



Publication Date: 18 December 2017
Effective Date: 1 June 2018

RESPONSIBLE MINERALS ASSURANCE PROCESS

GOLD REFINER STANDARD

An assurance process to demonstrate due diligence for mineral sourcing in accordance with the OECD Due Diligence Guidance for Responsible Mineral Supply Chains from Conflict-Affected and High-Risk Areas.



TABLE OF CONTENTS

I. Introduction 4

II. Cross-Recognition 5

III. Application 5

IV. Disclaimers 6

V. Upstream assurance mechanism 6

VI. Audit Scope 7

 A. Companies within the scope of the audit 7

 B. Materials in scope 7

 C. Companies outside the scope of the audit 7

 D. Audit period and frequency 8

 E. Start-up arrangements 8

VII. Origin Determination 9

VIII. Conformance Requirements 11

 A. OECD Guidance: Step 1 – Strong Company Management Systems (ALL SOURCES) 11

 • Supply Chain Policy (ALL SOURCES) 11

 • Management Responsibility (ALL SOURCES) 12

 • Control of documents/records (ALL SOURCES) 12

 • Monitoring of Performance (ALL SOURCES) 13

 • Internal Material Control Systems (ALL SOURCES) 14

 • Gold Supplying Counterparty Engagement (ALL SOURCES) 15

 • Grievance Mechanism (ALL SOURCES) 15

 B. OECD Guidance: Step 1.C: System of Controls and Transparency and Step 2– Identification and Assessment of Supply-Chain Risk(s) – (B.1-B.5: ALL SOURCES; B.6 & 7 HIGH RISK SOURCES ONLY) 16

 B.1 Know Your Counterparty (ALL SOURCES) 16

 B.2 Identification of Type of Gold and Basic Due Diligence 17

 B.3 Identification of Gold Supplying Counterparty and Basic Due Diligence 19

 B.4 Identification of Conflict-Affected and High-Risk Areas (ALL SOURCES) 20

 B.5 Determination of the Scope of the Risk Assessment (ALL SOURCES) 21

 B.6 Identification of Supply-Chain Risk(s) (HIGH RISK SUPPLY CHAINS ONLY) 26

 B.7 Assessment of Supply Chain Risk(s) (HIGH RISK SUPPLY CHAINS ONLY) 28

 C. OECD Guidance: Step 3–Risk Management (HIGH RISK SUPPLY CHAINS ONLY) 29



D.	OECD Guidance: Step 5 – Public Reporting (ALL SOURCES)	30
IX.	ANNEXES	31
	Annex I: Review of Material Transactions	31
A.	Mined Gold Low-risk Sourcing	31
B.	Mined Gold High-Risk Sourcing	33
C.	Recycled Gold Low Risk	38
D.	Recycled Gold High Risk.....	39
E.	Gold Supplying Counterparty Due Diligence	41
	Annex II: Sourcing from Artisanal and Small-Scale Mining.....	44
A.	On-the-ground risk assessment.....	45
B.	Engagement with stakeholders and establishment of system of control and transparency.....	45
C.	Ongoing monitoring.....	46
	Annex III: Sampling Guidance	47
	Annex IV: OECD Step 5 Refiner Public Report.....	49
	Annex V: Gold Material Categories.....	51
1.	Mining material.....	51
2.	Recyclable material.....	52
	Annex VI: Definition of Terms and Acronyms.....	54
	Annex VII: Resources.....	59
	Annex VIII: Effective Date & Revision History	60
	Annex IX: Revision History	61



I. INTRODUCTION

The Responsible Minerals Assurance Process (formerly the Conflict-Free Smelter Program (CFSP)) was established to cultivate transparent mineral supply chains and sustainable corporate engagement in the mineral sector with a view to prevent the extraction and trade of minerals contributing to or being associated with significant adverse impacts, including serious human rights abuses, money laundering and conflict.

This Standard was developed in consultation and collaboration with interested stakeholders. It provides a specific, practical framework to consistently audit the supply chain practices and underlying due diligence management systems of gold refiners, the point at which the gold is purified to a commercial market quality. It follows guidance provided by the final report of the UN Group of Experts to the Security Council on 15th November 2010, and by the OECD Guidance. It provides a working framework for companies to approach conformance with the due diligence requirements outlined in existing regulations or upcoming legislative initiatives.

This standard aligns the Responsible Minerals Assurance Process with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). Compared to previous versions, it places increased emphasis on the review of management systems and applies a global definition of Conflict-Affected and High-Risk Areas (CAHRAs). It requires auditees to implement due diligence proportional to the risk profile of gold sources. The standard does not cover all human rights, social, and environmental risks that refiners may be faced with as part of their responsible sourcing practices, and a successful audit should not be used to imply operating performance beyond the strict scope of the Responsible Minerals Assurance Process. The assurance process reviews an auditee’s supply-chain due diligence activities of all applicable gold bearing material inputs and assesses their alignment with the five-step framework of the OECD Guidance.

Steps to establish management systems, identify and assess risks based on the collection of supply chain and other publicly available information, and reporting on due diligence shall be implemented by all auditees, regardless of the source of their materials. Steps related to the management of risks specific to sourcing from CAHRAs or if red flags as defined by this Standard are identified are only required to be implemented by auditees sourcing from such areas (Table 1).

TABLE 1: APPLICABILITY OF OECD GUIDANCE 5-STEP FRAMEWORK

OECD Guidance	Application for Gold Standard	
	Design of System and Processes	Implementation
Step 1: Strong Management Systems	All auditees	All auditees
Step 2: Identification and Assessment of Supply-Chain Risk(s)	All auditees	All auditees
Step 3: Risk Management	Auditees sourcing from CAHRAs	Only if Step 2 red flags are triggered
Step 4: Third Party Audit of Due Diligence	Conducted by approved third-party auditors	Conducted by approved third-party auditors
Step 5: Reporting on Due Diligence	All auditees	All auditees



OECD Guidance Reference: *“The nature and extent of due diligence that is appropriate will depend on individual circumstances and be affected by factors such as the size of the enterprise, the location of the activities, the situation in a particular country, the sector and nature of the products or services involved.”*

The Responsible Minerals Assurance Process provides flexibility for auditees in regards to the management systems used to address the requirements of this Standard. The size and complexity of management systems should be proportional to the auditee’s size, location, complexity of supply chain and risk level associated with gold material sources used by the auditee.

The Responsible Minerals Assurance Process has adopted the general ISO approach to the management system requirements, approach, philosophy and implementation for conformance. Auditees are advised to consult ISO or similar sections in ISO standards such as ISO 9000 series, ISO 17000 series and ISO 14000 series.

II. CROSS-RECOGNITION

In some cases, the Responsible Minerals Assurance Process may evaluate the cross-recognition of other third-party auditing programs and recognize these other programs as meeting the Standard set forth in this document. Information and criteria on current cross-recognized programs can be found here: <http://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/audit-cross-recognition/>.

III. APPLICATION

The Responsible Minerals Assurance Process is available to all auditees that meet the following conditions:

- Meet the definition of a gold refiner as defined in Section VII.A of this standard.
- Subject applicable individual refining facility(ies) to an audit(s).
- Allow all relevant organizational units involved in the auditee’s supply chain due diligence program to be reviewed as necessary for the scope of the audit.
- Sign the appropriate agreements (e.g. Agreement for Exchange of Confidential Information).
- Agree to fund the audit¹.
- Agree to publish a supply chain policy relating to responsible practices for sourcing, handling and / or trading of gold².
- Agree to publish an audit summary report and an auditee due diligence report that conform to the OECD Guidance with due regard taken to business confidentiality and other competitive concerns.

¹ Refiners may refer to the RMI website for information on the program’s initial audit fund: <http://www.responsiblemineralsinitiative.org/about/eicc-foundation-initial-audit-fund/>

² Refer to Annex IV for guidance on public reporting.



IV. DISCLAIMERS

The Responsible Minerals Assurance Process and this Standard follow the ISO 19011 auditing standard in conducting an independent third-party audit. Auditors follow reasonable procedures to assess the auditee's management system, taking into consideration materiality as well as the quality and quantity of the evidence available. Auditors must fulfill the qualification requirements defined in the program's Accreditation Process³. Documentary evidence may be sampled in accordance with the sampling guidance established in Annex III of this standard.

The audit assesses whether the auditee has implemented company level management processes and due diligence to support responsible mineral sourcing, handling and / or trading consistent with the OECD Guidance. The audit will not determine that material at the auditee is conflict-free. **This is not a material certification audit.**

V. UPSTREAM ASSURANCE MECHANISM

The implementation of due diligence is the responsibility of the auditee. However, if sourcing from CAHRAs or if supply chain or gold supplying counterparty red flags are identified, the auditee may, in part, utilize upstream assurance mechanisms to support due diligence on its high-risk supply chains. Examples of systems and service providers are listed here:

<http://www.responsiblemineralsinitiative.org/training-and-resources/complementary-programs/>

and, specific to gold, here:

[http://www.responsiblemineralsinitiative.org/training-and-resources/complementary-programs/artisanal-and-small-scale-mining-\(asm\)-gold-resources/](http://www.responsiblemineralsinitiative.org/training-and-resources/complementary-programs/artisanal-and-small-scale-mining-(asm)-gold-resources/)

Where the auditee utilizes one or more upstream assurance mechanism, the auditee shall, at a minimum:

- Understand the scope of activities of the upstream assurance mechanism and understand any gaps between the scope of the mechanism's activities and the requirements of the OECD Guidance. For those parts of the auditee's due diligence process that are covered by the upstream assurance mechanism, the auditee shall ensure that all information generated by the upstream assurance mechanism, and which is expected to be shared with the auditee, is received and shared with the auditor for the audit period. Records shall be maintained for at least five (5) years.
- Have sufficient understanding of the context of conflict-affected and high-risk areas to be able to:
 - Review and assess all information generated by the upstream assurance mechanism, whether directly shared with the auditee or made publicly available.
 - Assess their ability to exercise influence on actors in high-risk supply chains who can most effectively prevent or mitigate identified risks.
- Where possible, actively participate in the upstream assurance mechanism to mitigate identified risks in its supply chains.

³ Refer to the program's website for information on the Accreditation Process:

<http://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/rmap-audit-firm-and-auditor-approval/>



VI. AUDIT SCOPE

A. Companies within the scope of the audit

The program has the sole discretion to determine whether a company is eligible to participate in the assurance process. It is the responsibility of the auditee to provide sufficient evidence so the program can review and confirm that the auditee meets the eligibility requirements to participate.

All fully operational companies meeting the definition below of a gold supplying refiner are included within the scope of this assurance process. For companies that operate multiple refining facilities that meet the definition of a gold refiner, all facilities will be subject to this assurance process. Conformance with this standard is determined at the level of the refining facility.

Gold Refiner

Gold refiners are entities that purify gold to a commercial market quality (defined as 99.5% purity or higher), by removing other substances from doré, alluvial gold, recycled material, scrap, or other gold-bearing feedstocks.

B. Materials in scope

All materials intended for production of gold metal, products, or intermediates physically received, held, and / or processed during the audit period, regardless of origin or in-country storage location and type, are included in the assurance process.

All material sent to or received from a third party (including a refiner) for processing under an outsourcing agreement during the audit period will be considered part of the auditee's receipts and production, and therefore the auditee must provide required origin and due diligence information for these transactions.

C. Companies outside the scope of the audit

Any company not meeting the definition of gold refiner as identified in Section VI.A. is outside the scope of the audit. This includes, but is not limited to:

1. *Trader*: An individual or entity that trades in materials where the material traded is in the same chemical and physical state as received.
2. *Gold Aggregator*: An individual or entity that consolidates and / or processes gold, as the first process and may cast it into rudimentary bars or some other form with undefined dimensions and variable fineness, prior to refining to begin a new life cycle.
3. *Recycler*: An individual or entity that collects, consolidates and / or processes recycled gold, such as sampling and assay, prior to refining to begin a new life cycle.



Companies outside the scope of the assurance process may elect to participate in the Downstream Program for a separate, voluntary, and independent assessment of responsible sourcing practices. Companies that are in conformance with the Downstream Program Standard are listed on the program's website.

D. Audit period and frequency

The initial audit period will cover the period from one year prior to the date indicated in the Audit Workbook. The auditee may determine the end date it wishes to utilize for the transaction review section of the Audit Workbook as long as it is not more than four weeks before the Audit Workbook is provided to the Responsible Minerals Assurance Process.

