REFINING

CODE OF CONDUCT | SELF-ASSESSMENT GUIDE

IAGES
Indian Association for
Gold Excellence and Standards
An Industry Initiative





Welcome to the in-depth guide for Refining.

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 refining. The Code of Conduct includes sound practices, additional best practices and implementation guidance for refining.

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 E Objectives

Gold is an important asset class in India with an annual demand of ~800–900 tonnes, making India the world's second largest consumer of gold. Gold holds a unique place in India, being culturally and socially significant, and is an important savings asset[3] and its consumption being driven in the form of jewellery.

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



Whole Seller



Retail



Digital Investment Gold Retailing

Refining

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.



India Gold Market Code of Conduct - Refining

Activity	Sound Practices
Sourcing dore	1. I promise to conduct "Know Your Provider" checks and record all the relevant information about my suppliers before onboarding new suppliers 2. I promise to only procure dore which adheres to industry accepted standards, conduct independent tests to ascertain the characteristics and document details for each transaction 3. I promise to adhere to global responsible sourcing guidelines as well as consider ESG credentials (Environment, Social and Governance) of suppliers (Additional best practices)
Recycling / Purchasing of old gold	4. I promise to design, convey and practice a fair policy for old gold purchase and collect KYC details of sellers of old gold 5. I promise to buy/service recycled gold only upon conducting independent tests to ascertain the characteristics of gold and documenting details of the scrap gold
Refining	6. I promise to ensure that the refined products meet the dimension, weight, finish, homogeneity and purity standards as characterized by markings and commitment to the customers 7. I promise to be compliant with labour laws and provide requisite infrastructure safety equipment, benefits and training to my employees 8. I promise to have mandatory industrial licenses/approvals as per applicable regulations 9. I promise to maintain traceability of gold items throughout the refining process from the point of supply to delivery to my customers
Transportation and storage	10. I promise to have adequate operational protocols to safely store and transport valuables (dore, recycled gold refined gold products, cash, precious metals)
Customer and complaints management	11. I promise to adhere to appropriate KYC requirements while on-boarding new customers and update this information periodically 12. I promise to implement adequate systems and mechanisms to receive, record and redress customer queries and complaints 13. I promise to educate customers about testing procedures, refinery markings or point them to credible sources of information
Payments	14. I promise to clearly communicate and adhere to terms, conditions and timelines of payments with every customer and supplier, consistently and impartially
Risk management	15. I promise to proactively identify major financial and non-financial risks to my business and take appropriate steps to mitigate/manage the risks 16. I promise to have a dedicated and trained risk management team without linkage to any business incentive (Additional best practices)
Audit and compliance	17. I promise to abide by the law of land and disclose required information to designated statutory bodies in time



Implementation Guidance

Sourcing

1. I promise to conduct "Know Your Provider" checks and record all relevant information about my suppliers before onboarding new suppliers

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

- ✓ Vendor registration Form - Recommended
- ✓ Business license
- ✓ Relevant certificates/permits from country of origin
- ✓ Past supply background to India and any available customs records

Record relevant information even for reputed institutional suppliers including banks.

2. I promise to only procure dore which adheres to industry accepted standards, conduct independent tests to ascertain the characteristics and document details for each transaction

Purchase dore which adheres to industry and regulatory standards directly from the source country. Ensure that the provider has complied with regulatory provisions in the source country. Maintain a preferred supplier list

Enter into a formal Sale and Purchase Agreement with clearly stated technical and commercial terms and conditions

Perform QC and independently test (in-house/outsource) random samples of the dore provided by the supplier for relevant details such as below

- ✓ Weight of each metal present in the bar
- ✓ Presence of other trace elements
- ✓ Country of origin and mine details

Ensure documentation of relevant details such as below for each trade

- ✓ Mine or supplier of the dore
- ✓ Weight of each element in the bar
- ✓ Purity certificate from supplier
- ✓ Way bill
- ✓ Purchase order/contract
- ✓ Custom clearance records
- ✓ Payment details (including payment terms and supplier's bank details)

Define the Supplier KYC norms and documents required before onboarding a vendor

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

Additional best practices

3. I promise to adhere to global responsible sourcing guidelines as well as consider ESG credentials (Environment, Social and Governance) of suppliers

Ensure adherence to responsible gold standards, e.g. LBMA, OECD, with proper audit and certification, especially for the purpose of export or trading on commodity exchanges

