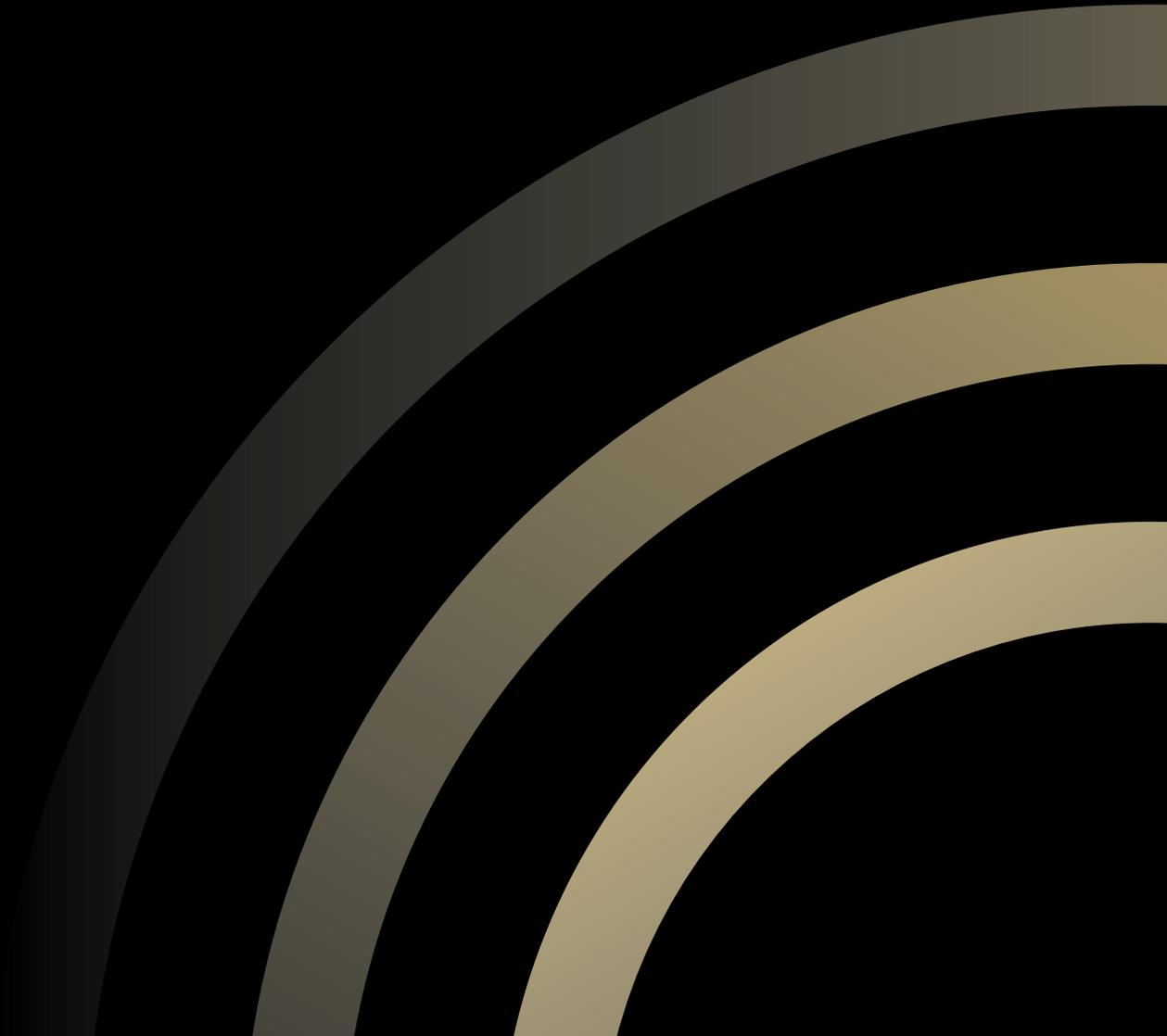




**The Responsible Gold Mining Principles in relation
to other international mining frameworks:
A guide for investors**



About the World Gold Council

The World Gold Council is the market development organisation for the gold industry. Our purpose is to stimulate and sustain demand for gold, provide industry leadership, and be the global authority on the gold market.

We develop gold-backed solutions, services and products, based on authoritative market insight and we work with a range of partners to put our ideas into action. As a result, we create structural shifts in demand for gold across key market sectors.

