

GOLD SOURCING POLICY

Context

The Banque de France is responsible for the custody and management of the state's gold reserves in accordance with Article L. 141-2 of the French Monetary and Financial Code (*Code monétaire et financier*). It also offers gold-related services (such as custody or investment) to its institutional clients and to commercial banks under Article L. 141-9 of the French Monetary and Financial Code.

As part of its custodian activities on behalf of third parties, the Banque de France is positioned well downstream in its customers' gold mineral supply chains. In addition, for its own activities, the Banque de France does not source supplies directly from countries that are likely to take in conflict-affected or high-risk areas. All bars accepted in carrying out both these activities comply with the criteria set by the London Bullion Market Association (LBMA).

This policy (hereinafter, the “Policy”) defines the principles governing the exercise of due diligence with regard to the Banque de France's supply chain and defines the Banque de France's expectations with regard to its upstream suppliers, within the meaning of the OECD Guidance (hereinafter the “Suppliers”), in order to ensure strict compliance with the requirements of Regulation (EU) 2017/821.¹ To this end, the Banque de France's gold sourcing policy is systematically incorporated into all the contracts and/or agreements that it concludes with its Suppliers.

The commitments of the Banque de France

Through this Policy, the Banque de France is committed to the responsible sourcing of gold, in accordance with Regulation (EU) 2017/821, in particular Articles 2, 3, 4 and 5 thereof, and with the OECD Due Diligence Guidance, particularly Annex II, which describes the “risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas”.

The Banque de France undertakes to refrain from any activity that could contribute to the financing of a conflict and to comply with applicable United Nations resolutions or, as appropriate, French laws implementing such resolutions.

¹ Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas



The commitment of the Banque de France's Suppliers

As there are several levels of intermediaries between the Banque de France and a mining operation, it is essential that the Banque de France's Suppliers commit to the responsible sourcing of minerals.

The Banque de France expects all its Suppliers to implement a supply chain policy that conforms to Annex II of the aforementioned OECD Guidance and Regulation (EU) 2017/821.

Under the terms of the contracts and agreements signed with the Suppliers, the latter are required to only deposit bars that comply with the latest version of the aforementioned OECD Guidance, including its Gold Supplement, and European and French laws and regulations relating to the supply chain.

Under these same terms and conditions, the Banque de France reserves the right to refuse, at its discretion, any deposit that does not, in its opinion, provide sufficient guarantees of responsible sourcing within the meaning of the OECD Guidance.

The Banque de France may immediately suspend or terminate any and all relationships with a Supplier that does not comply with the contractual provisions relating to a responsible supply chain.

Governance of this Policy

The supply chain is subjected to continuous risk assessment. When a potential risk is identified, the relationship with the Supplier is immediately suspended. Notification of corrective measures from a competent authority in the event of a breach of Regulation (EU) 2017/821 or an equivalent text, results in the termination of the agreement between the Banque de France and the counterparty in question.

Questions and comments on this Policy

Please send any questions or comments on the Banque de France's responsible gold sourcing policy to the following address: 1413-BDFGOLD-UT@banque-france.fr