ESG compliance documents or supplier self-declarations (responsible sourcing, LBMA/OECD adherence)

Conduct business with miners who display environmental standards e.g. invest in restoration of

environment, responsibly discharge waste

With regards to social criteria, support miners that ensure safe and healthy work environment for their employees and do not use child labor

Work with business partners committed to good governance practices (transparency, internal controls, fair policies)

Undergo audit and obtain certification of adherence to responsible sourcing guidelines or ESG guidelines

Maintain ESG credentials of suppliers

Obtain supplier declaration ensuring adherence to responsible sourcing guidelines or ESG guidelines

Maintain records of certificate on chain of custody

Sample Scenario

I am a new Gold Refiner. I am struggling to grow the business due to limited understanding / knowledge and low trust of the customers. Within my limited capability, what can I do to enhance customer understanding and trust?



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 such as business license, miner details, bank references and financials from country of origin, etc. from your supplier

- You should also solicit and document details such as source of the dore, quality, weight, etc. for every transaction.

Recycling/Purchasing old gold

4. 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 develop a fair and standardised old gold purchase policy for all customers

Clearly communicate all aspects taken into consideration while pricing old gold (purity, melting charges, melting losses, taxes, etc.) to all customers, consistently and impartially as part of "Information on consumer rights"

Key risks (e.g. gold price risk in refining on contract) should not be omitted, disguised or misstated

Collect KYC details of selling organisation individual before proceeding with the scrap gold purchase process such as

- ✓ Business license
- ✓ GST certificate
- ✓ PAN details
- ✓ Residential proof (for individuals)
- ✓ Information on supplier's practices from market intelligence and referee, if any

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

5. I promise to buy/service recycled gold only upon conducting independent tests to ascertain the characteristics of gold and documenting details of the scrap gold

Maintain checkpoints for testing scrap gold provided by suppliers/dealers

Independently test (in-house/outsource) the scrap gold provided by the supplier for purity of gold in the scrap articles

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

- ✓ Supplier details
- ✓ Gross and net weight of each scrap articles
- ✓ Purity level of the articles - Testing records / XRF reports for purchased old gold
- ✓ Purchase order/contract terms, as applicable for contract refining or purchase of scrap gold
- ✓ Reference of earlier transactions and origin of the scrap gold

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

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



Sample Scenario

I am a gold refiner and I want to start refining scrap gold supplied by local jewellers. What details should I ask the jeweller for?



Potential Response

There are three types of details you should procure from the jeweller before initiating refining for them:

- "Know Your Provider" details of the jeweller: You should procure and document details such as:
  - ✔Business license
  - ✔GST certificate
  - ✔PAN details
  - ✔Conduct market intelligence for information on supplier's practices
- Setup contract details: You should setup the contract on whether you would procure the scrap and take the financial price risk or conduct contract refining for the jeweller
- Details for each transaction: For each transaction with the jeweller you should document relevant details such as:
  - ✔Jeweller KYC details
  - ✔Gross and net weight of each scrap article
  - ✔Purity level of the articles
  - ✔Purchase order / contract terms, as applicable for contract refining or purchase of scrap gold

Refining

6. I promise to ensure that the refined products meet the dimension, weight, finish, homogeneity and purity standards as characterized by markings and commitment to the customers

Produce bars that meet the dimension, finish and purity characteristics homogenously across the complete bar/coin

Ensure that testing labs are suitably equipped (with equipment rightly calibrated) along with qualified staffed to reduce the risk of error in measurement

Define the QC to be conducted for testing whether refined products meet the commitment

Maintain records of test results, and provide to customers/relevant authorities, if required

Mark accurate weight, purity, serial number, refinery's mark, certifying body's mark if allowed to be used (BIS) etc., as applicable under good delivery standards. Following documents are desired

- ✓ SOP: casting, cooling, and finishing to ensure uniformity
- ✓ Equipment Calibration Certificates
- ✓ Sampling Protocols: Documents defining how samples are taken (eg- dip sampling from the melt vs. drilling a finished bar)
- ✓ BIS License

7. I promise to be compliant to labour laws and provide requisite infrastructure, safety equipment, benefits and training to my 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 adequate ventilation, cooling zones, protective gears, etc.Under mentioned are desirable as part of good practices

- ✓ Safety & workplace policy
- ✓ Health Insurance, General Insurance, provision for PF – as per government norms
- ✓ POSH policy – If applicable
- ✓ Training record
- ✓ Fire Protection Drill

