

Council for Responsible Jewellery Practices (CRJP)¹

Mining Supplement Initial Draft – Version 1

11 August, 2008

Overview

The CRJP's Mission is to promote responsible business practices for the diamond and gold jewellery supply chain, from mine to retail. A key element of the CRJP initiative is independent, third party verification of its Members' business practices. The CRJP aims to begin operating a certification system in 2009. The CRJP Code of Practices provides the objective and verifiable standards for responsible ethical, social, human rights and environmental practices against which RJC Members may be certified.

This document outlines the CRJP's plan to develop a Mining Supplement that will expand its current Code of Practices. The Mining Supplement will be developed via a stakeholder consultation process over the next six months.

For more background on the Council, please visit:

<http://www.responsiblejewellery.com/>

Purpose of Mining Supplement

The 2006 CRJP Code of Practices is a 'base' standard that is applicable to all CRJP Members. It currently covers a range of key human rights, labour, business ethics and environmental requirements. An updated Code of Practices, and other related documents that describe the operation of the CRJP certification system, will be released in October 2008.

The Mining Supplement aims to develop further standards to address mining-specific issues within the diamond and gold jewellery supply chain. These standards will be applicable to Members' mine sites, and will be in addition to the requirements already set out in the CRJP Code of Practices.

The objectives of the Mining Supplement are to:

- Provide a common standard of responsible practices for CRJP Members' mine sites in the diamond and/or gold jewellery supply chain
- Expand the scope of the CRJP system to cover additional mining-specific ethical, social and/or environmental business practices
- Establish provisions that can be independently audited to provide objective evidence for the granting of CRJP Certification, and
- Drive improvement of business practices for the gold and/or diamond jewellery supply chain.

¹ *The Council for Responsible Jewellery Practices is registered in England and Wales with company number 05449042.*

Note that as the Mining Supplement will be integrated into the Code of Practices, it is not intended to be a stand-alone mining standard.

Scope of Application

The provisions of the Mining Supplement will apply to mine sites owned or controlled by CRJP Members that actively contribute to the diamond and/or gold jewellery supply chain. These are referred to as 'Mining Facilities'.

In cases where CRJP Members mining facilities produce multiple metals including gold, and in the absence of any approved metal stewardship program for any of the other mined metals, then the default requirement at that mine will be the CRJP standard.

Process for Standard Setting

The CRJP aims to consult with a wide range of interested and affected parties in the development of the Mining Supplement. The standards development process will draw on the following:

1. Review of existing mining standards and initiatives

Over the past five years, there has been a range of collaborative and multi-stakeholder initiatives on mining standards. The CRJP would like to harmonise with existing standards as much as possible, to increase the efficiency of current and future verification initiatives. The following global initiatives have been reviewed in developing this draft:

- Association for Responsible Mining – Standard Zero for Fair Trade Artisanal Gold
- Global Reporting Initiative – Mining and Metals Sector Supplement
- Initiative for Responsible Mining Assurance (IRMA) draft standards
- International Council of Mining and Metals (ICMM) Sustainable Development (SD) Principles
- Mining Certification Evaluation Project
- Responsible Mining Framework, and
- Wal-Mart Jewelry Sustainability Value Network (JSVN) Vision, Principles and Sustainability Sourcing Criteria.

2. Opportunities for interested and affected parties to contribute to the development of the standards

- Two rounds of public comment periods during 2008
- Workshop/s with key stakeholders, and
- Additional meetings with individual key stakeholders, where possible.

Members, their operational staff, and other interested and/or affected stakeholders, including NGOs and other non-Member groups, are invited to contribute via these processes.

The standards development procedures are proposed as follows:

- The CRJP will seek feedback and input from interested and affected parties via public comment and discussion in workshops and meetings.
- The CRJP Standards Committee will give full consideration to the inputs received, and take them into account in the preparation of a revised draft for a second period of public comment.
- Comments received in each comment period, and how each comment has been addressed in the standards development process, will be documented and made publicly available.
- Consensus on the final standard will be sought within the CRJP Standards Committee – which includes mining, retail, refining, financial, and trade association perspectives. If consensus is not achieved, the Standards Committee Chairs will take a recommendation to the CRJP Executive Committee for decision.

