Does your gold come from a certified, socially-responsible source?**

-
- 1) Do you know where your gold comes from?
 - 2) Does your gold come from a certified, socially-responsible source?
 - 3) Does your gold come certified to the rigid RJC Chain of Custody Standard?**

As a responsible manufacturer
and/or marketer of jewelry,
is your gold sourced from a
responsible source?



METALOR®

WHY?

Gold That We Want



Photo: Responsible Jewellery Council

Gold That We May Get?

- Armed Conflict
- Human Rights Violations
- Terrible Working Conditions
- Environmental Issues



- Photo: Sasha Lezhnev, Enough Project

Need for Due Diligence of Sources

- Conflict Gold – Dodd Frank Act
- Anti-Slavery/Human Trafficking Laws
- Industry Need for CSR Gold: RJC
- Customer Demand for CSR Gold
- Metalor Business Ethics

Conflict Financed by Gold

- Army Controls Gold, Continues Abuse



Photos: Sasha Lezhnev, Enough Project

U.S. Dodd Frank Act

- Section 1502 – Conflict Minerals
- Requires Disclosure of:
 - Products Containing Gold
 - Sources of that Gold
 - Sources of Gold in DRC Countries
 - Unknown Sources of Gold

Child Labor in Gold Mining

- **18 Countries**
 - (US Dept of Labor)
- **1 million children**
 - (UN, Int'l Labor Org)
- **More Notorious**
 - WSJ Marketwatch
 - NBC News



Photo: ILO

Responsible Refining™

- Metalor Supply Chain Corporate Social Responsibility.
- RJC Member Certification
- RJC CoC Certificate

Metalor Supply Chain CSR

- CSR Policy and Procedures
- Compliance Officer, Staff, Committee
- Research and Evaluate All Suppliers
- Monitor Transactions
- Train Employees
- Refuse to Deal with Illegitimate Gold

RJC Member Certification

- Code of Practices: Requires Full CSR
 - Business Ethics
 - Human Rights
 - Environmental Performance
- Verification by Accredited Auditors

RJC CoC Certification

- RJC Members' Supply Chains
 - Responsible, Full CSR Gold
 - Conflict Free
 - Segregated to Buyers
- Metalor USA Certified – May 2012

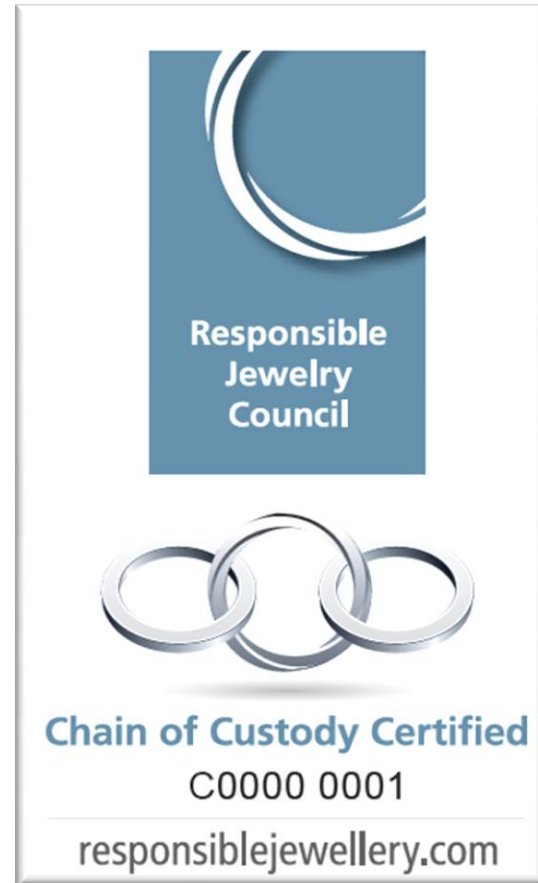
RJC CoC Certification

- Requires Accredited Auditor to Perform Verification Audit
 - Only Eligible RJC CoC Gold
 - Strict Batch/Process Segregation
 - Rigid Process Analysis

Metalor RJC CoC Certification

- Metalor USA: Eligible CoC Gold is:
 - Only Recyclable Gold
 - Collected Only From U.S., Canada
 - Unmixed with Any Mined Gold
- Assured Fully Socially Responsible
- Assured Conflict Free

Metalor RJC CoC Certification



Metalor RJC CoC Gold Products

- LBMA Good Delivery Gold Bars
- Grain
- Surface Coating Chemistry



Conclusions

- Gold Must Have Supply Chain CSR
 - Laws and Ethics Require It
- Metalor CSR Due Diligence Is Your CSR Due Diligence
- Metalor Due Diligence and CoC Gold are RJC Certified