The next audit conducted on an auditee who has failed to maintain their conformance status will include the entire period of lapsed conformance status up to a maximum of two years prior to the submission of the Audit Workbook.

An auditee who has been found to be non-conformant due to unresolved findings will not be permitted to undergo another audit for a period of six months. Upon re-entering the audit process, the auditee will need to include the entire period from the end of the period covered by the last Audit Workbook submitted, up to a maximum of two years.

An auditee who has been accepted into the Risk-Based Audit Program⁴ will undergo a full audit in accordance with the Program's provisions.

Re-audits are required to maintain a conformance status. Re-audits will include the entire period between prior and current audits. The auditee is responsible to ensure a re-audit is scheduled prior to the expiry of the current conformance status.

E. Start-up arrangements

It is recognized that a Responsible Minerals Assurance Process cannot be performed on an auditee until after operations have begun. Auditees must be fully operational to be listed as Active Refiner. The audit cannot be conducted until the auditee has been operating for at least three months prior to the audit date, completed a minimum of 10 separate material transactions, and has produced gold to a commercial market quality.

Auditees starting new operations will be audited for the period of the start of operations until the audit date, with a minimum of three months and a maximum of one (1) year audit period.

Auditees with operations that were idle will be audited for the full audit period of one (1) or three (3) years (for the Risk Based Audit Program).

⁴ Information about the Risk-Based Audit Program can be found here:
<http://www.responsiblemineralsinitiative.org/smelter-introduction/>

VII. ORIGIN DETERMINATION

The auditee is required to establish a System of Controls and Transparency over the supply chain. As part of this system, the auditee shall determine the origin and, where applicable, chain of custody of material received. However, not all material categories require an origin determination and chain of custody.

The requirement to determine the mine of origin of gold material does **not** apply to the following categories:

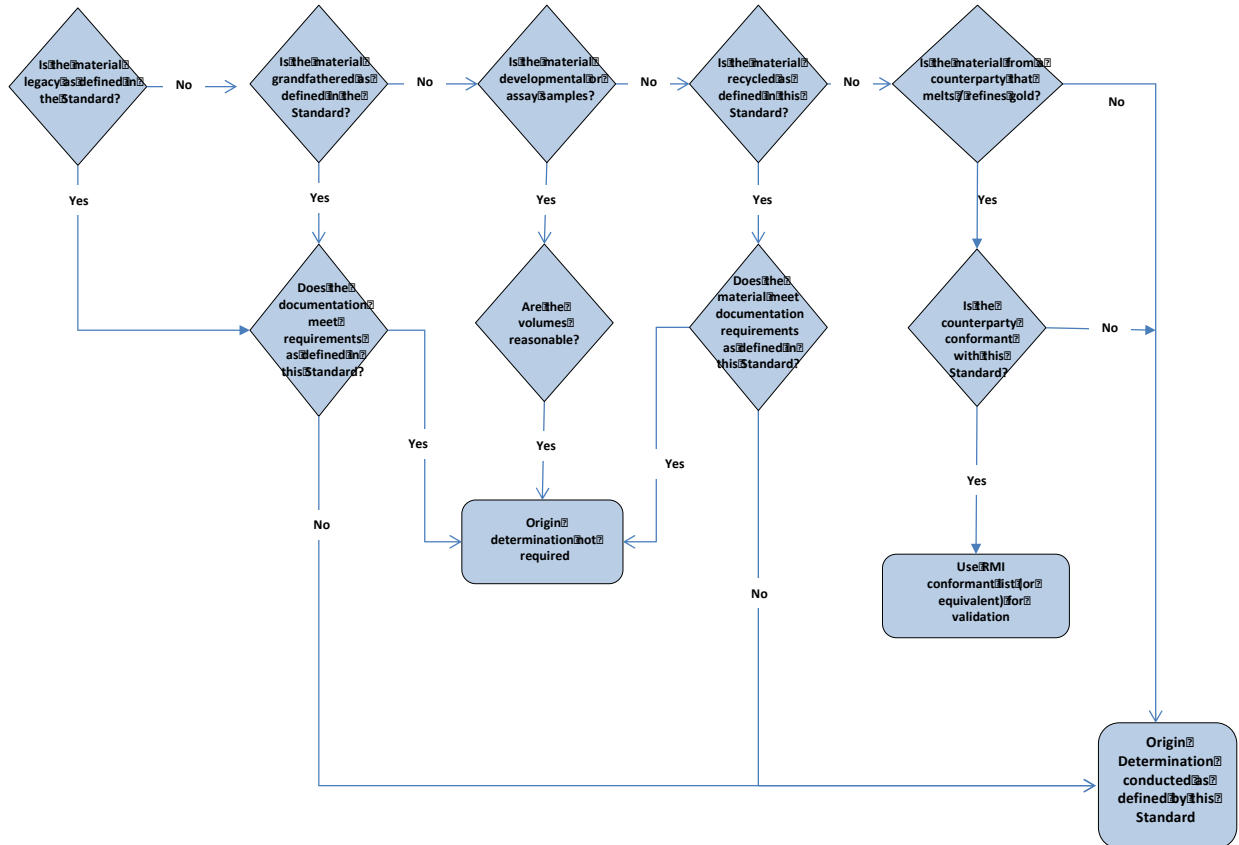
TABLE 2: MATERIAL CATEGORIES WITHOUT ORIGIN REQUIREMENT

Material Category	Definition
Gold in refiner inventory	Inventory material for which the refiner is able to demonstrate that it was physically received prior to the current audit period.
Grandfathered gold	Refined gold with a verifiable date prior to 1 st January 2012.
Assay samples	Assay samples are excluded from origin and due diligence requirements provided the aggregate amount received by the auditee over the audit period is less than 0.3% of the total receipts over the same period.
Recycled gold	Gold that has been previously refined, such as end-user, post-consumer and investment gold, gold-bearing products, scrap and waste metals as well as materials arising during refining and product manufacturing, which is returned to a refiner or other downstream intermediate processor to begin a new life cycle as 'recycled gold'. ⁵

⁵ OECD Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas Third Edition, Supplement on Gold, p.68

See Figure 1 as a general guide to identify which material categories and conditions require origin determination.

FIGURE 1: APPLICABILITY AND DETERMINATION OF ORIGIN PROCESS FLOW





VIII. CONFORMANCE REQUIREMENTS

This section defines the conformance requirements. These requirements serve to validate that the auditee's due diligence program design and implementation is aligned with the OECD Guidance and includes all risks related to the OECD Guidance Annex II Model Supply Chain Policy.

Auditees shall use good faith and reasonable efforts, as well as integrate progressive and flexible approaches, to ensure conformance with this Standard, including monitoring of emerging risks and incidents in their supply chain(s) and shall take these components into account in their due diligence activities.

The conformance requirements relate to the period that is **prior to or during** the time when material is owned and / or physically under the control of the auditee.

A. OECD Guidance: Step 1 – Strong Company Management Systems (ALL SOURCES)

To achieve the intended outcomes of the OECD Guidance, including continual improvement, the auditee shall establish, implement and maintain a management system to adequately manage risks. The auditee shall make available the resources necessary to support the operation and monitoring of the management system. Flexibility is needed in its application depending on individual circumstances and factors such as the size of the enterprise, the location of the activities, the situation in a particular country, the sector and nature of the products or services involved.

The auditee shall have a robust management system that can demonstrate consistency of process to achieve conformance with the standard requirements at all times and to anyone evaluating the system itself, its implementation and its desired outcome. Any activity to be considered for conformance must have the management system in place prior to implementation. The management system should, at a minimum, include the following components and their interactions:

- **Supply Chain Policy (ALL SOURCES)**

OECD Guidance Reference: *"Companies should adopt, and clearly communicate to suppliers and the public, a company policy for the supply chain of minerals originating from conflict-affected and high-risk areas. This policy should incorporate the standards against which due diligence is to be conducted, consistent with the standards set forth in the model supply chain policy in Annex II."*

The auditee shall have a documented, effective, and publicly communicated supply chain policy for procurement of gold bearing materials. The policy will be implemented within the auditee's management processes and include the following components:

Definition of scope

The policy acknowledges the issue it pertains to, including the identification of the material and supply chain risks covered by the policy and procurement practices.



Due diligence content

The policy must be consistent with the Standards set forth in the OECD Guidance Annex II Model Policy.

At a minimum, it shall cover the risks included in the OECD Guidance Annex II Model Policy as well as risks related to money laundering and financing of terrorism.

It shall set out a clear and coherent management process for risk management and commit the auditee to the due diligence steps described in the Gold Supplement of the OECD Guidance.

Implementation

The policy:

- Is publicly communicated, such as posting on the auditee's website, contained within a Corporate Responsibility Report, Supplier Code of Conduct or other official public company communications, and / or posted on an industry association website.
- Includes an effective date for when the policy was established and / or adopted.

The auditee shall communicate the expectations on responsible supply chains to gold supplying counterparties providing relevant materials that contain gold, including the expectation for counterparties to undertake due diligence and risk management consistent with the supply chain policy as well as the supply chain policy itself.

- **Management Responsibility (ALL SOURCES)**

OECD Guidance Reference: *"Companies should structure internal management to support supply chain due diligence."*

The auditee shall:

- Appoint a senior manager with the necessary competence, knowledge and experience to be responsible for the implementation of the due diligence management system;
- Report findings on actual and / or potential risks identified in the supply chain to the appointed senior manager;
- Provide training and periodic refresher training, including as part of new hire orientation, to relevant employees covering critical information on the due diligence management system and maintain training records within company records.

- **Control of documents/records (ALL SOURCES)**

Documents and records required by the management system (at minimum those required by this Standard) shall be controlled. Records generated by the management system for due diligence shall be maintained for a minimum of five (5) years and shall be made available to downstream customers and this program to the extent required for the customer's due diligence and the program's audit.

A document, irrespective of its format, shall mean:

- Communication of information – as a tool for information transmission and communication. The type of documentation should be appropriate for the auditee and should achieve clear, consistent and repeatable communication.
- Evidence of conformance – provision of evidence that what was planned, has actually been done.
- Knowledge sharing – to disseminate and preserve the auditee’s experiences. A typical example would be a technical specification, which can be used as a base for design and development of a new product or a procedure that can be used to ensure an activity is undertaken in a consistent manner by different people at different times.

Control shall include the following activities, as applicable:

- 1) Distribution, access, retrieval and use;
- 2) Storage and preservation, including preservation of legibility;
- 3) Control of changes (e.g. version control);
- 4) Retention and disposition.

- **Monitoring of Performance (ALL SOURCES)**

Auditees shall evaluate the goals of their Due Diligence Management System against performance at a minimum once per year to ensure the system is effective and produces the expected outcomes.

Monitoring shall be proportional to the complexity of the management system and shall include, at a minimum, a management review of the due diligence system to identify both proactive and reactive measures.

Findings of such management reviews are reported to the senior management team. Where applicable, a formalized action plan must be established and include relevant preventive and corrective actions. Action plans shall take into consideration observations resulting from a management review, a Grievance and Complaints Mechanism, or any evaluation against the Gold Refiner Standard.

The preventive and corrective action process shall include the following elements:

1. Review and documentation of the problem and related corrective action.
2. Address the problem in the short term as well as identify an appropriate solution that will prevent the problem from happening again in the long term. Long term solutions should be based on the investigation of the root cause of the problem and may require a change to the process.
3. Report on the actions actually taken, internally (to management) and to the assurance program (as part of the formal corrective action process).
4. During the next performance evaluation, assess whether the actions taken were successful in preventing recurrence and document the evidence to support this assessment.

- **Internal Material Control Systems (ALL SOURCES)**

Material Control Systems

The auditee shall establish and implement sufficient systems of internal material control. The internal material control systems shall be sufficient to enable chain of custody for each gold transaction received. Each individual transaction of relevant material received is identified and documented⁶. The process shall record:

- The date the material is physically received or the date the material is received in the auditee's material control system⁷.
- The form, type and physical description of the material.
- The weight and assay of the material received. Assay determinations may be provided by the gold supplying counterparty, the refiner or a third party.
- A unique internal reference number that is assigned to each input, by bar, ingot and / or batch of gold accepted, which should correspond to all the information collected on that gold input and its gold supplying counterparty as generated through the due diligence management system.

