



World Jewellery  
Confederation

# New EU Conflict Minerals Regulation To Affect Jewelry Companies Importing Gold

The recently approved EU regulation on conflict minerals seeks to limit opportunities for armed groups and security forces in conflict-affected and high-risk areas to trade in tin, tantalum and tungsten, their ores, and gold (3TG). The regulation, which comes into force on 1 January 2021, establishes an obligation for importers, smelters and refiners to implement supply chain Due Diligence practices, in line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

The regulation establishes that no less than 95% of total import volume of 3TG into the EU is subject to the new regime. The regulation also sets the framework that will review (a) the thresholds of minerals and metals handled by individual importers that will make them subject to the statute and (b) an indicative list of areas identified as conflict-affected and high-risk around the world every 3 years. Further guidance on thresholds is expected to be provided by the EU.

EU Regulation 2017/821 may affect your company if it imports the relevant minerals or metals from conflict-affected and high-risk areas in the EU market. Companies must determine if their business is affected by the regulation, and if so, should start to address due diligence requirements before the regulation comes into effect.

## If this regulation impacts your business, the following actions will help you to prepare for compliance:

- Determine if you participate in a supply chain Due Diligence scheme (e.g. Responsible Jewellery Council, London Bullion Market Association) that is consistent with OECD Due Diligence guidelines, which may be eligible for recognition by the European Commission.
- Review company management systems to ensure alignment with obligations set out in the regulation, with a focus on:
  - Compatibility of supply chain policy with OECD Due Diligence guidance (see right, OECD 5-step process)
  - Senior management oversight of Due Diligence practices
  - Supplier engagement through contracts and agreements that reflect OECD Due Diligence guidance
  - Existence of a grievance mechanism
  - Availability of documentation and traceability information for relevant minerals, metals and by-products
- Determine if independent third-party audits of your company supply chain are required. If necessary, prepare for and carry out such audits.

## OECD 5-Step Due Diligence Framework

1. Strong company management systems
2. Identify and assess risks in supply chain
3. Manage risks
4. Audit smelter/refine Due Diligence practices
5. Publicly report on Due Diligence

[https://www.oecd.org/daf/inv/mne/EasytoUseGuide\\_English.pdf](https://www.oecd.org/daf/inv/mne/EasytoUseGuide_English.pdf)

- Determine the disclosure and public communication obligations your company may have regarding responsible business practices, such as supply chain policies and audits.
- Determine whether your company does business with responsible smelters and refiners, as determined by the EU.
- Be aware of the requirements that competent authorities in your location will have to verify compliance with the regulation.

## What services are available to help me?

UL's global jewelry team of experts includes Master Gemologist Appraisers, Certified Gemologist Appraisers, Diamond Cutters, diploma gemologists, diamond graduates and accredited jewelry professionals. Within our global network of laboratories, UL maintains a Jewelry Center of Excellence (Arkansas, USA) servicing over 40 countries around the world.



From inspections and responsible sourcing, to testing and safety certification, UL offers comprehensive end to end solutions to embody a trusted and reliable partner of the jewelry industry.

UL is a commercial member of **CIBJO**, the World Jewellery Confederation, that represents the interests of all individuals, organizations and companies earning their livelihoods from jewelry, gemstones and precious metals. It is the oldest international organization in the jewelry sector, having originally been established in 1926.

## Where can I find more information?

### Regulation (EU) 2017/821

Italian: <http://eur-lex.europa.eu/legal-content/IT/TXT/?uri=CELEX:32017R0821>

English: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017R0821>

### European Commission website:

<http://ec.europa.eu/trade/policy/in-focus/conflict-minerals-reegulation/regulation-explained/>

### OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas:

<http://www.oecd.org/corporate/mne/mining.htm>



**UL Contact:** EMEALA.Jewellery@ul.com - [www.UL.com/CRS](http://www.UL.com/CRS)



**CIBJO Contact:** communications\_1@cibjo.org - [www.cibjo.org](http://www.cibjo.org)