

MANUFACTURING

CODE OF CONDUCT | SELF-ASSESSMENT GUIDE



IAGES

Indian Association for
Gold Excellence and Standards
An Industry Initiative



Welcome to the in-depth guide for Manufacturing.

The first part - The Code of Conduct will help you understand and adapt to the best practices.

The second part - The Self-Assessment Guide will help you identify areas of improvement through a comprehensive questionnaire.

We hope that with this guide by your side, you can embark on a glorious journey and set a new benchmark in the gold industry.

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Introduction

Introduction and structure of the Code of Conduct document

This Code of Conduct document is aimed at providing high-level guidance for manufacturing. The Code of Conduct includes sound practices, additional best practices and implementation guidance for manufacturing.

Sound practices capture healthy practices which should be followed by any provider (across all sizes, complexity, etc.).

Additional best practices are aimed at larger/matured providers who wish to adhere to even higher standards of practice.

Implementation guidance offers broad steps to deploy sound practices/additional best practices in an organisation. Practical application of these practices will require a detailed guidance that is specific to the organisation.





Scope & Objectives

Scope & Objectives

Gold is an important asset class in India with an annual demand of ~800–900 tonnes¹, making India the world's second largest consumer of gold. Gold holds a unique place in India, being culturally and socially significant², and is an important savings asset³ and its consumption being driven in the form of jewellery⁴.

While Indians have a strong affinity for investment in gold, individuals seeking to invest in gold face several challenges in doing so, particularly around price transparency and quality assurance. As the market is fragmented and there is no overarching supervisory body, an industry-defined Code of Conduct is deemed to be an effective mechanism for protecting the interest of retail investors.

Effective dissemination and implementation of the Code of Conduct should enhance trust of consumers in gold products. This should, in turn, drive demand for both established and new gold products, benefitting consumers and the industry. This document is a step in that direction, and it lays out the Code of Conduct specific to manufacturing. There are similar existing Code of Conduct documents for other activities across gold value chain including refining, bullion trading, assaying and retailing. We may develop further Code of Conduct for activities such as vaulting, lending, etc. in future, as required.

Gold Jewellery Value Chain



Refining



Bullion
Trading



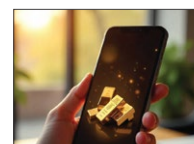
Manufacturing



Assaying and
Hallmarking



Retail



Digital
Investment
Gold Retailing

Manufacturing

The process of developing the Code of Conduct has included interaction with a number of industry experts, providers and other stakeholders. We envision that the Code of Conduct guidelines will continue to evolve over time in step with global best practices and changing consumer preferences and improved awareness of consumers in India.

¹ Source: Viability of a Gold Exchange in India, 2016 by India Gold Policy Centre

² ~ 87% of estimated gold stock in India is with women

³ ~ 20% of household wealth stored is in the form of gold

⁴ ~ 80% of gold demand in India is in the form of jewellery compared to ~ 35% globally



India Gold Market Code of Conduct - Manufacturing

Activity	Sound Practices
Sourcing	<ol style="list-style-type: none"> 1. I promise to record all the relevant information about my suppliers and ensure adequate “Know Your Provider” checks 2. I promise to conduct independent tests to ascertain the characteristics of gold received from suppliers 3. I promise to conduct business transparently by ensuring due documentation for all transactions with suppliers (Additional best practices) 4. I promise to only procure gold which adhere to industry accepted standards and from registered suppliers
Manufacturing	<ol style="list-style-type: none"> 5. I promise to be compliant to labour laws and provide requisite infrastructure, benefits and training to my employees 6. I promise to have mandatory industrial licenses/approvals as per applicable regulations 7. I promise to maintain traceability of gold items throughout the manufacturing process (Additional best practices) 8. I promise to engage with contractors which provide a safe and healthy work environment to their workers
Transportation and storage	<ol style="list-style-type: none"> 9. I promise to have adequate operational protocols to safely store and transport gold, cash and precious metals
Customer and complaints management	<ol style="list-style-type: none"> 10. I promise to ensure adequate KYC processes while on-boarding new customers and update this information periodically 11. I promise to track customer complaints and aim to redress them in a timely manner
Payments	<ol style="list-style-type: none"> 12. I promise to clearly communicate and adhere to terms, conditions and timelines of payments with every customer and supplier, consistently and impartially
Risk management	<ol style="list-style-type: none"> 13. I promise to proactively identify major financial and non-financial risks to my business and take appropriate steps to mitigate/manage the risks (Additional best practices) 14. I promise to have a dedicated and trained risk management team without linkage to any business incentive
Recycling / Purchasing of old gold	<ol style="list-style-type: none"> 15. I promise to design, convey and practice a fair policy for old gold purchase and collect KYC details of sellers of old gold (Additional best practices) 16. I promise to only purchase old gold which can be validated to be responsibly sourced and processed and report any observation indicating unfair practices to relevant authorities
Audit and compliance	<ol style="list-style-type: none"> 17. I promise to abide by the law of land and disclose required information to designated statutory bodies in time