The refiner shall ensure the total weight of gold received and in inventory during the audit period can be reconciled with movements in and out of inventory for the same period. In support of this requirement, the refiner shall:

- Have a reconciliation process for receipts, inventories, losses, outsourcing and sales.
- Record the total gold content of gold receipts within the audit period as well as the total gold content of gold products shipped within the audit period so as to demonstrate the ability to reconcile the totals and account for any reasonable losses.
- Ensure that any discrepancies between the total gold content of gold receipts and gold products shipped are investigated and findings are recorded.

The refiner shall record and render all gold outputs identifiable⁸ with the following information:

1. Name and / or stamp / logo of the refiner,
2. Year of refining / production,
3. A unique reference allocated to each output (e.g. serial numbers, electronic identification or other practicable means).

⁶ Subject to all required data points being included, refiners may replace the transaction review section of the Audit Workbook for a similar format to present the data on all transactions within the audit period. The samples selected and reviewed by the auditor must be presented in the transaction review section of the Audit Workbook.

⁷ Refiners may physically receive material but only enter it into their material control system after initial analysis, finalization of contracting and / or transfer of ownership.

⁸ E.g. The refiner may physically imprint gold products, and / or affixing to packing material in such a manner that its tampering or removal will be evident



- **Gold Supplying Counterparty Engagement (ALL SOURCES)**

OECD Guidance Reference: *“Companies should strengthen engagement with suppliers. A supply chain policy should be incorporated into contracts and / or agreements with suppliers. Where possible, assist suppliers in building capacities with a view to improving due diligence performance.”*

Adherence to the supply chain policy shall be required as part of written agreements with gold supplying counterparties that can be applied and monitored.

Auditees shall make and receive payments for gold through official banking channels where they are reasonably available. Auditees shall avoid cash transactions where possible and ensure all unavoidable cash transactions are supported by verifiable information. Where requested, auditees shall cooperate fully and transparently with law enforcement agencies regarding gold transactions.

The auditee shall consider ways to support and build capacities of gold supplying counterparties to improve performance and conform to the auditee’s supply chain policy.

- **Grievance Mechanism (ALL SOURCES)**

OECD Guidance Reference: *“Companies should establish a company-level, or industry-wide, grievance mechanism as an early-warning risk-awareness system.”*

The auditee shall develop or refer to a mechanism allowing any interested party (affected persons or whistle-blowers) to voice concerns regarding the circumstances of mineral extraction, trade, handling and export.⁹

The mechanism shall, at a minimum, include a process to investigate the concern or grievance received and, if applicable, determine appropriate corrective and preventive actions in accordance with Sections VIII.A.4 of this standard.

⁹ Responsible Minerals Assurance Process Grievances and Complaints Mechanism is available here: <http://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/grievance-mechanism/>

B. OECD Guidance: Step 1.C: System of Controls and Transparency and Step 2– Identification and Assessment of Supply-Chain Risk(s) – (B.1-B.5: ALL SOURCES; B.6 & 7 HIGH RISK SOURCES ONLY)

OECD Guidance Reference: *“Due diligence is understood as an on-going proactive and reactive process whereby companies take reasonable steps and make good faith efforts to identify and respond to risks of contributing to armed conflict and serious abuses...This Guidance promotes progressive improvement to due diligence practices through constructive engagement with suppliers.”*”

The auditee shall implement due diligence as a continual, ongoing process and is expected to demonstrate improved performance over time. This program requires auditees to:

- Design and implement due diligence management systems in conformance with the requirements of this Standard.
- Identify, assess and mitigate risks in the auditee’s supply chains in accordance with the Supply Chain Policy.
- Progressively work to improve the due diligence management system, including for example systems of control and transparency, risk assessment and risk mitigation for newly identified CAHRAs and / or new counterparties and / or new sources of gold, while ensuring that progress is tracked and monitored.

Auditees may cooperate to carry out the recommendations in this section through joint initiatives. However, each auditee retains individual responsibility for their due diligence, and should ensure that all joint work duly takes into consideration circumstances specific to the individual company.

In order to identify and assess mineral supply chain risks, the auditee shall ensure that all gold supplying counterparties are identified and sufficient documentation is obtained on the origin and chain of custody of material in accordance with the requirements of this Standard and its Annexes. The auditee shall implement the following process:

B.1 Know Your Counterparty (ALL SOURCES)

OECD Guidance Reference – Red Flag: *“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 or transit.”*

The auditee shall implement a Know Your Counterparty process to determine the identity, type of business relationship and legality of business operations for each gold supplying counterparty¹⁰.

The process shall include, at a minimum:

¹⁰ The auditee may use the 40 Recommendations of the Financial Action Task Force FATF for guidance to design the KYC and Anti-Money Laundering process: <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>



1. The establishment of the identity of the gold supplying counterparty, using reliable, independent source data or information;
2. The identification of ownership (including ultimate beneficial ownership) of the gold supplying counterparty and (where applicable) corporate structure;
3. The verification of the gold supplying counterparty and their beneficial owners against relevant government lists of wanted money launderers, known fraudsters or terrorists or otherwise sanctioned individuals¹¹;
4. Sufficient information to allow the auditee to maintain an understanding of the nature of the gold supplying counterparty’s business and the purpose of the business relationship.

The auditee is responsible for performing the KYC before entering into a business relationship with a gold supplying counterparty and throughout the business relationship. Where applicable, auditees shall fully and transparently cooperate with law enforcement agencies regarding gold transactions. Refineries shall provide customs officials with access to complete information on all international shipments.

B.2 Identification of Type of Gold and Basic Due Diligence

The auditee shall categorize all gold material in accordance with the types of gold listed in Table 3¹²:

TABLE 3: CATEGORIES OF MATERIAL

Type	Definition
Mined gold	Gold that originates from mines (medium and large-scale or artisanal and / or small-scale mines) and has never been previously refined ¹³ .
Recycled gold	Gold that has been previously refined, such as end-user, post-consumer and investment gold, gold-bearing products, scrap and waste metals as well as materials arising during refining and product manufacturing, which is returned to a refiner or other downstream intermediate processor to begin a new life cycle as 'recycled gold'. ¹⁴ For clarity of understanding, mining material, of any form or shape or concentration, including intermediate material that has not yet been fully refined (99.5% or higher), and sold is in its first gold life cycle, and continues to be mining material.
Grandfathered gold	Refined gold with a verifiable date prior to 1 st January 2012.
Refiner inventory	Stocks of ore, secondary material, and finished product, work in progress materials not calculated in stocks, and similar material received by the refiner prior to the audit period.
Assay Samples	Samples of gold material for analysis.

¹¹ Examples of Government sanction lists include the US Department of Treasury OFAC Sanction Lists: <https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx> or the European Union EEAS' Consolidated List of Sanctions: https://eeas.europa.eu/headquarters/headquarters-homepage_en/8442/Consolidated%20list%20of%20sanctions, UN Sanctions Lists

¹² See Annex V for more description of material types for each material category.

¹³ OECD Due Diligence Guidance for Responsible Supply Chains on Minerals from Conflict-Affected and High-Risk Areas, Supplement on Gold, <http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>

¹⁴ Idem



For each category of material, the auditee shall conduct basic due diligence on the gold received. The auditee shall incorporate disclosure requirements on the origin and chain of custody of material into written agreements with gold supplying counterparties that can be applied and monitored. Annex I of the Standard provides examples of documentation the auditee may use to demonstrate the information required on the type and origin of gold received.

a. Mined gold

For all mined gold, the auditee shall identify the country of origin of the mine, as well as the mine site of origin for medium or large-scale mining (LSM) or the region of origin for artisanal or small-scale mining (ASM)¹⁵. The auditee shall determine if any of the mined gold originated in or was transported through a conflict-affected and high-risk area (CAHRA). The auditee shall obtain sufficient documentation of origin and transportation for each gold transaction to be able to support a chain of custody system.

In addition, the auditee shall determine if LSM gold producers purchase gold from other sources, including ASM gold and whether this may trigger a red flag in accordance with this Standard or the refiner's own due diligence system.

b. Recycled gold

For all recycled gold, the auditee shall demonstrate that the gold received is recycled material and record the weight and gold content (as estimated by the gold supplying counterparty or determined by an assay).

For all recycled gold, the auditee shall obtain sufficient information to reasonably exclude false representations made to hide the origin of newly mined gold in recycled gold supply chains.

Recycled gold sourced from a location outside of a CAHRA, additional due diligence shall be carried out by the auditee for transactions beyond the threshold of 15'000USD per transaction. Such due diligence shall be proportional to the value of the transaction.

For investment gold, the auditee shall identify the gold refiner that produced the gold supplied. The auditee shall obtain sufficient information to reasonably confirm that the gold:

- Originated at the gold supplying refiner during a period that the gold supplying refiner was conformant with this Standard (or equivalent). OR
- Was grandfathered as defined by this Standard.

For any investment gold produced by a gold supplying refiner that was not conformant with this Standard (or equivalent), the auditee shall conduct due diligence in accordance with the requirements outlined in Table 4 below: Identification of Gold Supply Counterparty and Basic Due Diligence.

¹⁵ Refer to Annex I for specific expectations around the determination of origin for ASM sources.



c. Grandfathered gold

The auditee shall verify that the gold has a verifiable refining date prior to 1st January 2012. If the auditee identifies a red flag during the KYC review of the gold supplying counterparty of the grandfathered gold, additional due diligence is required to ensure that the gold material is not associated with any risk covered by the auditee’s Supply Chain Policy.

d. Refiner inventory

The auditee shall demonstrate that the gold has been received prior to the audit period. If the auditee identifies a red flag during the KYC review of the gold supplying counterparty of the gold in inventory, additional due diligence is required to ensure that the gold material is not associated with any risk covered by the auditee’s Supply Chain Policy.

e. Assay samples

The auditee shall confirm that the sample weight is within the threshold of the aggregate amount received by the auditee over the audit period being less than 0.3% of the total receipts over the same period.

B.3 Identification of Gold Supplying Counterparty and Basic Due Diligence

The auditee shall conduct due diligence in accordance with the type of counterparty identified. Gold supplying counterparties who are themselves engaged in the melting and / or refining of gold are subject to the basic due diligence requirements outlined in Table 4 below:

TABLE 4: GOLD SUPPLYING COUNTERPARTIES BASIC DUE DILIGENCE REQUIREMENTS

TYPE OF COUNTERPARTY	BASIC DUE DILIGENCE REQUIREMENTS
Gold supplying refiner, conformant with this Standard (or equivalent)	Confirmation that gold was produced during a period that the gold supplying refiner was conformant with this Standard (or equivalent). The auditee shall obtain sufficient information to reasonably confirm that the gold originated at the conformant gold supplying refiner.
Gold supplying refiner, not conformant with this Standard (or equivalent)	For any gold supplying counterparty that provides gold that cannot be demonstrated to have originated from a gold supplying refiner found conformant with this Standard or equivalent:
Gold Aggregator	1) The gold supplying counterparty shall declare all types of gold and sources for the gold supplied. For any mined gold, the gold supplying counterparty shall disclose the country(ies) of origin and type of operations (ASM and / or LSM) of the mined gold used.
Recycler	The full determination of origin is required for any mined material that originated, transited or was transported through a CAHRA.
	2) The auditee shall obtain and review the gold supplying counterparty’s Ani-Money Laundering and Countering Financing of Terrorism Policy (AML-CFT Policy).



	<p>3) In accordance with Sections VIII.B.1. and VIII.B.4. of this Standard, conduct the KYC and plausibility review for the gold supplying counterparty and the gold supplied.</p> <p>4) Using a risk-based approach, the auditee shall conduct in-person visits to the gold supplying counterparties to confirm:</p> <ul style="list-style-type: none"> - The KYC information obtained as per Section VIII.B.1. of this Standard. - The plausibility of gold supplying counterparty as per Section VIII.B.4. of this Standard. - The accuracy of the types, sources and types of operations (for mined gold) of gold disclosed by the gold supply counterparty in its declaration. - The implementation of the counterparty’s AML-CFT Policy. <p>Should the auditee identify any inconsistencies, discrepancies or red flags in the course of the assessments of points 1-4 above, the full requirements for mined or recycled gold apply in accordance with this Standard for any gold supplied by the affected gold supplying counterparty.</p>
<p>Individual gold aggregator or recycler</p>	<p>For any individual gold aggregator or recycler, that auditee shall:</p> <p>In accordance with Sections VIII.B.1. and VIII.B.4. of this Standard, conduct the KYC and plausibility review for the individual and the gold supplied.</p> <p>Should the auditee identify any inconsistencies, discrepancies or red flags in the course of the KYC and plausibility review, the full requirements for mined or recycled gold apply in accordance with this Standard for any gold supplied by the individual.</p>

B.4 Identification of Conflict-Affected and High-Risk Areas (ALL SOURCES)

OECD Guidance Reference – Red Flag: *“In each of these location-based red flag considerations, the risk is increased when anti-money laundering laws, anti-corruption laws, customs controls and other relevant governmental oversight laws are weakly enforced; informal banking systems operate, and cash is extensively used.”*

The auditee shall design and implement a process to determine any CAHRAs as defined by the OECD Guidance, including risks related to money laundering, financing of terrorism and corruption, in its supply chain.



