



# RJC Code of Practices Review

## Proposed Revisions

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## Agenda

1. Overview of RJC and Code of Practices
2. Review process
3. Highlighted revisions
4. Summary of other revisions

## RJC and the Code of Practices

- The Responsible Jewellery Council is a standards-setting organisation for the gold, diamonds and platinum group metals jewellery supply chain from mine to retail.
- The RJC Code of Practices is a requirement for all RJC Members (except trade associations).
  - Covers business ethics, human rights, social and environmental performance.
  - Supported by Standards Guidance, Assessment Workbook and Assessment Manual.
  - Standard used to certify >240 RJC Member companies in every part of the supply chain.

## RJC Code of Practices Review - Process

RJC uses a multi-stakeholder process for standards development.  
This includes:

- Multi-stakeholder Standards Committee
  - Elected representatives from each part of the supply chain and
  - Board-appointed representatives from civil society, related initiatives and other experts.
- Opportunity for public comment with at least 3 stages of comment periods on successive drafts.
- Consultation workshops and webinars.
- Consensus-building process to develop final standard (and supporting guidance/tools) for RJC Board approval.

## RJC Code of Practices Review – Drivers

- **Planned review:** After 3 years of implementation
- **Scope:** Formally include Platinum Group Metals in the Code of Practices and increase clarity of applicability to laboratory-grown diamonds.
- **Implementation experience:** Address questions/issues regarding interpretation of the Code of Practices that have arisen during the implementation of RJC Member Certification.
- **Key topics:** Continue multi-stakeholder engagement on key topics, including human rights, mining issues, laboratory-grown diamonds, and material provenance claims.
- **Standards harmonisation:** including SA8000, IFC Performance Standards, Fair Labour Alliance, Global Social Compliance Programme

# COP Review Stages

## Round 1 Comment - July-August 2012

- Proposed Review Scope

## Round 2 Comment - December 2012 –February 2013 - NOW

- Proposed COP Revisions – 1<sup>st</sup> draft (document for comment)

## Round 3 Comment - May - June 2013

- 2<sup>nd</sup> draft of COP Revisions + 1<sup>st</sup> draft of Standards Guidance

## Approvals - September - October 2013

- Legal review
- Standards Committee recommendation and Board approval
- Target publication of revised COP: October / November 2013.

# RJC Code of Practices Review – Specific Topics



- Human Rights
- Conflict-affected areas
- Business Partners
- Child Labour
- Working hours
- Legal compliance
- AML / CFT
- Grading, Appraising and Assaying
- Provenance Claims
- India - summary
- Biodiversity
- Tailings management
- Mercury
- Free Prior Informed Consent and Indigenous Peoples
- Mining-community engagement
- Artisanal and small-scale mining (ASM)

## Discussion of proposed COP changes

- Why make the change?
- What is being proposed?
- What it means

Aim to provide overview of major changes –  
consultation document details all changes.

Welcome feedback or discussions on specific  
issues and detail.



## 2.1 Human Rights – why change the COP

- 2011 UN Guiding Principles on Business and Human Rights – “Ruggie Principles”
  - State duty to protect rights
  - Corporate responsibility to respect rights
  - Access to remedy (judicial and non-judicial)
- Corporate responsibility to:
  - Not infringe on the human rights of others
  - Avoid causing or contributing to adverse impacts through own activities; and
  - Seek to prevent or mitigate adverse impacts directly linked to company through business relationships

## Human rights – proposed COP change

- Require Members to have policies & processes appropriate to their size and circumstances:
  - Policy Commitment
  - Human Rights Due Diligence process
  - Remediation where adverse impacts identified
- Key challenge is to assist SME's with this process. RJC will include in Standards Guidance:
  - Policy template
  - Human rights due diligence for SMEs
  - Q&A section regarding specific issues/risks such as conflict, child labour etc

## Conflict-affected areas – proposed COP change

- Conflict –related risks in some gold, diamond and platinum supply chains
- OECD Due Diligence Guidance on Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas – 5 step framework for due diligence
- Proposed COP change to require Members, if operating in or sourcing directly from conflict-affected area, to:
  - Review risks of adverse human rights impacts
  - Take steps to avoid contributing to conflict.