Implementation Guidance

Implementation guidance

Sourcing



1 I promise to record all the relevant information about my suppliers to ensure minimum “Know Your Provider” checks

Conduct due diligence and record relevant information about suppliers such as below before initiating any business transaction with a new supplier

- ✓ Business license
- ✓ GST certificate
- ✓ PAN details
- ✓ Information on supplier’s practices from market intelligence and referee, if any

Record relevant information even for reputed institutional suppliers, including banks and registered refineries

Update information recorded for onboarded suppliers annually or intermittently (e.g. in case any red flag is raised for the supplier from market intelligence or any reliable source)

2 I promise to conduct independent tests to ascertain the characteristics of gold received from suppliers

Independently test (in-house/outsource) the gold provided by the supplier for relevant details such as the below before processing the gold (in own factory/by contractors)

- ✓ Weight
- ✓ Purity
- ✓ Presence of trace elements/impurities

In case the testing is outsourced, conduct due diligence, solicit and record relevant details before empanelling with the testing agency

Share details of any deviation with the supplier for requisite action and resolution

3 I promise to conduct business transparently by ensuring due documentation for all transactions with suppliers

Ensure documentation of relevant details such as below with suppliers for each trade

- ✓ Weight of gold
- ✓ Quality of gold
- ✓ Source of gold (e.g. which refinery the gold is procured from)
- ✓ Standards followed by the supplier, if any, such as LBMA, India Good Delivery standards
- ✓ Purchase order
- ✓ Contract, if applicable

Details of procured gold to be collected irrespective of the volume of gold traded and nature of relationship with the supplier

Maintain records of past transactions for a reasonable period (at least 2 years)

Maintain a process for review of balance confirmation & creditors ageing

Additional best practices

- 4 I promise to only procure gold which adheres to industry accepted standards and from registered suppliers

Procure gold only from registered sources such as banks, registered refineries, registered bullion traders. Maintain a preferred supplier list based on Industry accepted standards.

Purchase gold which adheres to industry standards such as LBMA, India Good Delivery standards only and maintain a process of QC

Define the supplier KYC norms and documents required before onboarding a supplier/vendor

Sample Scenario

I am a gold jewellery manufacturer and I have been procuring gold from a bullion merchant for last 3 generations. Our business is completely trust based and I don't have "Know Your Provider" details of the merchant. I believe that the merchant is procuring gold from legitimate sources, however, I never had a word with the merchant about this. What should I do?



Potential Response

Long-standing relationships of trust are important and enhance your ability to know the provenance of the product you are providing to your customers. However, it is critical for you to safeguard your interest against any future eventuality. You should immediately solicit relevant "Know Your Provider" details from your supplier such as business license, GST certificate, etc.

You should also solicit and document details such as source of gold (bank, registered refinery, etc.), standards (LBMA, India Goods Delivery, etc.), quality, weight, etc., for every transaction.



Manufacturing



5 I promise to be compliant to labour laws and I provide requisite infrastructure, benefits and training to employees

Identify and adhere to all the applicable laws and regulations

Install appropriate tools, machines and safety kits to ensure safe operations along with basic hygiene factors such as proper work stations, adequate ventilation and distancing between work stations

Offer benefits mandated by the government⁵ such as provident fund, tax deductions, labour union formation etc., to employees

Maintain a training calendar and offer required trainings such as below to ensure safety of all workers

- ✓ Fire protection drills
- ✓ Emergency preparedness
- ✓ Machine and equipment operations

6 I promise to have mandatory industrial licenses/approvals as per applicable regulations

Identify and adhere to all the applicable license requirements along with appropriate approvals in place

Upgrade or set-up factories/workshops compliant with local regulations such as below

- ✓ Factory license
- ✓ Pollution license
- ✓ Environmental clearances
- ✓ Fire and safety clearances⁶
- ✓ Labour related registrations