Conflict-affected and high-risk areas (CAHRAs): *Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.*

The process shall include, at a minimum:

- The types of resources used by the refiner to make the determination;
- The criteria used by the auditee to determine a CAHRA, including high-risk areas for money laundering and / or financing of terrorism;
- The frequency within which the determination is reviewed and updated.

The auditee shall record the countries and / or areas identified as CAHRA within its supply chain. Auditees may refer to the program’s website¹⁶ for further resources on the identification of CAHRAs.

B.5 Determination of the Scope of the Risk Assessment (ALL SOURCES)

The auditee shall review the information collected in steps 1 and 2 above on the category and origin of relevant material with a view to identify any red flags, inconsistencies, or discrepancies related to the gold supplying counterparty or material.

Origin of Gold

OECD Guidance Reference – Red Flags: *“The gold originates from or has been transported through a conflict-affected or high-risk area.”*
“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.”
“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 reasonable suspected to transit.”

Using the information of Steps 2 and 3 above, the auditee shall identify if any mined gold originated or has been transported through a CAHRA.

The auditee shall also determine if any recycled gold is claimed to originate from a country where gold from a CAHRA is refined.

¹⁶ <http://www.responsiblemineralsinitiative.org/training-and-resources/conflict-affected-and-high-risk-areas/>

Review for Discrepancies

OECD Guidance Reference – Red Flag: *“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.”*

The auditee’s internal material control system shall ensure all material received is inspected to confirm the gold supplying counterparty, the type, weight and quality of the gold bearing material as well as the completeness of the documentation submitted by the gold supplying counterparty. The inspection shall include the verification of the physical security practices used by the gold supplying counterparty to confirm that shipments have not been tampered with, unsealed or opened. The extent of such investigations may vary based on the risk profile of the material source.

Review of Transportation Routes

OECD Guidance Reference – Red Flag: *“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.”*

For mined and recycled gold, the auditee shall take reasonable steps to understand the transportation route for each gold transaction. At a minimum, the auditee shall determine if gold received by the auditee:

1. Transits through a CAHRA as defined by the auditee or a country with weak anti-money laundering laws, anti-corruption laws, where customs controls and other relevant governmental oversight laws are weakly enforced, where informal banking systems operate or cash is extensively used;
2. Was originally mined in or purchased from a CAHRA as defined by the auditee.

Determine Plausibility

OECD Guidance Reference – Red Flag: *“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 auditee shall assess the plausibility¹⁷ of gold coming from the declared gold supplying counterparties and sources. At a minimum, the auditee shall:

- Assess the plausibility of the volume, gold content and type of gold supplied by the gold supplying counterparty;
- Undertake reasonable efforts to assess the plausibility of mined gold to originate at the declared mine site or region of origin. The auditee may consider:
 - o Production and export trends for countries and / or regional mining areas the auditee sources mined gold from.

¹⁷ Quantities reportedly available across an area are not directly relevant to one purchasing refiner, since other purchasers may be operating and taking additional unknown quantities from the same locations.



- Available information on the mining site such as geological studies;
- On-site visits or other data where the auditee has a direct relationship with a mine.
- Auditees may also use plausibility information provided by the program.

Assess Red Flags

The auditee shall assess the occurrence of any red flags. The auditee shall consider the red flags defined by the OECD Guidance Supplement on Gold:

Red flag locations of gold origin and 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.

Counterparty red flags:

- Counterparties or other known upstream companies operate in one of the abovementioned 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.
- Counterparties 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 the refiner's due diligence system 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.

The auditee shall also take into account any other red flag(s) as defined in its management system. Such red flags may be based on the auditee's industry knowledge or external resources related to CAHRAs.

For any origin or transit red flag, the risk is increased when anti-money laundering laws, anti-corruption laws, customs controls and other relevant governmental oversight laws are weakly enforced; informal banking systems operate, and cash is extensively used.

In each of the counterparty-based red flag considerations, the risk increases if the gold supplying counterparty refuses to provide requested documentation or information.

The auditee shall implement a procedure to report any red flag or inconsistency to management responsible for due diligence. Where required by national law, suspicious transactions shall be reported to the relevant authorities.



The auditee shall investigate and address any discrepancies, inconsistencies or other issues identified during the review of information received. The refiner shall physically segregate and secure any shipment for which there is an unresolved inconsistency related to risks covered by the auditee’s Supply Chain Policy and shall take no further action until the inconsistency is resolved.

Determine Sourcing Risk Level

The auditee shall determine the sourcing risk level for each transaction of primary material in accordance with Tables 5 & 6. Auditees are required to apply the definition of high risk in Table 6 for the purpose of this assurance program. While not mandatory for this assurance program, RMI encourages auditees to consider any other red flags and / or risks beyond the scope of Annex II of the OECD Guidance in their due diligence management system.

TABLE 5: DEFINITION OF LOW RISK SOURCES

TYPES OF GOLD	DEFINITION OF LOW RISK
ALL TYPES	No red flags as defined by this Standard in Table 6 or the auditee’s due diligence system are identified.

TABLE 6: DEFINITION OF HIGH RISK SOURCES

TYPES OF GOLD	DEFINITION OF HIGH RISK
MINED GOLD	<p>The auditee has identified a red flag during the review of the gold supplying counterparty, the gold origin or transportation.</p> <p>At a minimum, the following criteria must be considered as red flag by the auditee:</p> <ul style="list-style-type: none"> • Supply chains where gold material is mined in or transits through a CAHRA or high-risk area for money laundering and / or financing of terrorism; • Mined gold material is claimed to originate in a country that has limited known reserves or stocks, likely resources or expected production levels of gold. This criterion shall be assessed in conjunction with the plausibility review so as to ensure the amount of mined gold is reasonable for the country of origin.; • The gold supplying counterparty or other known upstream companies in the supply chain operate in or have shareholder or other interests in gold supplying parties located in a CAHRA; • Anomalies or unusual circumstances are identified by the auditee that give rise to a reasonable suspicion that the gold may contribute to conflict, money laundering, financing of terrorism or serious abuses associated with the extraction, transport or trade of gold.
RECYCLED GOLD	<p>The auditee has identified a red flag during the review of the gold supplying counterparty, the gold origin or transportation.</p> <p>At a minimum, the following criteria must be considered as red flag by the auditee:</p> <ul style="list-style-type: none"> • Recycled gold originates in a CAHRA or a high-risk area for money laundering and / or financing of terrorism; • Recycled gold has been or is suspected to have been refined in a country where mined gold from a CAHRA is known or reasonably suspected to transit; • The gold supplying counterparty operates in or has shareholder or other interests in gold supplying parties located in a CAHRA or high-risk area for money laundering and / or financing of terrorism; • Anomalies or unusual circumstances are identified by the auditee that give rise to a reasonable suspicion that the gold may contribute to conflict, money laundering, financing of terrorism or serious abuses associated with the extraction, transport or trade of gold.



B.6 Identification of Supply-Chain Risk(s) (HIGH RISK SUPPLY CHAINS ONLY)

For auditees with high-risk supply chains as identified in Table 6, the auditee is required to complete the High-Risk Sources Workbook prior to the Responsible Minerals Assurance Process. The High-Risk Sources Workbook:

- Details OECD conformance expectations for high-risk sourcing.
- Specifies components that may be addressed by an upstream assurance mechanism and defines under what circumstances such components do not need to be included in the due diligence audit scope.

For high-risk supply chains, the auditee shall map the factual circumstances of their supply chains, underway and planned, including:

- Conduct desktop research on the gold extraction, transport and trade and its impact on conflict, human rights or association with money laundering or financing of terrorism practices.
- Consult with supply chain stakeholders, such as supply chain actors, local and central governments, civil society organizations or community networks.
- Determine if supply chain actors have policies and management systems that are consistent with the OECD Guidance and that such policies and management systems are effectively implemented. Such determination may include:
 - Desktop research;
 - On-site visits to gold supplying counterparties or other supply chain actors;
 - Random verification of purchase records proportional to risk;
 - Assessment of anti-money laundering and counter-terrorism financing policies and procedures.

Auditees shall refer to Tables 7 & 8 for details on the mapping of factual circumstances for mined and recycled gold. Furthermore, Annex I provides detailed examples of documents auditees may use for the mapping.

TABLE 7: MINED GOLD

MINED GOLD
<p>Auditees shall conduct on-site assessments to generate and maintain information on the factual circumstances on the extraction, transport and trade of gold in the red flagged supply chain.</p> <p>Such assessments may be conducted jointly with other stakeholders or individually by the auditee. Where assessments are conducted by an upstream assurance mechanism or a third party, the auditee shall consider the following aspects regarding the mechanism:</p> <ul style="list-style-type: none"> • Size of the upstream assurance mechanism or third party and the resources available to conduct due diligence; • Ability to access on-the-ground information; • Quality of previous assessment teams; • Reliability of the upstream assurance mechanism’s or third party’s due diligence. <p>Furthermore, the auditee shall ensure that the assessors are independent from the activity being assessed, free from conflicts of interest and have the appropriate level of competence.</p>



MEDIUM OR LARGE SCALE MINED (LSM) GOLD¹⁸	ARTISANAL AND SMALL SCALE (ASM) MINED GOLD¹⁹
<p>The auditee shall obtain more detailed information on the supply chain actors and supply chain of LSM gold, including:</p> <ul style="list-style-type: none"> • Information on the location and identity of gold mines as well as each point of processing, transportation and trade. • Current production and capacity of the mine. • KYC information of all actors in the upstream supply chain, including the identification of the related businesses, subsidiaries, parents and affiliates. • Evidence of the legality of operations as well as payment of taxes, fees and royalties. • Information on all of the risks covered by the auditee’s supply chain policy. • If applicable, information on ASM operations on the gold producers’ concession, on the relationship between the LSM and ASM producers as well as any instances of ASM gold being introduced into the gold producer’s processing operations. 	<p>The auditee shall obtain more detailed information on the supply chain actors and supply chain of ASM gold, including:</p> <ol style="list-style-type: none"> 1. Identification of the suppliers of ASM gold to the local gold exporter. 2. Information on the origin, transportation and trading routes of the gold. 3. An assessment of whether the artisanal mining team or association can be considered to be involved in legitimate artisanal and small-scale mining²⁰. 4. KYC information on the gold exporter and all supply chain actors between the gold exporter and the refiner. 5. Payment of taxes, fees and royalties paid to government institutions and officials on export. 6. Information on all the risks covered by the auditee’s supply chain policy. 7. Any instances of gold from other sources being introduced into the supply chain and / or fraudulently represented. 8. If applicable, information on the relationship between the LSM and ASM producers.

¹⁸ Auditees may refer to the OECD Guidance, Supplement on Gold, Step 2, Section II.A.C.3.a) (pp90-93) for details on information to be collected for LSM sources.

¹⁹ Auditees may refer to the OECD Guidance, Supplement on Gold, Step 2, Section II.A.C.3.b) (pp93-94) for details on information to be collected for ASM sources.

²⁰ Legitimate ASM: The legitimacy of artisanal and small-scale mining is a difficult concept to define because it involves a number of situation-specific factors (see Appendix). For the purposes of this Guidance, legitimate refers, among others, to artisanal and small-scale mining that is consistent with applicable laws. When the applicable legal framework is not enforced, or in the absence of such a framework, the assessment of the legitimacy of artisanal and small-scale mining will take into account the good faith efforts of artisanal and small-scale miners and enterprises to operate within the applicable legal framework (where it exists) as well as their engagement in opportunities for formalisation as they become available (bearing in mind that in most cases, artisanal and small-scale miners have very limited or no capacity, technical ability or sufficient financial resources to do so). In either case, Artisanal and small-scale mining, as with all mining, cannot be considered legitimate when it contributes to conflict and serious abuses associated with the extraction, transport or trade of minerals as defined in Annex II of the Guidance.