Mining Supplement Consultation Process

The CRJP has resolved to start independent verification of Members' performance against its standard in 2009. The Code of Practices, verification system and processes have been finalised, and the Mining Supplement is one of the last components to develop before implementation.

CRJP's aim is to develop the Mining Supplement by February 2009, to enable Mining Members to commence self assessments prior to CRJP accredited auditors becoming available to carry out verification in April 2009.

The consultation process will be in two stages and seek a breadth and depth of feedback on the draft document. There will be two drafts circulated for comment to all potentially interested and affected stakeholders. The feedback will be distilled for in-depth discussion by an invited cross-section of individuals for further feedback and discussion. The CRJP will communicate with all interested stakeholders throughout the consultation process.

The proposed timeline for consultation is as follows:

| <i>When</i> | <i>What</i> | <i>Who</i> |
|------------------------|---|-------------------------------------|
| August 2008 | Development of Draft v1 | CRJP Standards Committee |
| September 2008 | Release Draft v1 for public comment. | All interested and affected parties |
| October 2008 | Close of first round of public comment on Draft v1 | All interested and affected parties |
| Early October 2008 | Stakeholder workshop | CRJP and invited stakeholders |
| October-November 2008 | Incorporate feedback received from submissions and workshop discussion and develop draft v2 | CRJP Standards Committee |
| November-December 2008 | Release Draft v2 for public comment. | All interested and affected parties |

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|------------------------|--|-------------------------------------|
| December 2008 | Close of first round of public comment on Draft v2 | All interested and affected parties |
| Mid-December 2008 | Stakeholder workshop | CRJP and invited stakeholders |
| January-February 2009 | Incorporation of feedback received and finalisation of Mining Supplement and associated system documents | CRJP Standards Committee |
| February 2009 | Legal review and Board approval | CRJP Executive Committee |
| February or March 2009 | Public release of updated CRJP Code of Practices, and associated system documents, incorporating Mining Supplement additions | CRJP – available on website |

When the Mining Supplement is incorporated into the Code of Practices, the CRJP will be the first to implement a third-party certification standard in this sector. As part of its commitment to continual improvement, the CRJP will maintain an open feedback process during implementation of the standard. The Code of Practices, including the Mining Supplement, will be reviewed at least every three years.

Providing feedback on this draft

Please contact us with your feedback or any enquiries about the Mining Supplement.

Online survey: Via the CRJP website at www.responsiblejewellery.com/consultation_practices.htm
(a feedback sheet is also available for download as a pdf document from the URL above)

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Draft standards provisions

This section contains the first draft of standards provisions that, when finalised, can be incorporated into the Code of Practices. Please see the Code of Practices at www.responsiblejewellery.com to see which jewellery supply chain issues are already covered under the existing standard.

The wording of the draft provisions below references a number of sources, such as the ICMM Sustainable Development Framework, the Global Reporting Initiative and the Wal-Mart Jewelry Sustainability Sourcing Criteria. These are initiatives that CRJP Members have been and continue to be active in.

A simple list of the Mining Supplement draft provisions, without references or notes, is contained in Appendix 1.

Key:

- **Numbers** (eg 2.x) indicate position in structure of the existing Code of Practices.
- **Titles** indicate the topics being addressed.
- **Shaded text** is the first draft of standards statements for each priority topic.
- [The information in square brackets] includes sources/references, and any other notes, for example potential for alternative wording.

1.x Extractive Industries Transparency Initiative (*new provision in Business Ethics section in COPS*)

a. Members with mining Facilities will be signatory to and implement the Extractive Industries Transparency Initiative process.

[Source: Wal-Mart criteria 4; ICMM Principle 10(a) and (b)]

1.4 Emergency and crisis management (*under existing Health and Safety provision in COPS*)

a. Mining Facilities will develop and maintain an Emergency Response Plan, in collaboration with local communities and relevant agencies, pursuant to guidance provided by Awareness and Preparedness for Emergencies at the Local Level (APELL).

[Source: Wal-Mart criteria 22; GRI MM12]

2.x Indigenous peoples

a. Mining Facilities will recognise and respect the rights of Indigenous peoples as defined within applicable national and international laws.

b. Mining Facilities will seek agreement with Indigenous peoples on partnerships and programs to generate net benefits (social, economic, environmental and cultural) for affected Indigenous communities.