For further questions:
larry.drummond@metalor.com

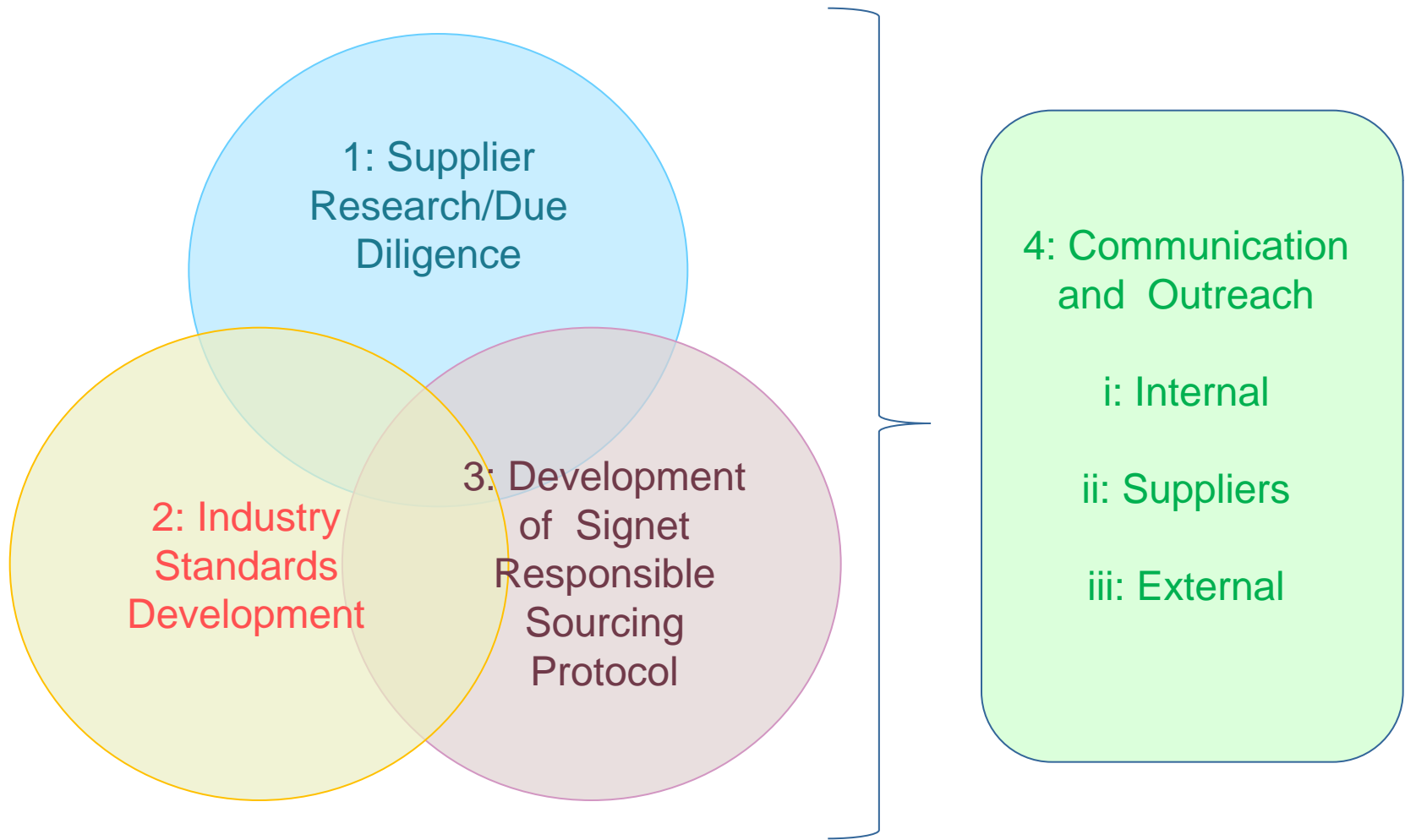
METALOR®

OUR APPROACH TO DODD-FRANK COMPLIANCE

David A. Bouffard, Vice President, Public Relations
Responsible Jewelry Council Panel
JCK Las Vegas, June 2, 2012



Signet activity in 4 inter-related areas



Project Process

- Involvement in development of industry guidance and standards:
 - OECD Conflict Minerals guidance, supplement on gold
 - Responsible Jewelry Council Chain of Custody standards
 - LBMA “Responsible Gold Guidance”
 - EICC/GeSI conflict-free smelter program
 - SEC Conflict Minerals Roundtable
- Dialogue with main gold sources:
 - Bullion banks (HSBC, Standard Chartered, Barclays, UBS etc)
 - Refineries and bullion associations (LBMA, IBMA, Metalor)
- Supplier Research and Due Diligence:
 - Telephone questionnaire (Sep – Nov 2011)
 - Online survey (Nov 2011 – Jan 2012)
 - Final consultative phase, evaluation of Protocol (Apr-July 2012)

Summary

- Progress to date:
 - Detailed due diligence on 95%+ of Signet's gold supply
 - 100% supplier participation
 - Huge amount of data, very complex supply chains
 - Conflict-free supply chain is possible
- Final phase of Signet due diligence process
 - Consultative phase, including interviews, webinars
 - Evaluation of draft Signet Responsible Sourcing Protocol ("SRSP") for conflict-free gold
 - Pilot with representative selection of gold suppliers
 - Aim for final draft in Q3 2012, launch by year end

Assumptions - Process

- Dodd-Frank compliance is imperative for Signet, in US and in UK
- Signet requires a responsible supply chain
- Conflict-free gold is first step in a broader initiative
- Final phase is consultative, to allow suppliers input into the SRSP
- Draft SRSP is a global approach based on existing standards/guidance,
 - E.g., RJC, LBMA, OECD, EICC, etc.
- Focus is on ability to identify the refinery source of gold
- Global or local additions may be possible
- Understand compliance is a process of continuous improvement

Assumptions - Suppliers

- 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 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 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.

Next Steps

Suppliers:

- Evaluation of SRSP in supplier businesses and supply chains
- Identify areas of possible compliance
 - E.g., ability of suppliers to ensure all gold is from LBMA/EICC refiners
- Detailed review with pilot suppliers in June

Signet:

- Ongoing discussions with suppliers to help with SRSP assessment
- Continue engagement with governmental and industry organizations in standards and guidance development and harmonization
 - E.g., OECD, RJC, LBMA meetings held in May
- Refine SRSP based on suppliers' input
- Evaluate how SRSP should integrate into Signet operations

THANK YOU: QUESTIONS?