Offer benefits mandated by the government 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

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

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

- ✓ BIS/NABL certificate
- ✓ Factory license
- ✓ Pollution license
- ✓ Environmental clearances s applicable to your workplace
- ✓ Fire and safety clearances6
- ✓ Labour related registrations
- ✓ Import-Export permit/licenses

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

9. I promise to maintain traceability of gold items throughout the refining process from the point of supply to delivery to my customers

Deploy physical/digital systems for traceability of details such as below for refined gold items

- ✓ Date of sourcing
- ✓ Batch details
- ✓ Dore and refined gold quality
- ✓ Mine / supplier details
- ✓ Details of workers who worked on the refining of the specific batch
- ✓ Details of contractors/sub-contractors, if relevant
- ✓ Logistics and storage agency
- ✓ Certificate on chain of custody

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

Sample Scenario

I am the owner of a mid-sized refinery and I outsource part of refining work to contractors. There are 2 contractors to whom I outsource the work frequently. The working conditions are unsafe and unfit for the contractors' workers. I want to help the contractors but not sure how?



Potential Response

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 programmes 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 machinery/equipment at best price, offer training to workers to operate new equipment/work efficiently on existing equipment)
- Financial (Invest in upgrading the contractors' facilities through various arrangement such as loan, equity investment, etc.)
- Incentivise by providing more assignments if working conditions are improved

Customer and complaints management



10. I promise to have adequate operational protocols to safely store and transport valuables (dore/ recycled gold, refined gold products, cash, precious metals)

Maintain a process to manage the storage and movement of precious metals and gold

Deploy adequate physical security/technology enabled access to vaults, strong rooms; physical/digital record keeping 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

Priority should be given to safeguard customers' assets such as gold held on their behalf (e.g. refining on contract basis)

Seek services of accredited logistic companies for international/domestic movement of unrefined or refined gold. Conduct due diligence and collect relevant KYC details of logistics companies responsible for transportation

Customer and complaints management



11. I promise to adhere to appropriate KYC requirements 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. incase any red flag is raised for the customer from market intelligence or any reliable source)

12. I promise to implement adequate systems and mechanisms to receive, record and redress customer queries and complaints

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

Inform the customers about the system while communicating consumer rights and solicit customer feedback at regular intervals

Resolve the customer complaints within the agreed upon timelines

13. I promise to educate customers about testing procedures, refinery markings or point them to credible sources of information

Make customers aware about the testing procedures and whether the refinery and the product are certified (e.g. BIS/LBMA certified)

Proactively educate customers to check dimensions, fineness, assay stamps and refinery markings as per BIS or LBMA guidelines

Encourage customers to check the product specifications (purity, weight and fineness) and price breakup (e.g. benchmark price of bullion, storage charges)

Guide customers to credible sources of information (e.g. BIS website, LBMA standards) to help them know

more about best practices in the gold industry and make informed decisions

Sample Scenario

I am the owner of a small refinery and I recently visited an exhibition. 50+ manufacturers and retailers attended the exhibition and some of them exhibited interest in conducting business with me. Manufacturers operate in a different geography and I have limited contacts. How can I conduct trade with such manufacturers while minimizing 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 activities to reduce the risks include

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

Payments

14. 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, through purchase orders and customer invoices, 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

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

Adhere to foreign exchange rules and regulations in case of international payments

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 for review of debtors and creditors ageing

Risk management

15. I promise to identify and mitigate financial and non-financial risks to my business and take appropriate steps to mitigate/manage the risks

Proactively identify, maintain risk register, and measure major risks 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.

- ✓ Manage gold price risk by hedging (MCX, advance selling) or undertaking minimal risk in the business model (e.g. gold price risk lies with customer in case of contract refining)
- ✓ Maintain financial wherewithal to reimburse customers in event of losses for which the refiner is responsible, either through own resources, bank guarantees or insurance
- ✓ 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
- ✓ Have contingency plan to mitigate supply side risks (e.g. restrictions on import)

Additional best practices

16. 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 refiner and my current supplier has a shortfall next month and I am considering sourcing from a new supplier of dore for a few months. My existing supplier has referred the supplier to me. While I will collect necessary "Know your Provider" details for the new supplier, what additional practices should I follow to minimize my risks?

