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### Dear Reader,

With this first edition of the EPMF newsletter in 2021, I wish you all a New Year full of joy, success and above all, good health.

In 2021, many challenges await us both at the EU political agenda level and that relating to conflict minerals regulations, responsible sourcing and due diligence.

The precious metals industry is a great supporter of a global level playing field and in particular with regard to responsible sourcing, human rights and social impact. The latter is vital, sustainability must be a part of all of our business thinking, as it is for the precious metals sector.

Transparency in the field of precious metals is essential to the public. As an example, on January 1, 2021, Swiss customs introduced a new breakdown of the WTO tariff HS 7108.12 in order to distinguish (within the framework of the import of raw gold for non-monetary use) between mining gold, bank gold (LBMA) and other gold products intended for smelting and refining.

This year EPMF will continue its cooperation with EU policy makers and non-institutional stakeholders. As a rule, joint forces can only benefit and strengthen both the EU and the precious metals sector.

Stay healthy, stay safe!

**Cédric Léger**, Member of the EPMF Board, ASFCMP, Switzerland



## Sustainability and responsibility - key priorities for the Precious Metals industry

By EPMF

As of January 1, 2021, the European Conflicts Minerals Regulation ([EU Regulation](#)) is fully applicable. EU importers of tin, tungsten, tantalum and gold (3TG) are required to meet international responsible sourcing standards and to ensure the import of metals and minerals from responsible and conflict-free sources only. Such requirements are not new for the precious metals sector. As a matter of fact, sustainability and responsibility have always been the key priorities for the EPMF members. We believe that sourcing in sustainable and responsible way is vital for not only the product and its application, but also for all related activities. For our organisation, sustainability refers to responsibility and transparency throughout the value chain, from sourcing to production and from usage to

recycling. Responsible sourcing should not end with the smelting and refining stages, but cover all production stages and be applied through the entire value chain. Social and environmental impact is fundamental to all business decisions. Regarding the implementation of the EU Conflict Minerals Regulation, the precious metals industry is ready as we have been abiding by the rules for some time now. Moreover, the EPMF will continue to liaise with the EU policy makers to further improve the current system.

In 2021 we are expecting a legislative proposal on mandatory due diligence legislation. EPMF supports a regulatory global level playing field with better enforcement of rules on topics such as responsible sourcing, human rights, social impact. However, if the EU wants to become a standard setter it would be preferential in our view to open a dialogue with industry, especially regarding responsibility, a level playing field and due diligence. In other words, the EPMF is a perfect ally in achieving these EU goals.



## Guest corner: Feasibility remains our key priority

By Iuliu Winkler, Member of European Parliament

The Conflict Minerals Regulation (CMR) was adopted in May 2017. Its due diligence requirements for Union importers of tin, tantalum, tungsten and gold (3TG), which are in line with the OECD five step approach for responsible supply chains of minerals have started to be applied as of 1 January 2021.

In the current context of the EU global engagement and the push of sustainability across the board, we have witnessed increased calls to push for mandatory due diligence requirements on a wide range of sectors, including for precious metals. The CMR, with its more limited scope, will act as a great indicator of the effectiveness of due diligence provisions and the various complexities of their proper implementation.

An important aspect of this regulation is linked to the recognition, by the European Commission, of industry-proposed due diligence schemes. Currently, the EC has assessed 4 schemes as being admissible. The official recognition of these schemes will allow the industry to have a direct buy-in into the implementation of the CMR's requirements, building on relevant public-private partnership initiatives.

Looking more broadly towards a comprehensive EU due diligence legislation, it will be important to have all affected stakeholders involved in its elaboration and the monitoring of its implementation. The key priority of the European institutions should be the feasibility of implementation. We should reach the desired results within our sustainability agenda, including on the responsible sourcing of minerals, without a loss of competitiveness or excessive bureaucracy, certainly as concern micro-, small- and medium-sized enterprises.



## Good practice: The Metals Industry Leads from the Front on Due Diligence

By the Cobalt Institute

Looking ahead into 2021 we will see an increased European focus on the responsible sourcing of metals, in December 2020 the European Commission proposed a new Battery Regulation which included provisions on the sourcing of battery materials, and later this year we expect further proposals on horizontal due diligence requirements.

The metals industry is in a prime position to contribute to these debates and demonstrate the actions which have already been taken to de-risk our supply chains, as we seek a regulatory environment which builds on current industry initiatives and promotes the continued competitiveness of this critical sector.

The responsible sourcing of Cobalt, perhaps more than any other metal, has been the subject of societal and policy-maker interest. This is driven by perceptions of mining in the Democratic Republic of Congo (DRC). The Cobalt Industry, both collectively and individually, is seeking to address these concerns to be able to demonstrate that the Cobalt is sustainability and responsibly sourced. The Cobalt Institute launched the Cobalt Industry Responsible Assessment Framework (CIRAF) in 2017, CIRAF serves as risk identification and management tool allowing our members to move towards third party audited and assured due diligence systems which go beyond the OECD guidelines. CIRAF is helping the Cobalt Industry to transparently show of risk management efforts. We also contribute to the further development of key due diligence standards.

As policy-makers and regulators seek to set rules for the metals sector they need to ensure they build on our existing best practice and not create additional burdens for industry. Metals are critical to allowing us to reach our climate goals and industry has already shown we can contribute in a sustainable and responsible fashion.

For more information about the Cobalt Institute, please visit [cobaltinstitute.org](http://cobaltinstitute.org)

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## #PMFacts: The many uses of gold

In Europe between 85 and 90% of gold is used for either jewellery or investment. What about the remainder? Approximately 10-15 % of gold is used in a range of applications that make use of its special properties. Its corrosion-resistance and static-free electrical conduction means that a small amount is used in the nearly 1.5 billion smartphones sold every year. It is also used in other electronic devices where efficiency and high-performance are required such as mounting microprocessors and memory chips onto the motherboard in your computer. Electronic connectors requiring extended durability and reliable transmission are made of other metal alloys which are then electroplated with gold to resist oxidation. Navigation in your car and with your mobile phone depend on the global positioning system (GPS) satellites which have gold coated components to protect them against corrosion from ultraviolet light and x-rays.

If you are reading this newsletter on your mobile phone, you can be sure it is precious – there is gold in it.



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## Job offer!

EPMF is hiring! We are looking for a Scientific Policy Officer to support the scientific and technical activities of the association in Brussels.