TABLE 8: RECYCLED GOLD

RECYCLED GOLD
<p>The auditee shall conduct on-site visits to gold supplying counterparties, using a risk-based approach with priority given to persons, places and transactions that present higher risk.</p> <p>Risk factors for the auditee to consider include²¹:</p> <ol style="list-style-type: none"> 1. Value of a transaction; 2. Place of transaction; 3. Type of material; 4. Unusual circumstances; 5. Type of gold supplying counterparty.

B.7 Assessment of Supply Chain Risk(s) (HIGH RISK SUPPLY CHAINS ONLY)

The auditee shall assess presence and severity of risks in the supply chain by comparing the factual circumstances against the risks included in the OECD Guidance Annex II Model Supply Chain Policy, specifically:

- Serious abuses associated with the extraction, transport or trade of minerals:
 - o Any forms of torture, cruel, inhuman and degrading treatment;
 - o Any forms of forced or compulsory labor;
 - o The worst forms of child labor;²²
 - o Other gross human rights violations and abuses such as widespread sexual violence;
 - o War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
- Direct or indirect support to non-state armed groups.²³
- Direct or indirect support to public or private security forces.
- Bribery and fraudulent misrepresentation of the origin of minerals.
 - o Money laundering.
 - o Non-payment of taxes, fees and royalties to governments.

In addition, the auditee shall include risks related to any type of money laundering and / or financing of terrorism in the assessment of supply chain risks.

²¹ Auditees may refer to the OECD Guidance, Supplement on Gold, Step 2, Section II.A.C.4 (pp94-96) for details on the risks to be considered for recycled gold.

²² See ILO Convention No. 182 on the Worst Forms of Child Labour (1999).

²³ This includes direct or indirect finance or benefit to armed groups as defined in the Securities and Exchange Commission 17CFR Parts 240 and 249b (SEC Final Conflict Minerals Rule). To identify non-state armed groups, companies should refer to relevant UN Security Council resolutions.

C. OECD Guidance: Step 3—Risk Management (HIGH RISK SUPPLY CHAINS ONLY)

Where risks are identified in the supply chain, it is the responsibility of the auditee to identify appropriate risk mitigation measures. Risk mitigation shall include the following measures:

Internal Reporting

The auditee shall report findings to senior management, outlining the information gathered and the actual and potential risks identified in the supply chain risk assessment.

Increased Counterparty Engagement and System of Supply Chain Controls

The auditee shall intensify its system of controls and transparency over the supply chain. Specifically, the auditee shall:

- Increase engagement with the gold supplying counterparty to effectively mitigate risks identified.
- Establish a chain of custody or traceability system to gather and maintain the information collected under Section VIII.B. above for each gold input²⁴. The chain of custody information may be required retrospectively for transactions received and held physically segregated by the refiner subject to further investigation.
- Ensure the physical security (e.g. security of transport, sealing, tamper-proof container) over shipments of gold.
- Incorporate the right to conduct unannounced spot-checks on gold supplying counterparties and have access to their documentation as relevant to the exercise of due diligence in written agreements.

Adoption of a Risk Management Plan

Devise and adopt a risk management plan, adopting a risk management strategy as defined in the OECD Guidance Annex II Model Supply Chain Policy. Auditees' risk mitigation should aim to promote significant and measurable improvement within a reasonable timeframe from the adoption of the risk management plan. Risk mitigation strategies include:

- Continuing trade throughout the course of measurable risk management efforts.
- Temporarily suspending trade while pursuing ongoing mitigation efforts.
- Disengaging with a gold supplying counterparty in cases where mitigation appears not feasible or unacceptable.

In the design and implementation of risk mitigation, the auditee shall:

- Build and / or exercise leverage over the actors in the supply chain who can most effectively and most directly mitigate the risks of adverse impacts.
- Consult with gold supplying counterparties and affected stakeholders to agree on the strategy for measurable risk mitigation in the risk management plan, allowing for sufficient time for affected stakeholders to review the risk assessment and management plan.

²⁴ Auditees may refer to the OECD Guidance, Supplement on Gold, Step 3, Section I.B.5a-i) (pp100) for details on minimum information required for each gold input.



Implementation of Risk Management

Auditees shall implement the risk management plan, monitor and track performance of risk mitigation, report back to senior management and consider suspension or discontinuation of the business relationship with the gold supplying counterparty after failed attempts at mitigation.

Auditees shall maintain ongoing risk monitoring, evaluate the effectiveness of risk mitigation efforts and undertake additional fact and risk assessments, as required for risks that need mitigation or after changing circumstances.

D. OECD Guidance: Step 5 – Public Reporting (ALL SOURCES)

Auditees shall publicly disclose information on their due diligence. Information shall be published directly by the auditee, for example by posting on a company website or industry association website as a mandatory requirement for any auditee participating in the program. Publication of such information shall pay due regard to business confidentiality and other competitive concerns.

Table 9 outlines the type of information and publication method to be applied by the auditee.

TABLE 9: PUBLICATION REQUIREMENTS

Published by the auditee	Published by the program	
	RMI Members	Public ²⁵
<ol style="list-style-type: none"> 1. Supply Chain Policy 2. Audit Summary Report 3. OECD Step 5 Due Diligence Report (See Annex V) 4. Any other information deemed appropriate by the auditee. 	Aggregated Country of Origin Information: <ol style="list-style-type: none"> 1. Low-risk 2. High-Risk 3. DRC 4. Recycle / Scrap 	<ol style="list-style-type: none"> 1. Smelter ID number 2. Auditee Name 3. Country 4. Group Company Name 5. Conformance Status²⁶ 6. Link to Supply Chain Policy 7. Link to Audit Summary Report 8. Link to Due Diligence Report

²⁵ Information will be published on the program’s website: <http://www.responsiblemineralsinitiative.org/conformant-smelter-refiner-lists/>

²⁶ Via inclusion on the program’s list of auditees in conformance with this standard or Active Smelter List for auditees actively participating in this assurance process.



IX. ANNEXES

Annex I: Review of Material Transactions

Auditors will review country of origin and (where applicable) chain of custody documentation to test the implementation of management systems. Such documentation exists in forms that vary by country, region, and company. While this Annex includes guidance on the types of documents that can be used to successfully demonstrate origin, chain of custody, and due diligence, other forms may equally be used by the auditee to demonstrate the effective implementation of management systems.

The extent of origin and chain of custody documentation required for the auditee’s due diligence will depend on the material category and on whether the origin is low-risk or high-risk. If a shipment of material is received by the auditee and contains a combination of both low-risk and high-risk origin material, the documentation requirements shall follow that of high-risk.

A. Mined Gold Low-risk Sourcing

TABLE 10: MINED GOLD LOW-RISK

Expectation	Level	Data Points	Example Document Types (not every document is necessary)
Country of Origin	Transaction	Type of material; country of origin of the material, identification of the mine site or region of origin for ASM	<p>For LSM and ASM supply chains:</p> <ul style="list-style-type: none"> • Official (e.g. government issued) import / export license or other customs export document • Official (e.g., government-issued) country of origin certificate • Official (e.g., government-issued) mine license • Purchase order or contract showing mine name • Assessment of mining practice • Data on mining capacity (if available) • Mine assay results and weights <p>For ASM sources only: Documentation indicating the region of origin within the country, such as a declaration of ASM region of origin from the exporter, trader, supplier, etc. or immediate gold supplying counterparty for domestic sourcing, is acceptable to demonstrate origin for ASM.</p>
Know Your Counterparty (KYC)	Gold supplying counterparty	Identity, type of business relationship and	<p>For LSM and ASM supply chains:</p> <ul style="list-style-type: none"> • Business license or tax registration number



		legality of business operations	<ul style="list-style-type: none"> • Business structure and registration • Type of business • KYC Questionnaire(s) • Identity of the gold supplying counterparty • Identity of the beneficial owner(s) of the gold supplying counterparty • Records of checks that the gold supplying counterparty and their beneficial owners are not named on any government lists for wanted money launderers, known fraudsters or terrorists • Business and financial details with regard to the gold supplying counterparty including information on the purpose and intended nature of the business relationship
Chain of Custody	Transaction	Chain of custody documentation is not systematically required for low-risk sources. If the auditor detects any inconsistencies or discrepancies during the review of gold supplying counterparty KYC and / or country of origin documentation, he / she may request the auditee to provide additional documentation for selected transactions.	

B. Mined Gold High-Risk Sourcing

TABLE 11: MINED GOLD HIGH-RISK

Expectation	Level	Data Points	Example Document Types (not every document is necessary)
Context	Country / Area	Political, economic, social and security context of the CAHRA	<p>For LSM and ASM supply chains:</p> <ul style="list-style-type: none"> • UN Reports • NGO Reports • Governance Assessments • Media reports
Know Your Counterparty (KYC)	Gold supplying counterparty	<p>Identification of all actors in the upstream supply chain:</p> <p>Identification of ownership, Identification of related businesses, Verification of the identity, Checks on government watchlist information, Affiliation with government, political parties, military, criminal networks or non-state armed groups</p>	<p>The same documents than Table 10: Mined Gold Low Risk, KYC Section.</p> <p>In addition, for each upstream supply chain actor in LSM supply chains and each upstream actor between the local exporter and the refiner for ASM supply chains:</p> <ul style="list-style-type: none"> • Identity of the supply chain actor(s) • Identity of the beneficial owner(s) of the supply chain actor(s); • Records of checks that the supply chain actor(s) and their beneficial owners are not named on any government lists for wanted money launderers, known fraudsters or terrorists • Records of related businesses, subsidiaries, parents and affiliates • Records of checks of any affiliation of the supply chain actors with government, political parties, military, criminal networks or non-state armed groups
Country of Origin	Transaction	Type of material	The same documents than Table 10: Mined Gold Low Risk.



		<p>For LSM supply chains, the location and name of all gold mines for every output</p> <p>For ASM supply chains, identification of suppliers of ASM gold to local gold exporter and geographic sourcing area of those suppliers</p>	<p>In addition for LSM and ASM:</p> <ul style="list-style-type: none"> On-site visits or investigation reports <p>For ASM sources only:</p> <ul style="list-style-type: none"> Identity of the gold supplying counterparty of ASM gold to the local gold exporter Report or mapping of geographic sourcing area of suppliers of ASM gold Records of checks of suppliers of ASM gold for government, political or military affiliations and any reported instances of affiliations with non-state armed groups and / or public or private security forces Assessment of whether suppliers of ASM gold can be considered to be involved in Legitimate ASM
Country of Origin	Country / Area	<p>Current production and capacity of mine(s) and current production and capacity of mine processing unit(s)</p> <p>Quantity, dates and method of extraction (ASM or LSM)</p> <p>Methods of gold processing</p>	<p>For LSM and ASM:</p> <ul style="list-style-type: none"> Production records from mine and (if applicable) processing unit(s) Geological surveys, Production records of traceability / chain of custody program
Chain of Custody / Traceability	Transaction	<p>Identification of all location(s) in the supply chain including mine site, trading house, exporter and processors</p> <p>Method of gold transportation</p> <p>For each independent section of the domestic and international transportation route, physical location of</p>	<p>For LSM and ASM:</p> <p>Traceability:</p> <ul style="list-style-type: none"> Traceability reports Reference / shipment numbers <p>Domestic Transportation:</p> <ul style="list-style-type: none"> Trucking documentation or transportation logs Warehouse receipts



