

Responsible Jewellery Council (RJC)

Report on public comment period and stakeholder consultation on Proposal to Recognise Fairtrade and Fairmined Standard under RJC Chain-of-Custody Standard – May 2012 to June 2012

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1. Background

From May to June 2012, the RJC sought feedback on the Comparability Report of the Fairtrade-Fairmined Standard as a 'Recognised Responsible Mining Standard' under the RJC Chain-of-Custody Standard.

In summary, the RJC commits to:

- be open and transparent in its standards development process
- encourage input from a wide range of interested and affected parties

2. This Report

This Report summarises the submissions received during the comment period for RJC's Comparability Report of the Fairtrade-Fairmined Standard as a 'Recognised Responsible Mining Standard' under the RJC Chain-of-Custody Standard. A copy of the report is available at: http://www.responsiblejewellery.com/files/Comparability-Report-for-FT-FM-as-Recognised-Responsible-Mining-Standard-under-RJC-CoC.pdf

3. Summary of Input Method

A broad range of stakeholders were notified by email and through discussions lists of the opportunity to comment on the RJC discussion paper. Interested parties could respond by fax, post or in an email or were invited to discuss by phone with the RJC team.

4. Submissions

The Table below documents the four formal submissions received by June 2012, all of which support the proposal outlined in the Comparability Report. A range of stakeholders during discussions in various forums have also expressed support for RJC's proposal to recognise the Fairtrade-Fairmined Standard.

Name	Date	Comments
Thomas Hentschel, Projekt-Consult GmbH	31/05/2012	We discussed the document internally and do not have major comments. We hope that the document will be approved by your board and looking forward working together in the near future.
Beth Gernstein, Brilliant Earth	04/06/2012	We are writing to express our support for the Responsible Jewellery Council's proposal to recognize fair trade gold as a "Recognized Responsible Mining Standard" under its Custody (CoC) Standard. However, we believe that recognition of the fair trade standard should be just one element in a comprehensive jewelry industry strategy — a strategy which should involve the commitment of significant industry resources to scaling up the fair trade standard.
		As a leading provider of ethical origin jewelry, we support efforts to promote fairness for artisanal gold miners, who remain among the world's poorest people. We believe that the fair trade gold standard is a promising mechanism for addressing the extreme poverty and environmental degradation so common in artisanal gold mining. In our view, it would make little sense for the Responsible Jewellery Council (RJC) to conclude that fair trade gold does not meet its standards.
		Although we believe that fair trade gold is inherently responsible gold, our main reason for supporting RJC recognition of the fair trade standard is our belief that the fair trade standard would be strengthened. We imagine that as the RJC becomes more established, existing suppliers of fair trade gold will benefit from a route into the RJC supply chain. Furthermore, artisanal miners around the world may gain a strong incentive to form cooperatives, improve labor and environmental practices, and become fair trade certified. Potentially, this could be the catalyst that fair trade gold needs to achieve widespread adoption.

We do have some concerns, however. In reviewing this issue, the RJC hints at the risk that as a result of its own standard-setting efforts, artisanal miners may be "further marginalised from the supply chain." The risk referred to here is a serious one; it is that the RJC, even if it marginally helps improves standards among participating companies, will ignore conditions in the artisanal mining sector—or worse, that artisanal gold miners will be left without a market for their gold. The RJC concludes that recognizing the fair trade standard will help minimize this risk of marginalization.

Although we agree, we believe that it is incumbent on the RJC to ask whether recognition of the fair trade standard is enough. As the RJC's study notes, presently there are just four fair trade certified gold mining cooperatives representing just 2,000 miners. How does the RJC expect that the hundreds of thousands of artisanal gold miners around the globe will gain the information and expertise necessary to become fair trade certified? If and when the RJC standard does become more dominant, as the RJC hopes, will the fair trade standard be strong enough at that point to avoid the marginalization that the RJC acknowledges is a risk?

While we believe that economic incentives can help spur the adoption of the fair trade standard, those incentives will count for little if most artisanal miners lack a pathway to becoming fair trade certified. Clearly, what is needed along with RJC recognition of the fair trade standard is a comprehensive jewelry industry strategy to help bring the fair trade model to scale. We believe that as part of any such strategy, the industry has a responsibility to support programs that could make adoption of the fair trade standard a real possibility in artisanal mining communities. By raising the necessary resources and working immediately and intensively with international organizations, national governments, and NGOs to promote the fair trade standard, the RJC could ensure the success of the fair trade standard and truly make a difference in the lives of artisanal gold miners.