7 I promise to maintain traceability of gold items throughout the manufacturing process

Deploy physical/digital systems for traceability of details such as below of the gold items I manufacture

- ✓ Date of sourcing
- ✓ Batch details
- ✓ Gold quality
- ✓ Gold source
- ✓ Supplier details
- ✓ Details of artisans who worked on the jewellery
- ✓ Details of contractors/sub-contractors, if relevant
- ✓ Logistics and storage agency

Maintain all the above records for gold items manufactured for a reasonable period (at least 2 years)

Additional best practices

8 I promise to engage with contractors which provide a safe and healthy work environment to their workers

Support contractors through development agreements where manufacturer invests in upgrading working conditions, equipment at a contractor's workplace.

Check for evidence and engage solely with contractors which provide a safe and healthy work environment to their workers and are compliant to labour laws

Maintain transparency and ensure robust quality of gold supplied to the contractors/kaarigars for processing

⁵As applicable to your workplace

⁶List of clearances is indicative in nature – may or may not be applicable depending on the regulation. A manufacturer should solicit appropriate legal advice to understand all the clearances required.

Sample Scenario

I am a mid-sized manufacturer and I outsource part of manufacturing work to contractors for skill and quality of workmanship. There are 2 contractors to whom I outsource the work frequently. The working condition of kaarigars at the contractors' workshop is unsafe and unfit with multiple kaarigars working in small, poorly ventilated rooms. I want to help the contractors but not sure how?



“

Potential Response⁷

You can support contractors through multiple means to improve working conditions of the workers including

- Advisory (Assist contractors to identify and apply for government grant programs for infrastructure upgradation/assist contractors to select and apply to financial institutions for loan to upgrade infrastructure)
- Technical (Help contractors to select and procure right equipment at best price, offer training to workers to operate new equipment/work efficiently on existing equipment)
- Financial (Invest in upgrading the contractor's workshop through various arrangements such as loan, equity investment, etc.)
- Committing to bring more assignments if the working conditions are improved/deterrence to take the assignments away if the working conditions are not improved

⁷Indicative response - to be customized for context of manufacturer, contractor, local regulations, etc.

Transportation and storage



- 9 I promise to have adequate operational protocols to safely store and transport gold, cash and precious metals

Conduct due diligence and collect relevant KYC details of logistics companies responsible for transportation

Deploy adequate physical security/technology enabled access to vaults, strong rooms; physical/digital recordkeeping of access to ensure safety of stored assets

Ensure adequate coverage of gold, precious metals and cash being transported to cover against loss events (such as theft, infidelity, accident, natural disaster) through insurances or capital reserves. Maintain a process to manage the storage and movement of precious metals and gold

Customer and complaints management



- 10 I promise to ensure adequate KYC processes while on-boarding new customers and update this information periodically

Perform due diligence and capture relevant information such as below before initiating any business transaction with a new customer

- ✓ Business license, GST certificate, PAN details
- ✓ Financial stability of the customer
- ✓ Bank guarantee (in case of credit to customers)
- ✓ Information on customer from market intelligence and referee, if any

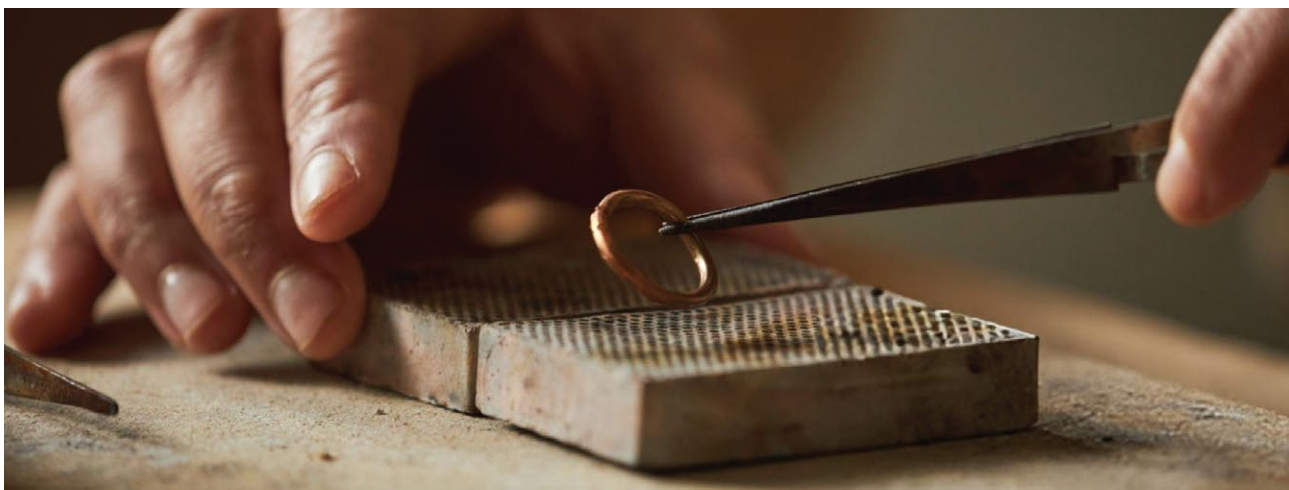
Update the information recorded for onboarded customers annually or intermittently (e.g. in case any red flag is raised for the customer from market intelligence or any reliable source)