Potential Response

✓
List of indicative actions to minimize your risk

- ✓ Review the accreditation regulations that apply to you such as LBMA and BIS to assess whether the miner/supplier meets the requirements
- ✓ Formalize an agreement with the supplier including relevant business details such as pricing, timelines, rights of each party, etc.
- ✓ Include an option in the contract for contract cancellation in case of unsatisfactory dore or mismatch with regulatory requirements

Assess whether your refining infrastructure can process the dore including the trace elements that may be present in the dore supplied by the new supplier

Audit and compliance

17. I promise to abide by the law of 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 refiner'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 that 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, at present, there will be no audit or public endorsement. However, we believe that conforming with these practices will strongly benefit providers and customers. Over time, 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.

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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 conduct "Know Your Provider" checks and record all the relevant information about my suppliers before onboarding new suppliers

Current state:

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

Key questions to consider:

1. Do you conduct due diligence/have internal processes to evaluate suppliers before initiating business with them?
2. Do you collect requisite documents from suppliers for Know Your Provider checks? Do you conduct business with the suppliers if they can't fulfil the minimum requirements?
3. Do you maintain record of the information and documents collected? Do you update the information collected on an ongoing basis?

Assessment notes:

Area(s) of improvement:

2. I promise to only procure dore which adheres to industry accepted standards, conduct independent tests to ascertain the characteristics and document details for each transaction

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you have a criterion to only procure gold which adheres to Indian industry accepted standards only?
2. Do you conduct independent test for dore received? Do you test for all the relevant characteristics (such as weight, presence of trace metals, etc.)?
3. Do you document all information (such as weight, miner details, etc.) related to the trade in purchase agreements/other documents? Do you maintain the records of past transactions for reasonable period (at least 2 years)?

Assessment notes:

Area(s) of improvement:

3. I promise to adhere to global responsible sourcing guidelines as well as consider ESG credentials (Environment, Social and Governance) of suppliers

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you have a criterion to only procure gold which adheres to global responsible sourcing guidelines (OECD, LBMA, etc.)? Do you ensure adherence with proper audit and certification?
2. Do you ensure that imported gold complies with regulatory provisions of the country of origin?
3. Do you consider environmental standards, beyond the applicable laws (e.g. invest in restoration of environment) while selecting a supplier?
4. Do you consider other social (e.g. safe working environment, child labour free) and governance (e.g. transparency) criteria?

Assessment notes:

Area(s) of improvement:

4. 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 clearly communicate all aspects taken into consideration while pricing old gold (purity, melting charges, melting losses, taxes, etc.) to all customers, consistently and impartially?
3. Do you state key risks (e.g. gold price risk in refining on contract) objectively?
4. 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:

5. I promise to buy/service recycled gold only upon conducting independent tests to ascertain the characteristics of gold and documenting details of the scrap gold

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you conduct independent test for the received scrap gold? Do you test for all the relevant characteristics (such as weight, purity, etc.) before accepting gold?
2. Do you document all information related to product, supplier and transaction? Do you maintain these records for reasonable period (atleast 2 years)?

Assessment notes:

Area(s) of improvement:

6. I promise to ensure that the refined products meet the dimension, weight, finish, homogeneity and purity standards as characterized by markings and commitment to the customers

Current state:

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

Key questions to consider:

1. Do you ensure that the marking on refined bars conforms to the product specifications?
2. Do you have testing labs (in-house or external) suitably equipped and staffed to ensure accuracy in measurement?
3. Do you maintain the records of refined bars including characteristics (dimensions, weight, finish, homogeneity, purity, etc.} and test results?

Assessment notes:

Area(s) of improvement:

7. I promise to be compliant to labour laws and provide requisite infrastructure, benefits and training to my employees

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you ensure compliance to 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?

Assessment notes:

Area(s) of improvement:

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

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you ensure compliance to all applicable industrial licenses/approvals for your organization (including refinery / testing lab)?
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:

9. I promise to maintain traceability of gold items throughout the refining process from the point of supply to delivery to my customers

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you ensure complete traceability of gold throughout the refining process? Do you maintain details related to source of input dore/scrap gold, custom clearance records, batch details, workers, etc. for all refined gold?
2. Do you have physical/digital systems to capture these details accurately?
3. Do you maintain these records for reasonable period (at least 2 years)?