We have one further concern about the RJC's proposal to recognize the fair trade gold standard: RJC companies would be allowed to mix supplies of fair trade gold with supplies of certified mined and recycled gold. The success of the fair trade model historically has depended in large part on linking producers with socially-conscious consumers. Fair trade gold entering the RJC supply chain would be RJC-certified, but it would lose its fair trade label—which could harm attempts to build consumer support for fair trade gold as an independent brand. Particularly in the short term, since fair trade gold supplies are so limited, we think it is essential that all fair trade gold retain its label. RJC-certified companies already are required to

	separate non-certified gold supplies from certified supplies. We believe that the RJC should require the segregation of all fair trade gold as well.
	We have no illusions. The RJC cannot alone guarantee that all artisanal gold miners receive fair wages and that damaging environmental practices are discontinued. But beyond recognizing the fair trade standard, the RJC can do a lot more to transform the artisanal mining sector: it can support the fair trade standard with resources and it can allow room for the fair trade label to develop its own independent consumer following. If it does all this, the RJC could truly act a responsible jewelry organization.
	Thank you for your consideration. Please let us know if you have any questions.
Jennifer Horning, 11/06/2012 Solidaridad	Solidaridad supports the recognition of the Fairtrade and Fairmined Standard for Gold from Artisanal and Small-Scale Mining (FTFM) Standard as a Recognised Responsible Mining Standard under the RJC Chain-of-Custody Standard.
	Solidaridad is familiar with both of these standards. Solidaridad, an organization with a mission to improve the livelihoods of the most vulnerable people in commodity supply chains, has provided financial and technical investment in the development and uptake of the Fairtrade and Fairmined Gold standard since 2006. In addition, a member of Solidaridad's staff has served on the RJC Standards Committee since early 2012, and prior to that served for two years on the RJC Consultative Panel. Further, Solidaridad is using both RJC and FTFM as tools in its core work among gold producers. Our producer support programmes provide awareness, training, guidance and other resources to the gold producers on environmental, social, managerial and governance topics.
	Based on our experience, we believe that the recognition of the FTFM standard by RJC can support better development in ASM communities by providing another avenue for market access to ASM miners. We expect that the recognition will also encourage mining members of RJC to support formalisation and better environmental and social practices in ASM communities. As we are finding in our ongoing pilot project, the FTFM standard can be an effective tool in doing this.
	Importantly, we agree with RJC that the recognition can help to increase cooperation among stakeholders who want to ensure that the gold supply chain does not contribute to conflict. Efforts to stop the indirect

	support of armed conflict, violence or human rights abuses should, however, be combined with greater support to the ASM sector for responsible, transparent practices. This will support livelihood development in ASM communities and long-term economic stability so that ASM miners and their families are able to access formal, legitimate economic opportunities. Finally, we wanted to bring to your attention that an additional ASMO, ARELSA in Peru, has achieved FTFM certification since the report was released for comment.
Marie Müller, 22/06/2012 Bonn International	We highly appreciate the opportunity to comment on the Comparability of the Fairtrade and Fairmined Standard for Gold as Recognised Responsible Mining Standards under the RJC Chain-of-Custody (CoC) Standard.
Center for Conversion (BICC)	It is paramount that the RJC recognizes development-focused standards that have been designed by other organisations to support the particular challenges of the Artisanal and Small-Scale Mining (ASM) sector, if it does not wish to exclude the Artisanal and Small-Scale Mining (ASM) sector from its supply chain. Fairtrade and Fairmined Standard for Gold from Artisanal and Small-Scale Mining offers a unique opportunity for RJC members to be able to continue sourcing from artisanal sources, while upholding high ethical standards. It matches the RJC CoC Standard's core goal to support businesses which wish to provide their customers and stakeholders with independent assurance about conflict-free, responsible sourcing. Fairtrade and Fairmined Standard for Gold from Artisanal and Small-Scale Mining is independent: it offers third-party verification by FLO-Cert. provides for conflict — free gold: certified artisanal miners shall not be subject to military force or armed conflict. provides for responsible sourcing: improved working conditions, no child labour which could jeopardise their health or safety, freedom of association, responsible use of chemicals. The Fairtrade and Fairmined Gold is also fully traceable. Miners' organisations, buyers, refiners and manufacturers are required to have strict internal controls to ensure that the entire volume of Fairtrade certified fold is traceable. Only in exceptional cases, actors of the supply chain can be exempted from physical traceability. Physical traceability costs in the range of

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	sigher, miners' organisations are exempt from physical traceability but are still required to
p	provide full documentary traceability. For traders, refiners and manufacturers, if the cost
	lifferential exceeds 2 % of the average LBMA price, the operator is allowed to use an
a	lternative, lower-cost process (ARM Full Policy, 1/2011).

5. Next steps

The RJC Standards Committee will review this report and make a recommendation to the RJC Board. The result will be communicated to all RJC stakeholders. RJC thanks all who have contributed to the review process.