- 11 I promise to track customer complaints and aim to redress them in a timely manner

Set-up physical/digital systems for customers to file complaints and for the manufacturer to record, track complaints and allocate complaints for resolution

Inform the customers about the system while communicating consumer rights

Define timelines for addressing several categories of complaints and resolve the customer complaints within the agreed upon timelines



Sample Scenario

I am the owner of a gold jewellery manufacturing company and I recently visited a jewellery exhibition. 50+ retailers had attended the exhibition and someone of them exhibited interest in conducting business with me. Retailers operate in a different geography where I have limited connects. How can I conduct trade with such retailers while minimising my risks?



Potential Response

It is critical to conduct due diligence before embarking on business with new customers, especially in geographies where limited market intelligence can be collected. A few must do activities to reduce the risks include

- Request the retailer to share all necessary KYC details such as GST certificate, PAN details, business license
- Conduct market visit including the retailer's shop to get some of the KYC details and assess financial capability of the retailer (e.g. use proxy metrics such as inventory in the shop vs. value of order placed)
- Conduct mystery shopping, if possible, to understand the business practices of the retailer
- Sell the jewellery against advance payment or payment on delivery. Solicit bank guarantee, in case the jewellery is sold on credit



Payments



- 12 I promise to clearly communicate and adhere to terms, conditions and timelines of payments with every customer and supplier, consistently and impartially

Disclose/Solicit key terms and conditions with customers and suppliers such as

- ✓ Applicable purchase price and charges including any additional operational charges (transaction, delivery, storage, etc.)
- ✓ Trade settlement and insurance arrangements
- ✓ Timelines for the payment
- ✓ Information on customer rights

Communicate payment terms and discounts through Purchase Orders and Customer Invoices

Adhere to terms, conditions and timelines as agreed upon with the suppliers and customers

Any changes to terms and conditions is communicated to the customers and suppliers explicitly in writing (especially in case of repeat business)

Maintain a process to review debtors and creditors ageing

Risk management



- 13 I promise to proactively identify major financial and non-financial risks to my business and take appropriate steps to mitigate/manage the risks

Proactively identify, measure major risks and maintain risk register for the business such as

- ✓ Operational risks (risks due to error or fraud)
- ✓ Financial risks (gold price risk, settlement risk, counterparty risk)
- ✓ Legal and compliance risk
- ✓ Third party/Outsourcing risk
- ✓ Cyber risk

Deploy risk controls covering policies, roles and responsibilities to mitigate/manage identified risks. E.g.

- ✓ Minimum/No credit window for customers to reduce the counterparty risk
- ✓ Minimum/No business with suppliers/customers/logistic providers with negative sentiments (limited financial stability, involvement in unfair trade practices, etc.)
- ✓ Check list for reporting and disclosures to ensure compliance with regulations
- ✓ Build adequate financial reserves to cover risks that business chooses to incur

Additional best practices

- 14 I promise to have a dedicated and trained risk management team without linkage to any business incentive

Deploy a dedicated risk management team and/or committee without any business incentive which can perform regular risk assessment, maintain a risk register, design and implement risk mitigation plans

Implement the “separation of duties principles”, where two independent people are required to complete certain critical activities. Helps to prevent or mitigate fraud and operational errors

Deploy adequate safeguards to protect the KYC information collected from suppliers, customers, logistics agencies, etc.