We provide insights into the international gold markets, helping people to understand the wealth preservation qualities of gold and its role in meeting the social and environmental needs of society.

Based in the UK, with operations in India, China, Singapore and the USA, the World Gold Council is an association whose members comprise the world's leading and most forward thinking gold mining companies.

For more information

World Gold Council

7th Floor, 15 Fetter Lane, London EC4A 1BW
United Kingdom

T +44 20 7826 4700

F +44 20 7826 4799

W www.gold.org

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The Responsible Gold Mining Principles in relation to other international mining frameworks: A guide for investors

Environmental, social and governance (ESG) performance is becoming increasingly important for investors, governments, supply chain participants and consumers. Purchasers of gold and gold equities want to understand more about how gold is produced in order for them to have confidence that their investments meet the high ESG standards society increasingly expects.

The World Gold Council's Responsible Gold Mining Principles (RGMPs) constitute an organising framework which, drawing on extensive input from stakeholders, defines responsible gold mining. They were developed for investors, supply chain participants, communities and governments to demonstrate that gold can be responsibly sourced and produced to the highest ethical, governance, social, safety and environmental standards.

Following an extensive review of current industry practices and a two-year multi-stakeholder consultation process, the RGMPs were launched in September 2019. With 51 individual Principles under ten umbrella themes covering the full breadth of material ESG issues specific to the gold mining industry (see list page 8), the RGMPs provide a single, over-arching framework for companies to demonstrate world-class ESG credentials.

Implementing companies are required to publicly report on their conformance with the RGMPs. To ensure the credibility and integrity of the framework, companies are also required to obtain independent, third-party assurance on this public disclosure.

To avoid re-inventing the wheel, the RGMPs have built on and leveraged several well-established and highly reputable international codes and standards within this single framework. The tables below set out if and how the existing industry codes, frameworks and standards fit into the RGMPs. The five tables are categorised as follows:

Table 1 – “Single-issue” international frameworks which are integrated directly into the RGMPs as **requirements**.

Table 2 – “Single-issue” international frameworks which are referenced in the RGMPs as authoritative **guidance**.

Table 3 – Other reputable **mining industry frameworks** which share similarities with the RGMPs.

Table 4 – International **reporting frameworks** framework which aim to enhance ESG reporting and societal goals.

Table 5 – **Rating/ranking agency indices** which are used to benchmark companies' ESG performance.

Table 1

Table 1: Specific “single-issue” frameworks which are integrated into the RGMPs as requirements

To avoid duplication of effort and unnecessary audit burden for implementing companies, these well-established international frameworks on specific topics have been incorporated directly into the RGMPs as requirements.

Topic Area	International Framework or Standard	Issuing Organisation	Description	RGMP Reference
Revenue Transparency	Extractive Industry Transparency Initiative (EITI)	Extractive Industry Transparency Initiative	The Extractive Industries Transparency Initiative (EITI) is the global standard to promote the open and accountable management of oil, gas and mineral resources.	RGMP 1.5
Human Rights	UN Guiding Principles on Business and Human Rights (UNGPR)	United Nations	The UN Guiding Principles on Business and Human Rights are a set of guidelines for States and companies to prevent, address and remedy human rights abuses committed in or by business operations or by other actors such as business partners or suppliers.	RGMP 5.1
Security and Human Rights	Voluntary Principles on Security and Human Rights (VPs)	Voluntary Principles on Security and Human Rights	The Voluntary Principles on Security and Human Rights (VPs) promote a set of principles that guide companies on how to conduct their security operations while respecting human rights. They cover risk assessment and standards of conduct for both public and private security providers.	RGMP 5.3
Conflict Management	Conflict-free Gold Standard (CFGs)	World Gold Council	A common approach by which gold producers can assess and provide assurance that their gold has been extracted in a manner that does not cause, support or benefit unlawful armed conflict or contribute to serious human rights abuses or breaches of international humanitarian law. The WGC Conflict-free Gold Standard was developed for large scale mining companies to comply with the OECD Due Diligence Guidance for Responsible Supply Chains .	RGMP 5.4
Cyanide Management	International Cyanide Management Code (ICMC)*	International Cyanide Management Institute (ICMI)	The International Cyanide Management Code for the manufacture, transport and use of cyanide in the production of gold is a voluntary industry program which focuses exclusively on the safe management of cyanide and cyanidation mill tailings and leach solutions.	RGMP 8.3

* The RGMPs require sites using cyanide to ensure it is transported, stored, used, and disposed of in line with the high standards of the International Cyanide Management Code. However, sites do not need certification from ICMI to comply with the RGMPs and assurance against the RGMPs is not a substitute for Cyanide Code certification.