## 4.3 Business Partners – proposed COP change

- Current COP provision directed at impacts of business partners on the Member’s practices / reputation.
- The proposed revision aligns with UN Guiding Principles. Requires Members to:
  - Assess risks of significant adverse impacts by Business Partners,
  - Seek to prevent or mitigate significant adverse impacts, commensurate with their ability to influence
- Risks - Human rights + business ethics, environment, and other social performance issues.

## What do the changes mean?

- All RJC Members would be taking practical steps to implement the UN Guiding Principles in the jewellery supply chain – in their own business and with business partners.
- RJC would provide support and guidance, including for SMEs starting this process formally for the first time.

## 2.2 Child Labour – why change the COP

- Stakeholder submissions recommended that RJC:
  - Define a Child in accordance with the Convention on the Rights of the Child = under 18 years.
  - Give more attention to worst forms of child labour (ILO C182) in provision and guidance.
  - Go beyond lowest common denominator approach of lower ages in developing countries that is allowed for under ILO C138.

## Child Labour – proposed COP change

- Re-define key terms:
  - Child – under 18 years
  - Child Labour – work by a Child that is prohibited under ILO C138 (minimum age) or C182 (worst forms)
  - Remove reference to Young Person
- Re-structure provision:
  - 1 – Minimum ages for work and hazardous labour, no worst forms of child labour
  - 2 – Remediation processes for where child labour is found

## What does the change mean?

- Definitional and structural changes aim to improve clarity
  - What constitutes child labour and how to avoid it;
  - What to do if child labour is found.
- Child labour has not been found among RJC Members – 2% of certification audits identified minor non-conformances relating to record-keeping, but not evidence of child labour
- Creates broader normative effect for sector, including for remediation approaches.



## 2.8 Hours of Work – Overtime – why change the COP

- Working hours and overtime standards draw on ILO Conventions and aim to address the issue of excessive working hours in some production environments.
- Current COP sets limit of 12 hours overtime per week.
- Feedback / questions included whether this allowed:
  - Voluntary collective agreements with workers, or licenses approved by government, to negotiate additional seasonal working hours when required.
  - Shorter normal work week eg 42 hours with additional overtime paid at premium rate up to 60 hours per week.
  - ‘Regularly requesting’ overtime - could this impact a regular but not excessive overtime eg 2 hours per week every week.

## Hours of Work – Overtime – proposed COP change

- Key principles in many labour standards, including COP:
  - A limit on overtime hours / the total work week
  - Voluntary / consensual approach to overtime
  - Overtime hours not being regular / excessive
- Proposed change sets a limit for the normal work week of 48 hours and total limit of working hours of 60 hours – simpler to interpret.
- Any overtime beyond the limits set in special circumstances must be allowed under Applicable Law or a collective bargaining agreement.

## What does the change mean?

- A simpler maximum limit for working hours, which takes account of shorter 'normal work week'.
- Re-focused standard on excessive overtime rather than 'regular' overtime.
- Sets clearer conditions (Applicable Law, collective agreements) on any special circumstances.
- Guidance: aimed at workers rather than management level staff as the latter tend to have more control over their hours.

## 4.1 Legal Compliance scope – why change

- Legal compliance is an expectation of business.
- However RJC certification does not aim to be a comprehensive legal compliance assessment.
- Implementation issues raised:
  - Is this a legal compliance audit?
  - All legal non-compliances were Major Non-Conformances by definition, even if minor.
  - Ensuring consistency of audits across different Members in same jurisdiction and across jurisdictions

## Legal compliance scope – proposed changes

- Require Members to have systems in place to maintain awareness of and compliance with Applicable Law. The audit focuses on the system.
- For those provisions that make reference to Applicable Law, Auditors will look for evidence of compliance. Definition of Minor Non-Conformance updated to include situations where:
  - There is a known non-compliance which the Member is attempting to rectify, and
  - There is no imminent risk to workers, community or environment.