Design and implement training modules with reputed institutes

Sample Scenario

I am a manufacturer of gold jewellery and I completely outsource jewellery production to contractors. I am entering a new product segment for which I need to empanel another contractor as my existing contractor doesn't specialize in the new product segment. My existing contractor has referred a contractor to me. While I will collect necessary "Know Your Provider" details for the new contractor, what additional practices should I follow to minimise my risks?



Potential Response

List of indicative actions to minimize your risk

- Formalize an agreement with the contractor including relevant business details such as pricing, timelines, rights of each party, etc.
- Include a term in the contract for pilot testing of the contractor's capability and option for contract cancellation in case of unsatisfactory production
- Appropriately insure the raw material provided to the contractor for theft, infidelity, accident, natural disaster, etc.
- Minimize the inventory with the contractor to reduce the working capital requirements



Recycling/Purchasing of old gold



- 15 I promise to design, convey and practice a fair policy for old gold purchase and collect KYC details of sellers of old gold

Design and convey policy for old gold purchase (including considerations while pricing such as purity, melting charges, melting losses, taxes, etc.) to all customers, consistently and impartially as part of "Information on consumer rights"

Handover a sample of old gold to the seller to conduct independent inspection, if needed

Collect KYC details of any organisation/individual, customer/non-customer before proceeding with the old gold purchase process

Maintain a digital/physical track record of parties involved, transaction details etc., for a reasonable period (at least 2 years)

Additional best practices

- 16 I promise to only purchase gold which can be validated to be responsibly sourced and processed and report any observation indicating unfair practices to relevant authorities

Identify and maintain industry acceptable standards for purchasing old gold

Purchase only old gold which can be validated to be responsibly sourced and processed

Proactively report any observation indicating unfair practices such as stolen or smuggled gold by the customer to relevant authorities

Maintain a process of identifying and reporting unfair practices along with identification of reporting requirement to various authorities

Audit and compliance



- 17 I promise to abide by the law of the land and disclose required information to designated statutory bodies in time

Identify, adhere, and disclose requirements, as per the applicable laws and regulations, including PMLA (Prevention of Money Laundering Act)

Hire professional auditors without any conflict of interest to conduct audits (as applicable to the business)

Audit to include verification of gold holdings and reconciliation with manufacturer's records and information system

Audit to also include any inspection mandated by the government including industrial, waste management, labour laws, compliance, etc.

Audit results can be published on the company website and/or made available to investor community to build trust and credibility



Dissemination & Application of the Code of Conduct

Dissemination & Application of the Code of Conduct

The proposed sound practices, additional best practices and implementation guidance are voluntary so, there will be no audit or public endorsement. However, we believe that conforming with these practices will strongly benefit providers and customers. Over time, too, we expect stakeholders to push for implementation of the sound practices outlined in this document.

Providers are therefore encouraged to independently demonstrate compliance with the sound practices. This should strengthen trust in their offerings, facilitate customer acquisition,

drive business growth and foster cooperation with external partners such as vault operators, security carriers, gold dealers and banks. Providers can demonstrate adherence to the practices through public disclosure to customers, investors and other interested parties. This can be achieved in several ways via providers' own websites, through marketing materials or more generally online.

Providers who choose to go beyond to additional best practices will be able to differentiate themselves from peers.

Disclaimer

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Important Notice

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Annexure A: Self-Assessment Guide

Introduction to self-assessment guide

The self-assessment guide is applicable for organisations of any size as the test is based on the practices deployed and not the volume of trade conducted. It is voluntary at present and there will be no audit or public endorsement. Providers can demonstrate adherence to the practices through public disclosure to customers, investors and other interested parties. This can be achieved in several ways – via providers' own websites, through marketing materials or more generally online.

Self-assessment guide aims to help the provider with current state assessment of their practices against corresponding Code of Conduct and entails three steps for assessment.

- 1 Read the corresponding Code of Conduct thoroughly before beginning this assessment.
- 2 Refer to guiding questions to develop conclusion for the organisation's practices against each Code of Conduct statement – to determine the extent to which a Code of Conduct is observed by the organisation.
- 3 Assess current state against each Code of Conduct. The assessment is built on the gravity and urgency to address the areas of improvement.

Assessment outcome would be as following:

A. Observed (O)

The provider observes the Code of Conduct in entirety.

B. Broadly Observed (BO)

The provider broadly observes the Code of Conduct. The assessment has identified one or more areas of improvement that the provider should address and follow up within a defined timeline.