Table 2

Table 2: Specific “single-issue” frameworks which are integrated into the RGMPs as authoritative guidance

Where it was not appropriate to embed a specific framework directly into the RGMPs as requirements, they were referenced as best practice guidance for companies.

Topic Area	International Framework or Standard	Issuing Organisation	Description	RGMP Reference
Responsible Sourcing	<u>Responsible Gold Guidance</u>	London Bullion Market Association	The Responsible Gold Guidance (RGG) for London Good Delivery List refiners is a framework developed in order to combat abuses of human rights, avoid contributing to conflict and comply with anti-money laundering regulations. More recently the RGG was updated to include a range of corporate governance, environmental and sustainability issues. The RGMPs were developed in part to align with the LBMA’s Responsible Gold Guidance (Version 8) released in January 2019.	RGMP Intro pg. 3
Health and Safety Management	<u>ISO 45001</u>	International Organisation for Standardization	ISO 45001 specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.	RGMP 4.2 Guidance Document
Labour Rights	<u>ILO Fundamental Conventions</u>	International Labour Organisation (ILO)	The ILO is the UN agency which sets international labour standards and practices.	RGMP 6 Guidance Document
Environmental Management	<u>ISO 14001</u>	International Organisation for Standardization	ISO 14001 specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance.	RGMP 8.1 Guidance Document
Mercury Management	<u>Minamata Convention</u>	United Nations Environment Programme (UNEP)	The Minamata Convention on mercury is a global treaty between states to protect human health and the environment from the adverse effects of mercury.	RGMP 8.4
Climate Change	<u>Task Force on Climate-related Financial Disclosures (TCFD)</u>	Financial Stability Board	The Task Force on Climate-related Financial Disclosures (TCFD) is a framework for consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.	RMGP 10.4 Guidance Document

Table 3

Table 3: Other Reputable Mining Industry Frameworks

These international frameworks cover a wide breadth of topic areas and require independent, third-party assurance or verification. Although they were developed by different organisations with a different purpose or focus, they all overlap significantly with the RGMP requirements and are often also considered industry “best” practice. A number of these frameworks are referenced as good practice in the *Guidance on implementing and assuring the RGMPs: Supplement to the Assurance Framework*.

Framework	Issuing Organisation	Description	How they differ from the RGMPs
<u>ICMM Mining Principles</u>	International Council on Mining and Metals	ICMM’s Mining Principles and associated Performance Expectations define good practice environmental, social and governance requirements for the mining and metals industry.	The ICMM Mining Principles and associated Performance Expectations were developed for use by the broader mining and metals sector, that is, they are not gold mining specific. The requirements overlap significantly with the RGMPs. Assurance is required for both frameworks, although the specific assurance cycles are slightly different.
<u>IFC Performance Standards</u>	International Finance Corporation (part of the World Bank)	IFC Performance Standards define IFC clients’ responsibilities for managing their environmental and social risks. These standards have been developed for infrastructure and industrial projects are not specific to mining. They are mandatory for companies with IFC financing and have also been adapted and used by a number of other international financial institutions (IFIs), such as the European Bank for Reconstruction and Development (EBRD). They also form the core standards of the <u>Equator Principles</u> , a risk management framework adopted by financial institutions.	The IFC Performance Standards, together with the IFC’s mining-specific Environmental, Health and Safety (EH&S) Guidelines, are more detailed and prescriptive than the RGMPs for the eight topics they cover. They therefore represent a more demanding and granular standard for these topics. There are a number of topics, however, that are covered by the RGMPs, that are not addressed by the IFC Performance Standards including those related to governance, diversity and supply chain. The IFC Standards are typically applied by companies who have IFC or Equator Bank financing and could also implemented together with the RGMPs.
<u>Towards Sustainable Mining (TSM)</u>	Mining Association of Canada (MAC)	Towards Sustainable Mining (TSM) is the Mining Association of Canada’s sustainability framework for responsible mining. It is a set of tools and indicators to drive performance and ensure that key mining risks are managed responsibly at a site level. TSM was developed for, and applied by, the Canadian mining industry but has recently been adopted by several industry associations in other countries, including in Finland, Brazil and the Philippines.	TSM covers eight of the most material subject matter areas for the mining industry, making the scope narrower than the RGMPs. This is principally because MAC did not want to duplicate what was already required under Canadian law. While TSM covers a narrower range of subjects, the eight indicators are more detailed and prescriptive than the RGMPs. Overall, there is a reasonably high level of equivalency between TSM and the RGMPs. TSM also has a scoring system which provides five grades, instead of a pass/fail system like the RGMPs.