		<p>origin of the shipment; physical location of final destination of the shipment, description of the material (type and weight) and date of physical transportation / arrival date of the material</p>	<ul style="list-style-type: none"> • Contract showing transporter name • Invoices from appointed transport agent • License from appointed transport agent • Inland forwarding note International <p>Transportation:</p> <ul style="list-style-type: none"> • Airway Bill • Bill of lading (by sea) • Through bill of lading • Customs import record (refiner's country)
Legality	Supplier / Transaction	<p>All taxes, fees or royalties paid to government for the purposes of extraction, trade, transport and export of minerals</p> <p>Any other payments made to governmental officials for those same purposes</p>	<p>For LSM and ASM:</p> <ul style="list-style-type: none"> • Customs export record • Mining operation or in-country exporter financial reports • Operating license for mining (LSM) or export (ASM local exporters)
Security Forces	Supplier	<p>The security services provided by public or private security forces at the mine site</p> <p>All taxes and any other payments made to public or private security forces or other armed groups at all points in the supply chain from extraction onwards</p> <p>Training of security forces</p> <p>Screening and security risk assessments in accordance with the UN Voluntary Principles on Security and Human Rights</p>	<p>For LSM supply chains only:</p> <ul style="list-style-type: none"> • Contracts with public or private security forces • Records of payments made to public or private security forces • Training records • Risk assessment records • Records of screening of security forces personnel
LSM / ASM Relationship	Supplier	<p>Operation of ASM on LSM concession</p>	<p>For LSM and ASM supply chains, where applicable:</p> <ul style="list-style-type: none"> • Reports of ASM miners on LSM concession



		<p>Tensions between LSM and ASM miners</p> <p>Entry of ASM gold into the LSM supply chain</p>	<ul style="list-style-type: none"> Records of community engagement meetings Records of engagement with ASM miners LSM processing entity records of material receipt Traceability mechanism incident reports
Supply Chain Mapping	Supply Chain	<p>Locations where minerals are consolidated, traded, processed or upgraded</p> <p>Identification of all upstream intermediaries, consolidators or other actors in the upstream supply chain; transportation routes</p>	<p>For LSM and ASM:</p> <ul style="list-style-type: none"> Supply chain map Traceability reports Contracts / agreements Mine site declarations or visit reports identifying actors in the supply chain
Risk Assessment	Country / Area	<p>Qualitative information on conditions in the supply chain regarding:</p> <ul style="list-style-type: none"> Presence and / or involvement of non-state armed groups²⁷ Occurrence of serious human rights abuse Occurrence of worst forms of child labor²⁸ Occurrence of forced labor Presence and role of public or private security forces Occurrence of bribery, money laundering or non-payment of taxes, fees and royalties 	<p>For LSM and ASM:</p> <ul style="list-style-type: none"> KYC documentation On-site visits or audit reports Incident monitoring reports NGO or other stakeholder reports
Risk Assessment	Supplier / Transaction	<p>Name of actors involved, name and location of mine site(s) involved, type of risk, description of incident, description of immediate</p>	<p>For LSM and ASM:</p> <ul style="list-style-type: none"> On-site assessment team Upstream actor visits or audit reports Upstream risk assessment reports

²⁷ This includes direct or indirect finance or benefit to armed groups as defined in the Securities and Exchange Commission 17CFR Parts 240 and 249b (SEC Final Conflict Minerals Rule). To identify non-state armed groups, companies should refer to relevant UN Security Council resolutions as well as OFAC.

²⁸ See ILO Convention No. 182 on Worst Forms of Child Labor (1999).



		mitigation measures (where applicable)	<ul style="list-style-type: none"> • Incident monitoring reports • National law and regulations, OECD Guidelines, core Human Rights conventions, humanitarian law
Risk Mitigation	Supplier	Records demonstrating implementation of risk mitigation measures	<p>For LSM and ASM:</p> <ul style="list-style-type: none"> • Risk management plan • Meeting records, email correspondence with supply chain actors for risk mitigation • Incident monitoring reports • Performance reports • Grievance Mechanisms and tracking / responding to supply chain incidents
Risk Management	Auditee	Evidence of ongoing monitoring of risks	<p>For LSM and ASM:</p> <ul style="list-style-type: none"> • Risk management plan and strategy • Reports to senior management • Meeting notes • Internal memos / correspondence • Notice of suspension / discontinuation of contracts / agreements

C. Recycled Gold Low Risk

TABLE 12: RECYCLED GOLD LOW RISK

Expectation	Level	Data Points	Example Document Types (not every document is necessary)
Know Your Counterparty (KYC)	Counterparty	Identity, type of business relationship and legality of business operations for the gold supplying counterparty	<ul style="list-style-type: none"> • Business license or tax registration number • Business structure and registration • Type of business • KYC Questionnaires • Identity of the gold supplying counterparty • Identity of the beneficial owner(s) of the gold supplying counterparty • Records of checks that the gold supplying counterparty and their beneficial owners are not named on any government lists for wanted money launderers, known fraudsters or terrorists • Business and financial details with regard to the gold supplying counterparty including information on the purpose and intended nature of the business relationship
Source	Transaction	Description of the material and / or information on the composition of the material confirming that it is recycled	<ul style="list-style-type: none"> • Analysis data • Information on physical form such as photos or explicit descriptions of the material lot • Direct gold supplying counterparty contract and / or purchase agreement containing description of the material supplied • Assay / estimated gold content

D. Recycled Gold High Risk

TABLE 13: RECYCLED GOLD HIGH RISK

Expectation	Level	Data Points	Example Document Types (not every document is necessary)
Know Your Counterparty (KYC)	Counterparty	Identity, type of business relationship and legality of business operations for the gold supplying counterparty	Same documents than Table 12, Section KYC
Counterparty due diligence	Counterparty	Due diligence practices of the gold supplying counterparty	<ul style="list-style-type: none"> Counterparty AML-CFT Policy Gold supplying counterparty due diligence policy, procedures and processes Geographical proximity of gold sources used by the gold supplying counterparty Type of gold sources used by the gold supplying counterparty
Source	Transaction	<p>Description of the material and / or information on the composition of the material confirming that it is recycled</p> <p>Unusual circumstances regarding volume or gold content of material</p>	<p>Same documents than Table 12, Section Source</p> <p>In addition:</p> <ul style="list-style-type: none"> Material receipt records for transactions received from the gold supplying counterparty Assay / gold content estimations for transactions received from the gold supplying counterparty
Source	Transaction	Location of the transaction.	<ul style="list-style-type: none"> Country of operation of the gold supplying counterparty List of locations of gold sources used by the gold supplying counterparty
Value	Transaction	Threshold of 15'000USD per transaction	Based on the same documents as outlined in this table, increased focus on gold supplying



			counterparties with transactions over 15'000USD
Risk Assessment	Counterparty / Country	Qualitative information on conditions in the supply chain regarding: <ul style="list-style-type: none"> • Presence and / or involvement of non-state armed groups²⁹ • Occurrence of serious human rights abuse • Occurrence of worst forms of child labor³⁰ • Occurrence of forced labor • Presence and role of public or private security forces • Occurrence of bribery, money laundering or non-payment of taxes, fees and royalties 	<ul style="list-style-type: none"> • KYC documentation • On-site visits or audit reports • Incident monitoring reports • NGO or other stakeholder reports
Risk Assessment	Counterparty / Transaction	Name of actors involved, name and location of mine site(s) involved, type of risk, description of incident, description of immediate mitigation measures (where applicable)	<ul style="list-style-type: none"> • On-site assessment team • Reports on incident • National law and regulations, OECD Guidelines, core Human Rights conventions, humanitarian law
Risk Mitigation	Counterparty	Records demonstrating implementation of risk mitigation measures	<ul style="list-style-type: none"> • Risk management plan • Meeting records, email correspondence with supply chain actors for risk mitigation • Incident monitoring reports • Performance reports • Grievance Mechanisms and tracking / responding to supply chain incidents

²⁹ This includes direct or indirect finance or benefit to armed groups as defined in the Securities and Exchange Commission 17CFR Parts 240 and 249b (SEC Final Conflict Minerals Rule). To identify non-state armed groups, companies should refer to relevant UN Security Council resolutions as well as OFAC.

³⁰ See ILO Convention No. 182 on Worst Forms of Child Labor (1999).



Risk Management	Auditee	Evidence of ongoing monitoring of risks	<ul style="list-style-type: none"> • Risk management plan and strategy • Reports to senior management • Meeting notes, • Internal memos / correspondence • Notice of suspension / discontinuation of contracts / agreements
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E. Gold Supplying Counterparty Due Diligence

TABLE 14: GOLD SUPPLYING COUNTERPARTY DUE DILIGENCE

Expectation	Level	Data Points	Example Document Types (not every document is necessary)
Know Your Counterparty (KYC)	Counterparty	Identity, type of business relationship and legality of business operations for the gold supplying counterparty	<ul style="list-style-type: none"> • Business license or tax registration number • Business structure and registration • Type of business • KYC Questionnaires • Identity of the gold supplying counterparty • Identity of the beneficial owner(s) of the gold supplying counterparty • Records of checks that the gold supplying counterparty and their beneficial owners are not named on any government lists for wanted money launderers, known fraudsters or terrorists • Business and financial details with regard to the gold supplying counterparty including information on the purpose and intended nature of the business relationship



Plausibility	Counterparty / Source	Method of gold processing Volume of gold processed / sold Unusual circumstances regarding volume or gold content of material	<ul style="list-style-type: none"> • Gold supplying counterparty declaration of type and origin of gold • In-person visit reports • Production records (where applicable) • Assay results
Source	Transaction	Records confirming the conformance with this Standard by the supplying gold refiner	<ul style="list-style-type: none"> • Identity of the gold supplying refiner • Refiner stamp or other evidence confirming that the gold was produced during a period where the gold supplying refiner was in conformance with this Standard (or equivalent) • Certificate / confirmation of conformance of the gold supplying refiner with this Standard (or equivalent)
Counterparty due diligence	Counterparty	Due diligence of the gold supplying counterparty (non-conformant with this or an equivalent Standard)	<ul style="list-style-type: none"> • Gold supplying counterparty declaration of type and origin of gold • Gold supplying counterparty AML-CFT Policy • Gold supplying counterparty Supply Chain Policy and / or due diligence records • In-person visit reports
Source	Transaction	Metal Exchange / Warehouses, Financial Institution	<ul style="list-style-type: none"> • Identity of the gold supplying refiner • Refiner stamp or other evidence confirming that the gold was produced during a period where the gold supplying refiner was in conformance with this Standard (or equivalent) or that the gold is grandfathered • Certificate / confirmation of conformance of the gold



			supplying refiner with this Standard (or equivalent)
Risk Management	Transaction	Identification of red flags, inconsistencies or discrepancies in the review of the gold supplying counterparty due diligence / sources of gold	<ul style="list-style-type: none"> • Records of inconsistency, discrepancy or red flag identified • Records of engagement with gold supplying counterparty • Identity of the gold supplying refiner that is non-conformant with this or an equivalent Standard. <p>For gold supplying refiners that are subject to the full requirements of this Standard, the auditee should refer to tables 10 - 13 in this Annex for guidance on mined and recycled gold</p>



Annex II: Sourcing from Artisanal and Small-Scale Mining

This program recognizes the importance of both legal and illegal artisanal mining for the livelihood of miners and their communities as well as the significant impact such activities have on local economies. However, the program also recognizes that, especially in conflict-affected and high-risk areas, artisanal miners are particularly vulnerable to adverse impacts and serious abuses associated with the extraction, transport and trade of gold.

This program actively supports and encourages member, as well as refiner, involvement with initiatives that create economic and development opportunities for artisanal and small-scale miners with a view to mitigate the risk of marginalization of the artisanal and small-scale mining sector. This Annex provides guidance and resources for refiners to engage with artisanal and small-scale miners in their supply chain. Such engagement may be driven by the refiner or conducted jointly with other interested parties.

This Annex is based on the OECD Guidance, Appendix to the Supplement on Gold, “Suggested measures to create economic and development opportunities for artisanal and small-scale miners” as well as existing programs for responsible gold supply chains from high-risk areas. Refiners may consult the RMI’s website for information on current responsible gold projects that refiners can get involved in:

[http://www.responsiblemineralsinitiative.org/training-and-resources/complementary-programs/artisanal-and-small-scale-mining-\(asm\)-gold-resources/](http://www.responsiblemineralsinitiative.org/training-and-resources/complementary-programs/artisanal-and-small-scale-mining-(asm)-gold-resources/)

While such projects are limited to certain regions of artisanal gold mining, refiners may use the information to gain further understanding of successful approaches to the responsible sourcing of gold.

When sourcing from artisanal mining operations in CAHRAs, refiners may want to consider the following core elements for responsible sourcing:

- Ensure the ASM operations are **legitimate**, as defined by the OECD Guidance³¹.
- Establish a system of control and **transparency** over the ASM supply chain.
- Set up a mechanism to ensure ongoing **monitoring** of ASM practices.