C. Partly Observed (PO)

The provider partly observes the Code of Conduct. The assessment has identified one or more critical areas of improvement and should be addressed as high-priority items.

D. Not Observed (NO)

The provider does not observe the Code of Conduct.

The self-assessment guide is evolving in nature and will mature over time with inputs from the market participants.

Detailed assessment guidance

- 1 I promise to record all the relevant information about my suppliers to ensure minimum “Know Your Provider” checks

Current state:

- | | |
|--|---|
| <input type="checkbox"/> Observed | <input type="checkbox"/> Broadly observed |
| <input type="checkbox"/> Partly observed | <input type="checkbox"/> Not observed |

Key questions to consider:

- 1 Do you conduct due diligence/“Know Your Provider” checks to evaluate suppliers before initiating business with them?
- 2 Do you conduct business with the suppliers if they can’t fulfil the minimum requirements?
- 3 Do you maintain a record of the information and documents collected? Do you update the information collected on an ongoing basis?
- 4 Do you ensure that the above processes are followed at your organisation?

Assessment notes:

Area(s) of improvement:

- 2 I promise to conduct independent tests to ascertain the characteristics of gold received from suppliers

Current state:

- ☐ Observed ☐ Broadly observed
- ☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you conduct independent test (in-house/outsource) for products received? Do you test for all the relevant characteristics (such as weight, purity etc.)?
- 2 If you outsource testing, do you conduct adequate due diligence before empanelling a testing agency?
- 3 Do you use complaint and resolution mechanisms of suppliers in case of any deviations?

Assessment notes:

Area(s) of improvement:

- 3 I promise to conduct business transparently by ensuring due documentation for all transactions with suppliers

Current state:

- ☐ Observed ☐ Broadly observed
- ☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you document all information related to the product, price and transaction in purchase orders/other documents?
- 2 Do you ensure complete documentation for all transactions, irrespective of volume and nature of the relationship with the supplier?
- 3 Do you maintain records of past transactions for a reasonable period?

Assessment notes:

Area(s) of improvement:

- 4 I promise to only procure gold which adheres to industry accepted standards and from registered suppliers

Current state:

- ☐ Observed ☐ Broadly observed
- ☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you have a criterion to accept gold from suppliers that adhere to industry-accepted standards only? If yes, do you have adequate processes to ensure its implementation in your organisation?
- 2 Do you procure gold from registered suppliers (banks, accredited refineries, etc.) only?

Assessment notes:

Area(s) of improvement:

- 5 I promise to be compliant to labour laws and provide requisite infrastructure, benefits and training to employees

Current state:

- ☐ Observed ☐ Broadly observed
- ☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you ensure compliance with all applicable labour laws?
- 2 Do you have adequate workplace policies and benefits to provide a safe and healthy workplace to employees?
- 3 Do you offer regular training to employees, as required?
- 4 Do you have the high-end infrastructure (e.g. barcoding and ERP system) to ensure 100% traceability?

Assessment notes:

Area(s) of improvement:

6 I promise to have mandatory industrial licenses/approvals as per applicable regulations

Current state:

- | | |
|--|---|
| <input type="checkbox"/> Observed | <input type="checkbox"/> Broadly observed |
| <input type="checkbox"/> Partly observed | <input type="checkbox"/> Not observed |

Key questions to consider:

- 1 Do you ensure compliance with all applicable industrial licenses/approvals for your organisation (factories/workshops)?
- 2 Do you maintain records of cases of non-compliance, queries from regulator along with actions taken to resolve them?
- 3 Do you have adequate processes to ensure timely renewal of licenses?

Assessment notes:

Area(s) of improvement:

7 I promise to maintain traceability of gold items throughout the manufacturing process

Current state:

- | | |
|--|---|
| <input type="checkbox"/> Observed | <input type="checkbox"/> Broadly observed |
| <input type="checkbox"/> Partly observed | <input type="checkbox"/> Not observed |

Key questions to consider:

- 1** _____
Do you maintain details of inputs⁸ that go into a gold item that you manufacture?
- 2** _____
Do you have physical/digital systems to capture these details accurately?
- 3** _____
Do you maintain these records for a reasonable period (at least 2 years)?

Assessment notes:

Area(s) of improvement:

- 8 I promise to engage with contractors with contractors who provide a safe and healthy work environment to their workers

Current state:

- ☐ Observed ☐ Broadly observed
- ☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you consider working conditions and safety aspects at a contractor's factory/workshop while empanelling a contractor? Do you engage solely with contractors who provide a safe and healthy work environment for their workers?
- 2 Do you support contractors in providing a better workplace to their employees?
- 3 Do you maintain transparency and supply robust quality gold to contractors/karigars for processing?