Table 3

Table 3: Other Reputable Mining Industry Frameworks

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Framework	Issuing Organisation	Description	How they differ from the RGMPs
<u>IRMA Standard</u>	Initiative for Responsible Mining Assurance	The Initiative for Responsible Mining Assurance (IRMA) is an NGO-led initiative aimed at driving more socially and environmentally responsible mining globally. The IRMA Standard is incredibly detailed, including extensive disclosure requirements, which require independent certification at the site level by IRMA approved auditors. IRMA’s governance structure includes a multi-stakeholder group, including representatives from industry.	IRMA’s requirements are much more prescriptive and detailed than the RGMPs. The IRMA Standard has 438 individual requirements, most of which have multiple (up to 8) sub-requirements. It is therefore much more financially and administratively onerous to implement and audit than other mining frameworks. Each requirement is also assessed on a 5-point scale and there are three achievement levels.
<u>RJC Code of Practices Standard (Jewellery)</u>	Responsible Jewellery Council	The Responsible Jewellery Council helps companies in the jewellery supply chain meet the rising ethical demands of peers, consumers, financial institutions and civil society. It has developed a standard – the RJC ‘Code of Practices’ – which is mandatory for RJC member companies, and verified through an independent, certification process. The RJC also has a voluntary “Chain of Custody” (CoC) standard which can be applied by members who want a documented, traceable sequence of custody for material as it moves along the supply chain.	Although there is a reasonable level of overlap between the issues covered by the RGMPs and the COP (especially in the section on Responsible Mining) there are also a number of notable differences. The RJC COP covers issues related to silver, PGM, diamonds and coloured gemstones in addition to gold. The COP also covers the entire jewellery supply chain, so many of the requirements relate to manufacturers, wholesalers and retailers. COP therefore covers a host of issues not relevant to the gold mining industry.
<u>Risk Readiness Assessment (RRA)</u>	Responsible Minerals Initiative (RMI)	The RMI is principally focused on certifying smelters and refiners so that companies downstream can meet their responsible sourcing regulatory requirements. The RMI’s RRA is a voluntary self-assessment/reporting tool for minerals and metals producers and processors. It is comprised of 32 ESG ‘issue areas’ (standards) and is used by companies to demonstrate their ESG performance. The RRA standard has been adopted by the Copper Alliance’s <u>The Copper Mark</u> .	With a few small exceptions the RGMPs cover all the RRA issue areas reflecting a high degree of overlap between the two frameworks. There are a number of areas which are included in the RGMPs which are not addressed by the RRA, such as employee code of conduct, diversity, local procurement and in-migration. Both frameworks, however, require a similar independent assurance process to ensure a high level of credibility.

Table 4

Table 4: International Reporting Frameworks

These frameworks are aimed at improving sustainability reporting and transparency and are different from operational standards or performance frameworks like the RGMPs or other mining frameworks listed above. They are not industry specific (i.e. they are not focused on mining) and in the case of the SDGs are aimed at multiple actors across society with government leading at the state level.

Framework	Issuing Organisation	Description
<u>GRI Standard</u>	Global Reporting Initiative	The GRI Standards are the first global standards for sustainability reporting and the most widely used reporting framework.
<u>SASB Standard</u>	Sustainability Accounting Standards Board	SASB's mission is to help businesses around the world identify, manage and report on the sustainability topics that matter most to their investors. SASB standards differ by industry, enabling investors and companies to compare performance from company to company within an industry. SASB has a Metals and Mining Standard.
<u>UN Sustainable Development Goals (SDGs)</u>	United Nations	The <u>Sustainable Development Goals</u> are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. The 17 Goals were adopted by all UN Member States in 2015, as part of the 2020 Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals.