Assessment notes:

Area(s) of improvement:

10. I promise to have adequate operational protocols to safely store and transport valuables (dore / recycled gold, refined gold products, 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 valuables (dore/scrap gold, refined gold products, cash, precious metals, etc.)?
2. Do you have adequate insurance or capital buffers to cover against events of loss?
3. Do you seek services from accredited logistics companies only for international/domestic movement of unrefined or refined gold?
4. Do you conduct due diligence/"Know Your Provider" checks to evaluate logistics agencies before empanelling them?

Assessment notes:

Area(s) of improvement:

11. I promise to adhere to appropriate KYC requirements 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 the customers even if they are unable to fulfil the KYC requirements?
3. Do you update this information periodically?

Assessment notes:

Area(s) of improvement:

12. I promise to implement adequate systems and mechanisms to receive, record and redress customer queries and complaints

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 the customer complaints (number of complaints received, pending, resolved) for reasonable period?
4. Do you solicit customer feedback at regular intervals?

Assessment notes:

Area(s) of improvement:

13. I promise to educate customers about refinery markings or point them to credible sources of information

Current state:

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

Key questions to consider:

1. Have you developed any educational material for customers? Do you include details on products, pricing, testing procedures, refining standards, markings, etc.?
2. Do you train front-end staff to offer material to educate customers?
3. In absence of in-house materials, do you point customers to other external sources of credible information?

Assessment notes:

Area(s) of improvement:

14. I promise to clearly 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:

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

Current state:

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

Key questions to consider:

1. Do you proactively identify, measure and monitor major financial and non-financial risks to business?
2. Do you have risk management practices including policies, governance in place to mitigate/ manage the identified risks?

Assessment notes:

Area(s) of improvement:

16. I promise to have a dedicated and trained risk management team without linkage to any business incentives

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you have a team that is 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:

17. I promise to comply with all applicable laws and regulations, maintain adequate documentation and disclose required information to regulatory/statutory bodies

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you comply with laws and regulations that are applicable to your business operations (dore import, refining, etc.) 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 dore	1. I promise to conduct "Know Your Provider" checks and record all the relevant information about my suppliers before onboarding new suppliers	O / BO / PO / NO
	2. I promise to only procure dore which adheres to industry accepted standards, conduct independent tests to ascertain the characteristics and document details for each transaction	O / BO / PO / NO
	3. I promise to adhere to global responsible sourcing guidelines as well as consider ESG credentials (Environment, Social and Governance) of suppliers (Additional best practices)	O / BO / PO / NO
Recycling / Purchasing of old gold	4. I promise to design, convey and practice a fair policy for old gold purchase and collect KYC details of sellers of old gold	O / BO / PO / NO
	5. I promise to buy/service recycled gold only upon conducting independent tests to ascertain the characteristics of gold and documenting details of the scrap gold	O / BO / PO / NO
Refining	6. I promise to ensure that the refined products meet the dimension, weight, finish, homogeneity and purity standards as characterized by markings and commitment to the customers	O / BO / PO / NO
	7. I promise to be compliant with labour laws and provide requisite infrastructure safety equipment, benefits and training to my employees	O / BO / PO / NO
	8. I promise to have mandatory industrial licenses/approvals as per applicable regulations	O / BO / PO / NO
	9. I promise to maintain traceability of gold items throughout the refining process from the point of supply to delivery to my customers	O / BO / PO / NO
Transportation and storage	10. I promise to have adequate operational protocols to safely store and transport valuables (dore, recycled gold, refined gold products, cash, precious metals)	O / BO / PO / NO
Customer and complaints management	11. I promise to adhere to appropriate KYC requirements while on-boarding new customers and update this information periodically	O / BO / PO / NO
	12. I promise to implement adequate systems and mechanisms to receive,record and redress customer queries and complaints	O / BO / PO / NO
	13. I promise to educate customers about testing procedures, refinery markings or point them to credible sources of information	O / BO / PO / NO
Payments	14. 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	15. I promise to proactively identify major financial and non-financial risks to my business and take appropriate steps to mitigate/manage the risks	O / BO / PO / NO
	16. I promise to have a dedicated and trained risk management team without linkage to any business incentive (Additional best practices)	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

Annexure B: Version control

The Code of Conduct is a continuously evolving document intended to incorporate latest and best practices in the industry. The below table reflects the history of updates and latest version of the document

Sr.No.	Version Number	Timeline
1.	Code of Conduct_ Refining_vOct2026	Oct, 2026

Notes



IAGES
Indian Association for Gold Excellence and Standards
An Industry Initiative

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 G 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 G trade and ensure commercial prudence

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