Assessment notes:

Area(s) of improvement:

- 9 I promise to have adequate operational protocols to safely store and transport gold, cash, precious metals

Current state:

- ☐ Observed ☐ Broadly observed
- ☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you deploy adequate safety measures (e.g. physical security, access control) to store and transport gold, cash and precious metals?
- 2 Do you have adequate insurance or capital buffers to cover against loss events?
- 3 Do you conduct due diligence/"Know Your Provider" checks to evaluate logistics agencies before empanelling them?

Assessment notes:

Area(s) of improvement:

- 10 I promise to ensure adequate KYC processes while on-boarding new customers and update this information periodically

Current state:

- ☐ Observed ☐ Broadly observed
- ☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you conduct due diligence/KYC checks to evaluate customers before initiating business with them?
- 2 Do you conduct business with customers even if they are unable to fulfill the KYC requirements?
- 3 Do you update this information periodically?

Assessment notes:

Area(s) of improvement:

- 11 I promise to track customer complaints and aim to redress them in a timely manner

Current state:

- ☐ Observed ☐ Broadly observed
- ☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you have physical/digital systems in place to receive customer complaints?
- 2 Upon receiving a complaint, do you commit a timeline for redressal?
- 3 Do you maintain records of customer complaints (number of complaints received, pending, resolved) for a reasonable period?

Assessment notes:

Area(s) of improvement:

- 12 I promise to communicate and adhere to terms, conditions and timelines of payments with every customer and supplier, consistently and impartially

Current state:

- ☐ Observed ☐ Broadly observed
- ☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you communicate and clearly align on key terms of payment before finalising trade with suppliers/customers?
- 2 Do you ensure that you as well as the suppliers/customers adhere to the terms?
- 3 Do you have mechanisms in place for events when one party violates the terms?

Assessment notes:

Area(s) of improvement:

- 13 I promise to proactively identify major financial and non-financial risks to my business and take appropriate steps to mitigate / manage the risks

Current state:

- | | |
|--|---|
| <input type="checkbox"/> Observed | <input type="checkbox"/> Broadly observed |
| <input type="checkbox"/> Partly observed | <input type="checkbox"/> Not observed |

Key questions to consider:

- 1 Do you identify, measure and monitor financial and non-financial risks to businesses?
- 2 Do you have risk management practices, including policies, governance in place to mitigate the identified risks?

Assessment notes:

Area(s) of improvement:

- 14 I promise to have a dedicated and trained risk management team without linkage to any business incentive

Current state:

- ☐ Observed ☐ Broadly observed
☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you have a team independent of other business operations that is responsible for risk management?
2 Do you have appropriate policies, processes and governance to ensure their independence?

Assessment notes:

Area(s) of improvement:

- 15 I promise to design, convey and practice a fair policy for old gold purchase and collect KYC details of sellers of old gold

Current state:

- ☐ Observed ☐ Broadly observed
- ☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you have a standard old gold purchase policy for all customers?
- 2 Do you communicate all aspects taken into consideration while pricing old gold (e.g. purity, melting charges, melting losses, taxes, etc.) to all customers, consistently and impartially?
- 3 Do you collect KYC details of sellers of old gold? Do you purchase gold if the seller does not meet KYC requirements?

Assessment notes:

Area(s) of improvement:

- 16 I promise to only purchase old gold which can be validated to be responsibly sourced and processed and report any observation indicating unfair practices to relevant authorities

Current state:

- ☐ Observed ☐ Broadly observed
- ☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you conduct adequate due diligence on supplier to validate if they only deal with old gold that is responsibly sourced?
- 2 Do you collect relevant documents (original seller and transaction documents) before accepting old gold?
- 3 Do you proactively report any observation indicating unfair practices such as stolen or smuggled gold to relevant authorities?

Assessment notes:

Area(s) of improvement:

- 17 I promise to abide by the law of the land and disclose required information to designated statutory bodies in time

Current state:

- ☐ Observed ☐ Broadly observed
- ☐ Partly observed ☐ Not observed

Key questions to consider:

- 1 Do you comply with all applicable laws and regulations applicable to your business operations in India?
- 2 Do you maintain records and documentation for all compliance and audit procedures? Does it include details of audit findings, queries from regulator, events of non-compliance and corresponding actions taken?
- 3 Do you conduct internal audits and record its findings for reasonable period? Do you hire professional auditors without any conflict of interest to conduct external audits?
- 4 Do you disclose this information to customer or regulatory authorities when requested? Do you also publish audit results in public domain to enhance credibility of your practices?