## What do the changes mean?

- Focus of provision is on having a system in place for legal compliance: makes it clearer for auditors what should be reviewed.
- Allows Minor Non-conformance findings for minor legal non-compliances.
- Additional guidance will be developed on specific questions, for example re some Indian labour regulations.

## 1.2 Money Laundering and Finance of Terrorism – why change

- Strengthen support for anti-money laundering efforts:
  - Require audited financial accounts
  - Increase the focus on ‘Know Your Customer’ requirements and clarify what this means.
- Address interpretation issues, eg by removing the requirement for financial accounts to be ‘independently certified’.
- More clearly address situations where there is no applicable law for AML/CFT or financial reporting framework for RJC Members.

## AML / CFT – proposed changes

- Require independently audited financial accounts in all cases, irrespective of applicable law.
- Members to apply Know Your Customer principles to Business Partners dealing in high value goods:
  - Establish the identity, beneficial ownership and principals;
  - Maintain an understanding of the nature of their business circumstances;
  - Monitor relevant transactions for unusual or suspicious activity and report suspicions of money laundering or finance of terrorism to the relevant authorities.
- Where no Applicable Law exists, records of all cash transactions equal to or above 15,000 Euro / US Dollars must be kept.



## What do the changes mean?

- Most businesses would maintain audited financial accounts and carry out basic due diligence of suppliers.
- SME's may benefit from RJC Guidance on Know Your Customer approaches.

## 1.7 Grading and Appraising – why a new provision

- Diamond grading and jewellery appraisal are important services in the jewellery value chain, particularly for consumers.
- Issues raised with RJC include:
  - Role of diamond grading in identifying synthetic diamonds and treatments.
  - Use of appraisals and grading certificates with valuations as a deceptive selling tool.
  - Independence between grader/appraiser and merchant, if an opinion is represented to be independent.

## Grading and Appraising – proposed COP provisions

- Diamond grading reports to identify whether detection of synthetics/treatments is part of the assessment
- Independent appraisal reports for consumers to include the name of the consumer and the purpose of the appraisal
- ‘Independent’ grading or appraisal reports to consumers must disclose any relevant vested interests in the sale
- Discounting against ‘independent’ valuations as a sales strategy not allowed

## What does the change mean?

- Additional disclosure measures on synthetic / treatments assessments
- Additional disclosure requirements for consumer valuations, where independence is claimed
- An attempt to manage the issue of deceptive selling practices and support consumer confidence, however interpretation / auditability in practice may be complex
- May impact retailers as well as service providers (graders, appraisers), welcome input on potential unintended consequences and suggestions for alternative approaches to issue

## 1.8 Provenance claims – why a new provision

- Background: increasing focus on material provenance issues to satisfy supply chain due diligence / inquiries, regulatory requirements etc.
- RJC Chain-of-Custody Standard is a separate, voluntary standard. Provides ‘full package’ option.
- RJC also wants to address provenance claims in the Code of Practices, applicable to all RJC Members.
- Proposed approach:
  - A more basic requirement than Chain-of-Custody.
  - Related more to avoiding false or misleading claims under consumer protection laws, but in the context of emerging practices.