[Source: ICMM Position Statement – Indigenous Peoples, May 2008; CRJP Principles, 2006; ICMM SD Principle 3(f), 2003; UN Declaration on the Rights of Indigenous Peoples (2007)]

2.11 Community engagement and development (under existing provision in COPs, renamed)

b. Mining Facilities will have appropriate systems in place for early and ongoing interaction with affected parties, making sure that minority and other marginalised groups have equitable and culturally appropriate means of engagement.

[Source: ICMM SD Principle 9(a) and (b), 2003]

c. Mining Facilities will seek to ensure that the interests and development aspirations of affected communities are considered in major mining decisions, from earliest exploration activities, prior to commencement of mining, during mine operations and through to closure.

[Source: Wal-Mart criteria 9 and 10.]

d. Mining Facilities will seek to avoid or otherwise minimise involuntary resettlement. Where resettlement is unavoidable, Members will compensate fairly and appropriately for adverse effects on individuals and communities.

[Source: ICMM SD Principle 3(e), 2003; and Wal-Mart criteria 11]

e. Mining Facilities will provide affected communities with access to appropriate grievance mechanisms for raising and resolving disputes.

[Source: GRI MM7 and MM11; Wal-Mart criteria 10]

2.x Artisanal and small-scale mining

f. Mining Facilities will support programs that assist with the formalisation of legal artisanal and small-scale mining (ASM), where it occurs within their areas of operation.

[Source: GRI MM8]

3.x Impact assessment

a. Mining Facilities will consult with interested and affected parties, including those with land and customary rights, to complete an environmental and social impact assessment, including an analysis of mine closure.

[Source: ICMM SD Principle 4(a), 2003; Wal-Mart criteria 12; and GRI MM11]

b. Mining Facilities will inform potentially affected parties of significant risks from mining, minerals and metals operations and of the measures that will be taken to manage the potential risks effectively.

[Source: ICMM SD Principle 4(c), 2003]

3.x Biodiversity (under new Environment Protection provision in COPs) – Biodiversity; protected areas; rehabilitation; closure planning and funding

a. Mining Facilities will not explore or mine in World Heritage Sites and will respect legally designated protected areas.

b. Mining Facilities will adopt practices in land-use planning and operations that protect, manage and where appropriate enhance biodiversity and ecosystem function.

[Source: ICMM SD Principle 7(a), (b) and (c), 2003; ICMM Position Statement Mining and Protected Areas, 2003; Wal-Mart criteria 19, 20 and 21]

- c. Mining Facilities will rehabilitate land disturbed or occupied by operations in accordance with appropriate post-mining land uses with consideration given to restoring or enhancing the original biodiversity and ecosystem function.
- d. Mining Facilities will design and plan all operations so that adequate resources are available to meet the closure and reclamation requirements of all operations.

[Source: ICMM SD Principle 6(c) and (e), 2003; Wal-Mart criteria 15]

3.3 Tailings and mine waste (*under existing Emissions and Waste provision in COPS, renamed*)

- a. Mining Facilities will provide for safe storage and disposal of overburden, tailings, process residues and other mine wastes. Environmental impact of tailings management practices, structural stability of storage facilities, metal leaching potential and other hazardous properties of wastes must be assessed, monitored and reduced to as low as reasonably practicable.

[Source: ICMM SD Principle 6(d), 2003; Wal-Mart criteria 18; GRI MM6]

4.x Public reporting (*under new provision in new Management Systems section in COPS*)

- a. Members with mining Facilities will annually publish an independently verified environmental and social performance report, using the Global Reporting Initiative guidelines and Mining and Metals sector supplement, and AA1000 Assurance Framework, or equivalent process.

[Source: ICMM SD Principle 10(a) and (b), 2003; Wal-Mart criteria 7; GRI]

References

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- United Nations Declaration on the Rights of Indigenous Peoples, 2007. <http://www.un.org/esa/socdev/unpfii/en/declaration.html>
- Wal-Mart, 2008. Jewelry Sustainability Value Network (JSVN) Vision, Principles and Sustainability Sourcing Criteria. <http://www.loveearthinfo.com/campaign.php> (Click 'criteria' under the heading 'Changing the Mining Industry').