Table 5

Table 5: Ranking Agency Indices

These indices have been developed to benchmark companies on their ESG performance. They rely on basic company disclosure or questionnaires and are also heavily supplemented by often unverified media sources. Many of these indices promote or sell their products to investors, asset managers and others and consider their methodology proprietary. This list is non-exhaustive.

Indices	Owner	Description
<u>Responsible Mining Index</u>	Responsible Mining Initiative	An evidence-based assessment and ranking of mining company policies and practices on economic, environmental, social and governance issues.
<u>Dow Jones Sustainability Index (DJSI)</u>	S+P Global (acquired the ESG Ratings + DJSI from Robeco/SAM in 2019)	DJSI is a widely recognised ratings index and benchmark based on their annual questionnaire-based Corporate Sustainability Assessment.
<u>MSCI ESG Ratings</u>	MSCI (formerly Morgan Stanley Capital International)	MSCI uses a rules-based methodology to identify industry leaders and laggards, rating companies with an 'AAA to CCC' scale according to their exposure to ESG risks and how well they manage those risks relative to peers.
<u>Sustainalytics</u>	Morningstar (announced in April 2020)	Sustainalytics provides ESG data on 40,000 companies worldwide and ratings on 20,000 companies and on 172 countries.
<u>FTSE4Good Index Series</u>	FTSE Russell	The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices.
<u>Refinitiv ESG</u>	Blackstone Group (55%), Thomson Reuters (45%)	ESG data service designed to help investors assess the risks and opportunities posed by companies' ESG performance.
<u>ISS-ESG</u>	ISS (Institutional Shareholder Service), ISS acquired Ethix SRI Advisors in 2015 to form ISS-Ethix and Oekom Research in 2018	ISS ESG solutions enable investors to develop and integrate responsible investing policies and practices, engage on responsible investment issues, and monitor portfolio company practices through screening solutions.
<u>Bloomberg SASB ESG Index (Uses SSGA's R- Factor)</u>	Bloomberg	Bloomberg has been providing ESG data for companies on the Bloomberg Terminal for a decade. To provide investors with additional solutions for ESG investing, they have developed the Bloomberg SASB ESG index family. They created these indices in collaboration with the Sustainability Accounting Standards Board (SASB) using R-Factor™, an environmental, social and governance (ESG) scoring solution developed by State Street Global Advisors. The index family focuses on the subset of ESG factors most likely to materially impact the financial condition or operating performance of companies in a given industry.
<u>Vigeo-EIRIS Services</u>	Moody's acquired Vigeo-Eiris in 2019	A rating and research agency, Vigeo-Eiris evaluates organisations' integration of social, environmental and governance factors into their strategies, operations and management.

Responsible Gold Mining Principles

Governance

1. Ethical conduct

- Legal compliance
- Code of conduct
- Combating bribery and corruption
- Political contributions
- Transparency
- Taxes and transfer pricing
- Accountabilities and reporting

2. Understanding our impacts

- Risk management
- Stakeholder engagement
- Due diligence
- Impact assessment
- Resolving grievances

3. Supply chain

- Supply Chain Policy
- Local procurement
- Market access for ASM

Social

4. Safety and health

- Safety
- Safety management systems
- Occupational health and wellbeing
- Community health and emergency planning

5. Human rights and conflict

- UN Guiding Principles
- Avoiding complicity
- Security and human rights
- Conflict

6. Labour rights

- Wages and benefits
- Preventing discrimination and bullying
- Child and forced labour
- Freedom of association and collective bargaining
- Diversity
- Women and mining
- Raising concerns

7. Working with communities

- Community consultation
- Understanding communities
- Creating local benefits
- Seeking community support
- In-migration
- Indigenous Peoples
- Cultural heritage
- Resettlement

Environment

8. Environmental stewardship

- Managing environmental impacts
- Tailings and waste management
- Cyanide and hazardous materials
- Mercury
- Noise and dust

9. Biodiversity, land use and mine closure

- Biodiversity
- World Heritage Sites
- Land use and deforestation
- Mine closure

10. Water, energy and climate change

- Water efficiency
- Water access and quality
- Combating climate change
- Energy efficiency and reporting

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World Gold Council
7th Floor, 15 Fetter Lane
London EC4A 1BW
United Kingdom

T +44 20 7826 4700

F +44 20 7826 4799

W www.gold.org