

2018 Russian Bullion Market

A New Framework for Responsible Gold Miners

Edward Bickham | 16 November 2018

The Responsible Gold Mining Principles - Agenda

- Context and Drivers
- Development Process
- Coverage of Issues
- Assurance Approach

Context and Drivers

Context: OECD Due Diligence on Responsible Sourcing

- World Gold Council developed Conflict-Free Gold Standard in 2012/13.
- LBMA, Responsible Jewellery Council and Electronics Industry Citizenship Coalition Standards.
- OECD process now covering wider selection of minerals – for example, London Metals Exchange and Responsible Cobalt Initiative.
- Due Diligence expectations spreading to cover sustainability issues.

Drivers: Consumers want to know more about their gold.

- Due Diligence requirements of Gold Supply Chain – especially LBMA's expanded Responsible Gold Guidance v8.
- Institutional investors are increasingly interested in Environmental, Social and Governance issues.
- Need to counter perception in some quarters that recycled gold is more 'responsible'.

Responsible Gold Mining Principles

- **Not** a new Standard.
- Based on established benchmarks (e.g. UN Guiding Principles on Business and Human Rights; OECD Guidelines for MNCs etc).
- An umbrella assureable framework that allows companies to demonstrate that their gold is responsibly produced.
- Intended to complement frameworks such as the International Council on Mining and Metals Performance Expectations.
- Intended to be a gold industry leadership initiative – not confined to World Gold Council members.
- Geared towards large-scale mining rather than ASM.

Development Process

- Based on an analysis of key provisions of international standards and industry codes – plus gold specific requirements.
- Consultation draft published in June 2018.
- Responses received via on-line questionnaire and face to face meetings.
- Multi-stakeholder roundtables and promotion via conferences.
- Participation from governments, international organisations, investors, supply chain actors, NGOs, gold miners.

Responsible Gold Mining Principles: Issues Covered

- **10 Principles** – 50 sub-Principles.
- **Environment** – management systems; water; energy and climate change; biodiversity; land use; mine closure; mercury and cyanide.
- **Social** – safety and health; human rights; conflict; communities; labour rights; resettlement; indigenous peoples; position of women.
- **Governance** – ethical conduct; anti-corruption; stakeholder engagement; impact assessment; handling grievances; supply chain standards; transparency.

Assurance and Timescales for Implementation

- The World Gold Council will not be a certification body.
- Assurance system is still in design but credibility depends on an element of independent assurance. Intention to build on approach adopted for Conflict-Free Gold Standard
- Balance between corporate and site level assurance. Importance of risk-based approach
- Credit for conformance with established standards.
- Anticipate publication of revised draft of Principles and on assurance approach in H1 2019 – implementation by 2020

Responsible Gold Mining Principles

<https://www.gold.org/who-we-are/our-members/responsible-gold/responsible-gold-mining-principles>

Thank you

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