Specifically, refiners may consider the following steps to engage with ASM operations:

³¹ OECD Guidance, Supplement on Gold, Definitions: “For the purposes of this Guidance, legitimate refers to, among others, artisanal and small-scale mining that is consistent with applicable laws. When the applicable legal framework is not enforced, or in the absence of such a framework, the assessment of the legitimacy of artisanal and small-scale mining will take into account the good faith efforts of artisanal and small-scale miners and enterprises to operate within the applicable legal framework (where it exists) as well as their engagement in opportunities for formalisation as they become available (bearing in mind that in most cases, artisanal and small-scale miners have very limited or no capacity, technical ability or sufficient financial resources to do so). In either case, Artisanal and small-scale mining, as with all mining, cannot be considered legitimate when it contributes to conflict and serious abuses associated with the extraction, transport or trade of minerals as defined in Annex II of the Guidance”.



A. On-the-ground risk assessment

As a first step, the refiner should visit the mine sites and identify relevant stakeholders to include in the engagement. Stakeholders should include representatives from the gold mining and value chain, civil society and government.

Stakeholders should agree on clear parameters, which are in accordance with the refiner's Supply Chain Policy, for mine sites to adhere to. The refiner may then conduct a risk assessment of the mine sites against the parameters defined. Risk assessments could be carried out by a multi-stakeholder group, the refiner or a third party.

Refiners may want to gather the information as outlined in Table 11: Mined Gold: High Risk Sources during the risk assessment:

- KYC documentation for the gold supplying counterparty
- Identification of the gold supplying counterparty of ASM gold to the local gold exporter
- Mapping of geographic sourcing area of suppliers of ASM gold
- Checks of suppliers of ASM gold for government, political or military affiliations and any reported instances of affiliations with non-state armed groups and / or public or private security forces
- Assessment of the legitimacy of the ASM operations
- Data on the production capacity of ASM operations
- Clarification of transportation route and means of transportation
- Export license for the local exporter
- Where applicable, assessment of the relationship between LSM concession holder and ASM operations

Refiners may also choose to consider additional risk areas that are not directly covered by the Supply Chain Policy. Such risk areas could include life threatening occupational health and safety conditions, the use of mercury or instances of child labor (not limited to worst forms of child labor).

B. Engagement with stakeholders and establishment of system of control and transparency

Based on the results of the risk assessment, the refiner may determine whether to engage with the stakeholders and support the formalization of artisanal mining operations. Recognizing the challenges and understanding the reasons for the lack of formalization may help the refiner identify the best strategies to support legitimate processes to legalize ASM operations. These may include the provision of technical assistance, establishment of collaborative initiatives for the financing of the formalization process or the identification of other regulatory measures to legalize operations of artisanal and small-scale miners.

The refiner should further work with the stakeholders to establish a system of transparency over the ASM supply chain. The system of transparency may include the following key elements:

- Identification or establishment of points for the gold to be traded (e.g. gold buying centers).
- Construction and maintenance of secure depots at gold trading centers.
- Establishment of a traceability system.



To support the establishment of responsible ASM gold supply chains, the refiner may further consider general support measures such as:

- Providing financial support for the on-the-ground assessments, traceability system, formalization efforts and / or ongoing monitoring efforts;
- Promoting or taking part in programs that market ASM gold from the assessed mine sites, including the facilitation of partnerships between ASM producers and downstream customers;
- Support the formalization of security arrangements at gold mine site and trading centers between ASM communities, local government and private or public security forces;
- Other measures to support the implementation of responsible gold mining practices as well as the uptake of sourcing of responsibly mined ASM gold.

C. Ongoing monitoring

The refiner should ensure the ongoing monitoring of the gold supply chain with a view to identify any risks related to the Supply Chain Policy or other risks related to ASM operations and as defined by the refiner.

The ongoing monitoring should include the mine sites as well as the gold trading centers. Refiners may want to consider community-based monitoring systems.



Annex III: Sampling Guidance

The objective of the review of material transactions is to test systems and processes of the auditee. The Responsible Minerals Assurance Process applies a representative sampling approach to gather sufficient evidence to reasonably allow for inference about the conformity of the whole population.

Sampling is employed exclusively for low-risk transactions of mined or recycled gold. For high-risk transactions of mined or recycled gold, 100% of transactions received within the audit period will be reviewed.

The auditor is responsible to determine the final sample size. Auditors shall refer to this Sampling Guidance for the approach to select the appropriate sample population.³²

Sampling Approach

The auditor shall review the type, size and complexity of the auditee’s operations to determine whether simple or complex sampling plan may be applied for the low-risk transactions. Specifically, the auditor shall take into account the following criteria:

1. The total number of transactions received during the audit period.
2. The proportion of mined and recycled as well as sub-categories of material.
3. The number of active gold supplying counterparties during the audit period as well as the volume of material (in quantity or spend) supplied for each of them.
4. The percentage of traders / trading companies as part of the total number of active gold supplying counterparties for primary material.
5. The number of different low-risk countries of origin.
6. Any anomalies observed in the review of transactions.
7. Any other criteria as identified by the auditor.

Based on the above criteria, the auditor will apply the simple or complex sampling plan. The auditor will randomly select samples from the total population.

TABLE 15: SIMPLE SAMPLING PLAN

Number of Low-risk transactions	Sampling Size
1 – 100	10
101 – 250	11 – 15
250 – 500	16 – 20
501 – 1000	21 – 25
1001 – 5000	25 – 30
Over 5001	31 – 50

TABLE 16: COMPLEX SAMPLING PLAN

³² This sampling guidance is based on ISEAL Alliance, Assurance Code Version 2014, Section 6.4.4



Number of Low-risk transactions	Sampling Size
1 – 100	10
101 – 250	11 – 20
250 – 500	21 – 30
501 – 1000	31 – 45
1001 – 5000	46 – 100
Over 5001	101 - 250

The sample size may be increased if the auditor detects inconsistencies or discrepancies in the documentation provided for review or if there is evidence pointing to the falsification or manipulation of documents. If during the audit the auditor feels the need to increase the sample size, the auditor shall provide the reason for this need as well as the applied sampling approach in the audit report.



Annex IV: OECD Step 5 Refiner Public Report

The OECD Guidance encourages auditees to publish annual reports on supply chain due diligence policies and practices with due regard to business confidentiality and other competitive concerns. Business confidentiality and other competitive concerns means price information and gold supplying counterparty relationships without prejudice to subsequent evolving interpretation³³.

As auditees of this program are considered an upstream entity for the purposes of the OECD Guidance, they must conform to the OECD Step 5 reporting requirements for upstream companies, including the specific requirements for refiners. The Responsible Minerals Assurance Process requires all auditees to report publicly on their due diligence program.

Below is an outline of categories that are recommended to be included in these reports. This outline is recommended for all auditees; however, the scope and level of detail may reasonably be reduced in low-risk contexts. It is recommended to provide examples where possible to illustrate application of due diligence concepts and to demonstrate improvement over time.

- Auditee Introduction
 - Auditee Name
 - Smelter Company ID (CID)
 - Location
 - 3TG materials processed
- Audit Summary
 - Date of last audit
 - Audit period
 - Lead auditor name
 - Link to most recent publicly available audit summary report
- Company Management System
 - Supply Chain Policy
 - Management Structure and Responsibility
 - System of Controls and Transparency
 - Record keeping system
- Risk Assessment
 - Risk assessment process, methodology and results
 - Methodology, practices and information yielded in on-the-ground assessments
- Risk Management
 - Risk mitigation strategy
 - Involvement of affected stakeholders
 - Descriptions of efforts to track and monitor progress

³³ OECD Guidance Edition 3, Tin and Tantalum Supplement, p.52 and Footnote 34



- OPTIONAL: Description of other issues and / or risks beyond Annex II of the OECD Guidance included in the due diligence system (e.g. Environment; Health & Safety; Child Labor, all forms)

Where the auditee utilizes an upstream assurance mechanism, some of the information may be published by this system and does not need to be repeated by the auditee. This applies to, in particular, descriptions of methodologies or systems of control over the supply chain. It is the responsibility of the auditee to request and obtain this information from the upstream assurance mechanism and to make it available for the due diligence audit. Auditees, auditors, and the program may be subject to confidentiality agreements in regards to information generated by the upstream assurance mechanism.

Annex V: Gold Material Categories

Gold is sourced from two categories, and required documentation will differ according to category and location of source:

- New production from mines,
- New production from recycling.

For the purposes of the audit, all 'gold-bearing material' must be classified into one of these two categories. The term 'gold-bearing material' means only material containing sufficient gold for valuation based on gold content; materials that contain de minimis amounts of gold, and which have no market value attributable to gold content, are not included as gold-bearing material.

1. Mining material

This term means gold that originates from mines (medium and large-scale or artisanal and / or small-scale mines) and has never been previously refined³⁴. The country of origin of mining material is the location of the mine or point of initial extraction, except for byproduct gold extracted from residues of other metal ores. For compatibility with OECD Guidance, this is intended to conform to the first life cycle of gold.

New production from mines is about 2500 tons of gold per year, from about 100 countries. In large scale gold mining, ore is extracted, processed and smelted at or near the location of the mine to produce a high concentration alloy of metals, such as gold, silver, etc., referred to as doré. Doré is usually sent offsite to a gold refiner. Small and medium scale gold mining is more likely to produce a concentrate that is sent offsite for smelting and refining, or be placer mining, and its flake or dust product is also usually sent offsite to a gold refiner for final refining. A mining material that has been partially processed, i.e. an intermediate product such as an ingot, does not lose its identity as a mining material, or change category. All of this material is defined as mining material and an inquiry related to its country of mining origin is necessary.

Gold is sometimes produced as a byproduct of other metal ores, notably silver, copper, lead and zinc. The primary metal is processed first, typically in very large continuous processing steps in which many batches of source materials are mixed. Gold is only extracted months later from a final residue, such as electrolytic cell slimes, which then require substantial additional processing and refining. The constant mixing of the primary metal materials precludes identification of byproduct gold from specific original non-gold mines. The country of origin of non-conflict mineral mining byproduct gold should therefore be the point at which a gold-bearing material is created for initial transfer into a gold recovery process, or at any point at which its gold concentration rises above one percent, whichever occurs first.

³⁴ OECD Due Diligence Guidance for Responsible Supply Chains on Minerals from Conflict-Affected and High-Risk Areas, Supplement on Gold, <http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>

2. Recyclable material

Gold has been recycled for thousands of years; everything that has ever been produced with gold during those thousands of years is, as a metallurgical fact, recyclable for its gold content. This term traditionally encompasses anything that is gold-bearing and has not come directly from a mine in its first gold life cycle. In practical terms, recyclable material includes end-user, post-consumer products, scrap and waste metals and materials arising during refining and product manufacturing as well as investment gold and gold-bearing products.

This category may also include fully-refined gold that has been fabricated into grain, good delivery bars, medallions and coins that have previously been sold by a refiner to a manufacturer, bank or consumer market, and that may thereafter need to be returned to a refiner to reclaim their financial value.

However, for clarity of understanding, mining material of any form, shape or concentration, including intermediate material that has not yet been fully refined (99.5% or higher), and sold is in its first gold life cycle, and continues to be mining material for which an inquiry related to its mining origin continues to be necessary (except as described above for mining byproduct gold from non-conflict metals). Therefore, a partially-refined product with a direct mining origin cannot simply be transferred to another refiner and be reclassified as a recycled material, for which no mine or country of origin would need to be identified. The only exception to this is for low grade scrap and other such materials (less than 1% gold), such as floor sweepings and pollution control materials. The following materials are recyclable materials:

TABLE 17: TYPES OF RECYCLABLE MATERIALS

Type of recyclable materials	Examples:
Post-consumer products	<ul style="list-style-type: none"> • jewelry • coins • household ornaments • dental materials • electronic circuit boards • electronic chips • electronic connectors
Scrap and waste metals and materials arising during refining	<ul style="list-style-type: none"> • container residues • gold furnace worker gloves • gold furnace worker aprons • gold furnace worker dust masks • floor sweepings • workbench sweepings • sweeping tools • gold furnace flue dust



	<ul style="list-style-type: none"> • gold furnace bricks • gold furnace crucibles • assay laboratory cupels • polishing compounds • polishing rags • polishing compounds
<p>Materials arising during product manufacturing</p>	<ul style="list-style-type: none"> • secondary copper electrolytic cell slimes • process filters • wastewater treatment sludge • ion exchange resins • wastewater collection devices (gold bugs) • spill cleanup materials • machine cuttings • spent sputtering targets

Annex VI: Definition of Terms and Acronyms

Agreement for Exchange of Confidential Information (AECI): Non-disclosure agreement

Ability to convert: Direct, in-house capability to chemically or thermally convert materials and is not applicable to companies that wholly contract or sub-contract those processes.