Assessment notes:

Area(s) of improvement:

Activity	Sound Practices	Rating
Sourcing	1. I promise to record all the relevant information about my suppliers and ensure adequate “Know Your Provider” checks 2. I promise to conduct independent tests to ascertain the characteristics of gold received from suppliers 3. I promise to conduct business transparently by ensuring due documentation for all transactions with suppliers (Additional best practices) 4. I promise to only procure gold which adhere to industry accepted standards and from registered suppliers	O / BO / PO / NO O / BO / PO / NO O / BO / PO / NO O / BO / PO / NO
Manufacturing	5. I promise to be compliant to labour laws and provide requisite infrastructure, benefits and training to my employees 6. I promise to have mandatory industrial licenses/approvals as per applicable regulations 7. I promise to maintain traceability of gold items throughout the manufacturing process (Additional best practices) 8. I promise to engage with contractors which provide a safe and healthy work environment to their workers	O / BO / PO / NO O / BO / PO / NO O / BO / PO / NO O / BO / PO / NO
Transportation and storage	9. I promise to have adequate operational protocols to safely store and transport gold, cash and precious metals	O / BO / PO / NO
Customer and complaints management	10. I promise to ensure adequate KYC processes while on-boarding new customers and and update this information periodically 11. I promise to track customer complaints and aim to redress them in a timely manner	O / BO / PO / NO O / BO / PO / NO
Payments	12. I promise to clearly communicate and adhere to terms, conditions and timelines of payments with every customer and supplier, consistently and impartially	O / BO / PO / NO
Risk management	13. I promise to proactively identify major financial and non-financial risks to my business and take appropriate steps to mitigate/manage the risks (Additional best practices) 14. I promise to have a dedicated and trained risk management team without linkage to any business incentive	O / BO / PO / NO O / BO / PO / NO
Recycling / Purchasing of old gold	15. I promise to design, convey and practice a fair policy for old gold purchase and collect KYC details of sellers of old gold (Additional best practices)	O / BO / PO / NO

Activity	Sound Practices	Rating
	16. I promise to only purchase old gold which can be validated to be responsibly sourced and processed and report any observation indicating unfair practices to relevant authorities	O / BO / PO / NO
Audit and compliance	17. I promise to abide by the law of land and disclose required information to designated statutory bodies in time	O / BO / PO / NO



Self- Assessment Declaration

By signing below, I/we, hereby declare and affirm the following:

- ① I/We have thoroughly reviewed and understood the Code of Conduct established by IAGES.
- ② The information provided in this self-assessment is true, accurate, and complete to the best of my/our knowledge and belief.
- ③ I/We acknowledge that this self-assessment is a continuous improvement process, and we shall address any identified gaps and implement necessary corrective actions to enhance our compliance with the IAGES Code of Conduct.

Name of Organisation/Company/Firm:

Full Correspondence Address:

Contact Person:

Designation:

Contact Number:

Email Address:

Signature:

Name:

Date:

Official Stamp/Seal (if applicable):



Annexure B: Version control

IAGES is a Self-Regulatory Organization (SRO) created by the Indian gold industry, for the Indian gold industry.

IAGES aims to foster consumer confidence and trust in the Indian gold industry by encouraging fair, transparent and sustainable practices, regulatory compliance, and establishing codes of conduct. It has developed an accreditation framework, and this sets out how its members should assess their organization's conformance with the established Code of Conduct.

The vision of IAGES is to "promote organized growth of the industry and enhance consumer trust in Gold by raising overall standards and adopt best practices across the value chain" comprising of Retailing, Manufacturing, Refining, Assaying and Hallmarking, Bullion Trading, Digital Investment Gold Retailing. The accreditation framework will serve as an enabler to achieve the vision.

Objectives of IAGES



Trust

Enhance and build consumer trust through fair & transparent practices with a focus on client protection



Credibility

Build market credibility through adoption of responsible and best practices



Compliance

Drive professionalism and regulatory compliance through policy advocacy and code of conduct



Capability Development

Enhance industry capability to serve customers responsibly



Market Development

Identify opportunities for the industry to promote business & trade and ensure commercial prudence