

Recognition of the Fairtrade-Fairmined Standard under the RJC Chain-of-Custody Standard

28 September, 2012

Introduction

On 27 September 2012, the RJC Board formally recognised Part A of the Fairtrade and Fairmined Standard as a 'Recognised Responsible Mining Standard' under the RJC Chain-of-Custody Standard to provide further support for certification of artisanal and small-scale miners (ASM). Both the Alliance for Responsible Mining and the Fairtrade Foundation, which together govern the Fairtrade and Fairmined Standard, welcome the recognition.

What is a Recognised Responsible Mining Standard?

Provision 4.1c of the CoC Standard provides scope for the RJC to formally recognise comparable mining standards. A Recognised Responsible Mining Standard is a third party standard for responsible mining practices deemed by the RJC, through a process of formal review and opportunity for stakeholder comment, to be comparable to the RJC Code of Practices.

Q&A

1. What does the RJC Recognition of Part A of the Fairtrade and Fairmined Standards mean?

Part A of the Fairtrade and Fairmined Standard is being recognised by the RJC as a 'Responsible Mining Standard' for artisanal producers. In practice, this means that under the RJC Chain-of-Custody Standard, gold produced by a Fairtrade and Fairmined Certified Mining Organisation is viewed as another type of 'Eligible Material' for chain-of-custody sourcing. Small volumes of this ASM produced gold, sourced and managed in accordance with the RJC CoC Standard, can thus be mixed with other types of 'Eligible Material', including recycled gold. The processes for sourcing and segregation are governed and audited under the RJC Chain-of-Custody Certification process. However claims around the Fairtrade and Fairmined certification status of metals cannot be made unless Part B of the Fairtrade and Fairmined Standard, which includes payment of the Fairtrade minimum price and premium and governs trading conditions, has been met.

2. Will the RJC Recognition mean 'mass balancing' of Fairtrade and Fairmined gold?

No, not under the RJC Chain-of-Custody Standard which does not permit mass balancing and Fairtrade International and the Alliance for Responsible Mining do not permit use of the dual label without registration in their system. Under the RJC Chain-of-Custody (CoC) Standard, gold from certified ASM producers can be mixed with other eligible sources, such as from RJC Certified mining companies or eligible recycled sources. However RJC CoC Certified entities will not be able to make claims to their customers about the ASM producer's certification under Fairtrade and Fairmined.

3. What if I'm a Fairtrade and Fairmined Certified Producer?

If you are a Fairtrade and Fairmined certified miner, recognition by the RJC will mean that your gold may be able to reach new and diversified markets. The recognition is likely to encourage interested

RJC Members, such as major gold refiners, to source from your mine which means you have the possibility to access additional markets through alternative routes.

3. What if I'm already registered with Fairtrade and Fairmined?

If you are already certified within a Fairtrade and Fairmined supply chain then you can continue to source and sell on as per the full Fairtrade and Fairmined Standard requirements. Fairtrade and Fairmined initiative will continue to offer certified metals with the Fairtrade and Fairmined dual label. If you have any questions or concerns, please contact your account manager within Fairtrade.

4. What does the recognition mean for RJC Members?

It is most relevant for CoC Certified Entities, particularly gold refiners. CoC Certified Entities may include gold sourced from a Fairtrade and Fairmined Certified Mining Organisation and mix it with other defined eligible sources to produce 'CoC Gold' under the RJC CoC Standard. Decisions on sourcing and commercial relationships remain at the individual discretion of RJC Members. Note that it is only possible to label or make claims around metal as being 'Fairtrade and Fairmined' if you are registered with Fairtrade and Fairmined and meeting Part B of the Standard. Sourcing from Fairtrade and Fairmined certified producers, as one of a number of potential mining sources, will support the efforts those producers made to achieve their certification and demonstrate good mining practices.

4. What if I'm an RJC Member, not certified to trade Fairtrade and Fairmined certified metals, but wish to express what Fairtrade and Fairmined certification means for the artisanal and small scale miners I am sourcing from?

If you are an RJC Member who is not already part of a certified Fairtrade and Fairmined supply chain, but interested in sourcing and offering certified metals which can carry the Fairtrade and Fairmined dual label then please contact gold@fairtrade.org.uk or visit www.fairgold.org. Fairtrade can then put you in touch with the relevant contact who can advise on next steps. It will only be possible to use the Fairtrade and Fairmined dual label, and make claims around Fairtrade and Fairmined certification, if the trader purchasing from the miners is registered with the Fairtrade and Fairmined certification system, and meets the requirements in the Fairtrade and Fairmined trading standards, including payment of the Fairtrade Minimum Price and Premium.

6. How does the recognition relate to the OECD Due Diligence Guidance?

The OECD Due Diligence Guidance for Responsible Supply Chains includes an Appendix to the Gold Supplement to support sourcing from legitimate ASM production. As refiners are a key point in the gold supply chain, they are expected to apply due diligence to ensure no links with conflict and human rights abuses. Refiners will be looking for assurance from mines on this point, and certification provides important verification of mine site practices. Refiners implementing the OECD Guidance in terms of due diligence, and looking to support legitimate ASM production, are encouraged to participate in this and related initiatives that increase ASM uptake of certification.

7. How will the 2012 standards revisions being carried out by RJC for the Code of Practices and by Fairtrade and ARM for the Fairtrade and Fairmined Standards impact the Recognition?

The recognition relates to implementation of the RJC Chain-of-Custody standard so is not directly impacted by the standards review processes of any of the organisations. It is expected that comparability between the RJC Code of Practices and Part A of the Fairtrade and Fairmined Standard will continue, as both standards aim to reinforce their support for responsible mining standards.

Stakeholders interested in the RJC and/or Fairtrade and Fairmined standards review processes should contact the respective organisations below:

- RJC Code of Practices Review – consultation@responsiblejewellery.com
- Fairtrade and/or Fairmined Standard - gold@fairtrade.org.uk
and standards@communitymining.org