



## Key messages to promote inclusiveness of the ASM sector in the Responsible Jewellery Council New Chain of Custody Standard Draft Public Consultation

### 1. Narrowing down the definition of the “recycled gold”

The provision 7.1 of the consultation Standard draft is proposing to expand the definition of eligible recycled material. The expansion are the items b and d.:

**a. High-value gold, silver or PGM:** scrap and waste precious metals from the jewellery and manufacturing process, or post-consumer precious metal products, such as jewellery and ornaments.

**b. Bullion and investment products that have been reprocessed to a customer or industry standard.** This does not include investment products.

**c. Industrial gold, silver or PGM:** waste electrical and electronic equipment, or industrial components such as spent catalysts and fuel cells.

**d. By-product from the mining of other ore(s) which have undergone further refining or processing to extract eligible material.**

These two additions will produce unintended negative consequences for the inclusion of the ASM sector. Materials that would have been reprocessed anyway and add little value in terms of positive impact will now be easily labeled as “ethically sourced”. These options become unregulated source of gold into the certified recycled option. This would make the so-called “recycled” option even more appealing, since it is easy and relatively inexpensive. **We fear that companies may be encouraged to choose “recycling only” sourcing policies, using an environmental argument that does not accurately represent the purported impact.** By legitimizing and encouraging such choices, RJC will strengthen the “business as usual” and will jeopardize the engagement of the entire jewelry industry with the ASM sector. Reprocessing gold previously mined in unknown conditions and calling it “responsible” will not reduce the ASM, which will continue to face enormous challenges, offering its minerals to the informal markets, and without getting any support, will become even more marginalized. [Read the blog: Is recycled gold an ethical choice?](#)

### Recommendation:

This is why we call for a re-definition of the concept of “recycled gold”, that could be aligned with the definition of the “real recycled” promoted by the Precious Metals Impact Forum (PMIF), where key industry initiatives, refiners, jewelry brands, and NGOs are participating. This redefinition should allow to differentiate gold resulting from a real recycling process from re-refined gold, establishing a narrower approach, more in line with the general perception of recycling i.e. the recovery of gold destined to be discarded. This definition should also prevent artificially created recycled gold.



The proposed definitions are:

**1) RECYCLED GOLD:** Gold recovered from any product containing less than 2% of gold in weight destined to be discarded, and returned to a refiner or other downstream intermediate processor to begin a new life cycle as “recycled gold”. Freshly mined material, including tailings and any wastes and by-products of mining operations are excluded from this section.

**2) REPROCESSED GOLD:** Gold produced from any product containing more than 2% of gold in weight with the purpose of changing its state (e.g., bullion melted to create jewelry, jewelry melted to become a bar being sent to a refinery, unsold or used or broken jewelry being melted to create new jewelry or a different type of product, sputtering targets, manufacturing scraps, ...).

PMIF will publish the proposal and ARM will update this message, once published.

## 2. Expanding the scope of mined material to include legitimate all ASM sources and encouraging the recognition by the RJC of legitimate and transparent ASM assurance schemes

RJC Code of Practices provision 8.1.b encourages RJC members that source minerals directly from ASM producers to “*use best endeavours to positively influence practices by working to:*”

- 1. Reduce or avoid risks and provide for, or co-operate in, remedying adverse human rights and environmental impacts. Measurable risk mitigation should aim to promote significant improvement within a defined period from the adoption of the risk management plan.*
- 2. Support development opportunities for ASM communities*
- 3. Actively participate in initiatives, including multi-stakeholder ones, that enable the professionalisation, formalisation and/or certification of ASM, as appropriate to the situation. iv. Seek to understand fair commercial terms and offer these to all ASM suppliers.”*

**However, the current RJC Chain of Custody Standard provision 6.1, limits in practice the possibilities of the members’ engagement with the ASM, by only including three options in the existing standard:**

*“c. Mines or producers certified under an RJC-recognised responsible ASM standard, with documented due diligence that confirms that the material comes from such mines or producers.*

*b. Artisanal and small-scale mining (ASM) producers operating on the entity’s mining concessions that have participated in initiatives to professionalise and formalise ASM and with documented due*



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*diligence confirming that the material comes from such ASM producers and not from illegitimate sources”.*

*d. Mines that are subject to an RJC-accepted responsible mining assurance scheme and validated to conform with the RJC COP requirements as defined in provision 6.2”.*

The first option, the certified ASM-mined products are a great, safe and easy choice to include ASM in the RJC supply chains, representing best practices in terms of performance and assurance and a leadership vision of the potential of the ASM sector. Their recognition as eligible CoC material is an important statement of the industry striving towards best practices in the long term. It is also the only option for RJC members to source directly from ASM miners. **However, given the current state of the ASM sector level of formalization and ESG performance, it is important for RJC members to open opportunities for engagement with ASM at earlier stages of development.**

The second option also has its limits: while integrating ASM gold into the supply chain of an industrial mine or a processing facility with the function of aggregator, can provide win-win opportunities, it is important to consider that it is not always a viable or desired option for ASM communities as it may not always represent a real economic benefit or added value for miners. Other opportunities for ASM integration into the RJC CoC should therefore be also considered.

Finally, the third option is also limiting for the ASM communities, as the current RJC-validated schemes listed in the [Chain of Custody Guidance \(2019\)](#) are the Mining Association of Canada’s Towards Sustainable Mining (TSM) programme and the International Council on Mining and Metals (ICMM), which are both are for only for large-scale mining, limiting the possibility of the ASM to be part of the RJC eligible mined material.

### Recommendations:

1. To make the RJC standard more inclusive and to better align it with the spirit of the OECD Due Diligence guidance. **We propose a new category for eligible materials that could include: “Legitimate ASM , where documented due diligence has been performed as recommended by the OECD, measures are being implemented to mitigate the OECD Annex II risks, and a reliable traceability system is in place”.**
2. In the same RJC Chain of Custody provision 6.1 in the item of eligible mined material “d. Mines that are subject to an RJC-accepted responsible mining assurance scheme and validated to conform with the RJC COP requirements as defined in provision 6.2”, **we recommend that guidance is provided as to how ASM assurance schemes based on legitimate standards, could become recognized as “RJC validated mining assurance schemes”.**



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### Supporting documents

- [Reviewed RJC Chain of Custody \(CoC\) Standard proposal October 2022](#)
- [RJC Chain of Custody \(CoC\) Standard 2017](#)
- [RJC Code of Practices \(CoP\) Standard 2019](#)

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