Artisanal and Small-Scale Mining (ASM): Formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and transportation. ASM is normally low capital intensive and uses high labor-intensive technology. “ASM” can include men and women working on an individual basis as well as those working in family groups, in partnership, or as members of cooperatives or other types of legal associations and enterprises involving hundreds or even thousands of miners.³⁵

ARC: Audit Review Committee. The ARC reviews audit reports for consistency in implementing the audit standard and it makes a conformance determination. ARC also reviews corrective actions when completed.

Audit: An evaluation of a person, organization, system, process, enterprise, project or product.

Audit period: The period of time covered by the Audit Workbook, typically one year.

Auditee: The entity or entities included in the scope of the due diligence audit.

Bill of Lading: A document issued by a carrier, or its agent, to the shipper as a contract of carriage of goods. It is also a receipt for cargo accepted for transportation, and must be presented for taking delivery at the destination.³⁶

Bullion Bank: Investment banks that function as wholesale suppliers dealing in large quantities of refined gold³⁷.

CFSI: Conflict-Free Sourcing Initiative

CoA: Certificate of Analysis which will show production date, or in the case of non-registered metal brands, similar appropriate documentation.

Conflict Minerals: cassiterite, columbite-tantalite, gold, wolframite, or their derivatives, or any other minerals or their derivatives determined by the United States Secretary of State to be financing conflict in the Covered Countries.

Conflict-affected and high-risk areas (CAHRAs): Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve

³⁵ OECD Guidance for Responsible Supply Chains on Minerals from Conflict-Affected and High-Risk Areas, Third Edition

³⁶ <http://www.businessdictionary.com/definition/bill-of-lading-B-L.html>

³⁷ Responsible Jewellery Council, [Chain of Custody Standard](#), Glossary



two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.³⁸

Continual Improvement: A set of recurring activities that are carried out in order to enhance performance. Continual improvements can be achieved by carrying out audits, self-assessments, and management reviews. Continual improvements can also be realized by collecting data, analyzing information, setting objectives, and implementing corrective and preventive actions.

Country of Origin: The country where the ore was mined.

Covered Countries: The Democratic Republic of the Congo (DRC) and its nine adjoining countries as outlined in Section 1502 of the Dodd Frank Act, namely Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.

Critical Information: For the purpose of this Standard, “critical information” refers to any and all information related to the auditee’s due diligence and that is necessary for all parties involved in the program, specifically employees and gold supplying counterparties, to effectively carry out the tasks and responsibilities assigned to them as part of the program.

Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd Frank Act): A federal statute in the United States that was signed into law on July 21, 2010. Section 1502 added Section 13(p) to the Securities Exchange Act of 1934, which requires the Securities and Exchange Commission to promulgate rules requiring issuers with conflict minerals that are necessary to the functionality or production of a product manufactured by such entity to disclose annually whether any of those materials originated in the Democratic Republic of the Congo or an adjoining country.

<http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>

EICC: Electronic Industry Citizenship Coalition

Estimated Losses: Unrecoverable production losses.

GeSI: Global e-Sustainability Initiative

Gold-supplying counterparty: A gold supplier that is directly engaged with the refiner.

Gold Aggregator: An individual or entity that consolidates and / or processes gold, as the first process and may cast it into rudimentary bars or some other form with undefined dimensions and variable fineness, prior to refining to begin a new life cycle.

Grandfathered Gold: Refined gold with a verifiable refining date prior to 1st January 2012.

³⁸ OECD Guidance for Responsible Supply Chains of minerals from Conflict Affected and High-Risk Areas, Third Edition



High-Risk Source: The auditee has identified a red flag during the review of the gold supplying counterparty, the gold origin or transportation as defined by this Standard or the auditee’s due diligence system.

Inland forwarding note: Refers to a transportation document from the importing country to the auditee. It generally refers to overland transportation, but can refer to a document demonstrating transportation from the sea or airport to the auditee where a bill of lading or import record is unavailable.

Internal Material Control Systems: These systems serve to validate the auditee’s ability to record, control and monitor the material received, stored, processed or otherwise handled by the auditee.

Inventory: Stocks of ore, secondary material, and finished product, work in progress materials not calculated in stocks, and similar material.

Investment Gold: Gold, in the form of a bar or a wafer of weights accepted by the bullion markets, of a purity equal to or greater than 995 thousandths. Gold coins which are of a purity equal to or greater than 900 thousandths, are minted after 1800, are or have been legal tender in the country of origin, and are normally sold at a price which does not exceed the open market value of the gold contained in the coins by more than 80 %³⁹.

ISO: International Organization for Standardization

Large Scale Mining (LSM): For the purposes of this document, the definition includes all formal operations characterized by substantial capital, heavy equipment, high technology and a significant workforce (large and medium in size) not considered to be within the ASM definition.

LBMA: London Bullion Market Association (www.lbma.org.uk)

Low-risk Source: No red flags as defined by this Standard or the auditee’s due diligence system are identified during the review of the gold supplying counterparty, the gold origin or transportation.

Mined Gold: Gold that originates from mines (medium and large-scale or artisanal and / or small-scale mines) and has never been previously refined⁴⁰.

Mining By-Product: Gold that is produced from other metal mining, e.g., from copper sulphide ore, in which gold may be a trace constituent⁴¹.

Money laundering: Money laundering is the practice of disguising the origins of illegally obtained money. Ultimately, it is the process by which the proceeds of crime are made to appear legitimate. The money involved can be generated by any number of criminal acts, including drug dealing, corruption and other

³⁹ Council Directive [1998/80/EC](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:l31012) of 12 October 1998, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:l31012>

⁴⁰ OECD Guidance for Responsible Supply Chains of minerals from Conflict Affected and High-Risk Areas, Third Edition, Gold Supplement

⁴¹ Idem



types of fraud. The methods by which money may be laundered are varied and can range in sophistication from simple to complex.

OECD Guidance: General term for the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains on Minerals from Conflict-Affected and High-Risk Areas. <http://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>

Origin (mined gold): The location where the ore was mined, to the best detail possible. At a minimum, the description must include the country, but province / state, city, mine site and mine name are further details that are helpful to locate the origin.

Origin (recycled gold): The point in the gold supply chain where the gold is returned to the refiner or other downstream intermediate processor or recycler.

Outside the supply chain: Per the Dodd-Frank Act, this refers to conflict minerals that have been smelted or fully refined, or if they have not been smelted or fully refined, are outside the “Covered Countries”, prior to January 31, 2013.

Outsourcing: A transaction where materials are processed by a refiner on behalf of a client who retains ownership of the agreed to elements and / or volume of those materials and / or a transaction where materials are processed by an external contractor on behalf of the refiner and the refiner retains ownership of the agreed to elements and / or volume of those materials.

Qualification Status: Conformance with this Standard at all times.

Product shipments: Include any finished good and secondary, intermediate, semi-processed, or other materials that are sold and then shipped out of the facility during the audit period.

Receipts: All material received during the audit period.

Recycled Gold: Gold that has been previously refined, such as end-user, post-consumer and investment gold and gold-bearing products, and scrap and waste metals and materials arising during refining and product manufacturing, which is returned to a refiner or other downstream intermediate processor to begin a new life cycle as ‘recycled gold’.⁴²

Recycler: An individual or entity that is not a refiner as defined in Section VII.A., that collects, consolidates and / or processes recyclable / scrap gold, such as sampling and assay, prior to refining to begin a new life cycle.

Refining: Process of purification of a (1) substance or a (2) form; the term is broad, and may include more drastic transformations, such as the reduction of ore to metal⁴³

⁴² OECD Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas Third Edition, Supplement on Gold, p.68

⁴³ <http://en.wikipedia.org/wiki/Refining>



RJC: Responsible Jewellery Council (<https://www.responsiblejewellery.com/>)

Responsible Minerals Assurance Process: Formerly known as the Conflict Free Smelter Program (CFSP).

RCOI: Reasonable Country of Origin Inquiry, a requirement of the Dodd Frank Act Section 1502.

Risk-Based Audit Program: A [program](#) that allows low-risk auditees, defined as auditees in Low-risk Countries that only sourcing domestic material to qualify for this program.

SEC Conflict Minerals Rule: US Security and Exchange Commission Conflict Minerals Rule, <http://www.sec.gov/rules/final/2012/34-67716.pdf>

Smelter Company Identification Number (CID): Unique numeric identification number for refiner facilities, assigned by the program.

Supplying refiner: When an auditee receives material from another entity, the supplying refiner is the last point in the supply chain in which the material was processed. Trading companies and other pass-through segments of the supply chain would not be considered supplying refiner.

Trader: An individual or entity that trades in materials where the material traded is in the same chemical and physical state as received.

Upstream Assurance Mechanism: A system that provides upstream actors with the necessary due diligence and / or chain of custody requirements to help conform to the OECD Due Diligence guidance. These mechanisms may be third party entities or industry wide initiatives. In all cases, upstream entities retain individual responsibility for their due diligence.

WGC: World Gold Council (www.gold.org)



Annex VII: Resources

Responsible Minerals Assurance Process Documents

- Audit Tools: <http://www.responsiblemineralsinitiative.org/smelter-introduction/>
- Template AECI and agreements: <http://www.responsiblemineralsinitiative.org/smelter-introduction/>

Standard and Guidance Documents

- OECD Guidance for Responsible Supply Chains on Minerals from Conflict-Affected and High-Risk Areas: <http://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>
- TI-CMC: <http://ti-cmc.org/>
- Dodd Frank Wall Street Reform and Consumer Protection Act, Section 1502: <http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>
- US Security and Exchange Commission Conflict Minerals Rule: <http://www.sec.gov/rules/final/2012/34-67716.pdf>
- EU Conflict Minerals Regulation: <http://ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/>
- ISO 9000 Standard: <https://www.iso.org/iso-9001-quality-management.html>
- ISO 17000 Series: <https://www.iso.org/obp/ui/#iso:std:iso-iec:17000:ed-1:v1:en>
- ISO 14000 Series: <https://www.iso.org/iso-14001-environmental-management.html>

Conflict-Affected and High-Risk Areas

- List of currently approved upstream assurance mechanisms can be found here: <http://www.responsiblemineralsinitiative.org/training-and-resources/complementary-programs/>
- Guidance on the identification of CAHRAs: <http://www.responsiblemineralsinitiative.org/training-and-resources/conflict-affected-and-high-risk-areas/>
- Production statistics related to gold production:
 - <http://www.itia.info/>
 - <https://minerals.usgs.gov/minerals/pubs/commodity/gold/index.html - mcs>



Annex VIII: Effective Date & Revision History

This revision of the audit standard replaces all prior versions and is in effect as of the date identified on the cover page as the “Effective Date.” For those audits already scheduled prior to the “Effective Date,” the refiner will have the option of conducting their audit using either the prior or current versions of the audit standard. All audits scheduled after the “Effective Date” must use the most current version of the audit standard which is identified by the “Publication Date” on the cover page of each revision.



Annex IX: Revision History

Rev 2017 – Revised program name from “Conflict Free Smelter Program” to “Responsible Minerals Assurance Process”, aligned with OECD Guidance five step framework and ISO management systems requirements, expanded definition of high-risk countries to include global scope for conflict-affected and high-risk areas, re-categorized country levels from a numeric category (e.g. Level 1) to Low-risk and High-Risk, revised review of transactions to focus on the audit of management systems and processes, removed requirement for chain of custody documentation for low-risk sources, clarified expectations for recycled gold and gold supplying counterparties, removed category of existing stocks of gold, removed procedural aspects, clarified origin determination requirements, consolidated document examples for high-risk sources including data points and aligned with OECD Guidance requirements, added sampling guidance and guidance to source from ASM, improved definitions for companies in scope, reformatted.

Rev 09 August 2011 - Initial release of the Gold standard.