## Provenance claims – proposed COP provision

- Applies to documented provenance claims about Diamonds, Gold or Platinum Group Metals that an RJC Member offers for sale, that are related to:
  - Origin e.g. geographical original/place of manufacturing
  - Source e.g. recycled, date of production
  - Practices in the supply chain e.g. conflict-free due diligence, mining practices, applicable standards
- Members required to have the following:
  - Credible documented information to support their claim
  - Internal controls and record-keeping to maintain integrity
- Audit is of the Member only, not of the supplier (i.e. not a chain-of-custody)

## Provenance claims – further guidance

- What kind of information would be considered credible when the information comes from third party suppliers who are not part of the certification scope?
  - In writing from supplier
  - Consistent with the provenance claim being made
  - Undertaken due diligence to understand supplier's business, internal systems and business relationships
  - Documented the reasons why the representation is believed to be truthful and accurate.
  - Information deemed reliable for compliance with relevant laws (eg Dodd-Frank).
  - Evidence of conformance with credible industry initiatives that address provenance / chain-of-custody claims.

## Provenance Claims - Member's Certification Scope

- If Provenance Claims provision is Applicable, then the Member must identify relevant provenance representations in the Self Assessment and have these audited.
- Raises issue of disclosing when provision has been audited for Member's certification.
- 'Special recognition' for Provenance Claims under the COP could cause confusion about the meaning of conformance (= a Member having some documented information, not an audit of a supply chain).
- Propose to:
  - Disclose all "Not Applicable" provisions for each Certified RJC Member, on the Certification Information PDF.



## What does the change mean?

- New provisions that aim to address the increasing importance of reliable representations about material provenance.
- An RJC Chain-of-Custody standard is still a relevant option, among others. The new COP provision would set a minimum expectation about provenance claims aligned with legal requirements re misrepresentation.
- More detail on application and interpretation still needs to be developed for the Standards Guidance – questions and input welcome.

## Other major changes

### Business Ethics

- 1.1.5: Strengthen movement away from Facilitation payments.
- 1.5: Simplify wording and reduce detail for Product Disclosure

## Summary of major changes ... (cont)

### Human Rights and Social Performance

- 2.3: New provisions relating to Human Trafficking
- 2.4: Changes to wording on Freedom of Association and Collective Bargaining to better align with ILO Conventions
- 2.6: Simplify wording and improve structure/flow of Health and Safety provisions
- 2.7: More detail on how employee grievance procedures should be designed and operated.

## Summary of major changes ... (cont)

### Human Rights and Social Performance (cont)

- 2.9: Piece-rate pay must still meet minimum wage; overtime paid at premium rate; deductions do not take wages below minimum wages and must be permitted by law; new provision on wage advances/loans.
- 2.10: New provision that employees should understand their employment terms (via contract or other means).
- 2.14: New provision to support potential sourcing from on-concession ASM by CoC Certified Entities, and by any other Member, to address supply chain risks under the OECD Due Diligence Guidance.

## Summary of major changes ... (cont)

### Environmental performance

- 3.1: Major changes to structure and wording that aim to spell out what is meant by environmental ‘management and operating systems’, particularly for smaller businesses.
- 3.3: Changes to Wastes and Emissions provisions to clarify intent and applicability.
- 3.4: Retitled ‘Climate Change’ and provisions made more specific.

## Summary of major changes ... (cont)

### Management Systems

- 4.2: Policy and Implementation: change to provision that does not require reference to the COP for a policy on responsible practices; new provisions relating to regular review of policy implementation, and record-keeping.
- 4.6: New provision for all Members: ‘Members shall periodically communicate to stakeholders on their business practices relevant to the RJC Code of Practices.’

# RJC COP Review – Assessment and Reporting

## Assessment Workbook

- Update for consistency of terminology and emphasis

## Assessment Manual

- Review ISEAL Assurance Code
- Require additional information in audit reports to support evaluation of impact of COP
- More information on re-certifications
- Incorporate FAQ from past 3 years.

## Certification Scope – Members

- Concerns raised as to whether enterprises involved in jewellery supply chain do / should include all of the relevant parts of their business under RJC.
- Members join the RJC as a voluntary initiative. Any size or scale business may join, as long as they are a participant in the gold, diamond and platinum group metals jewellery supply chain. Examples:
  - Retail chains
    - Small individual retailers
  - Multi-national mining companies
    - Individual mines
  - Luxury groups
    - Retail brands
  - Vertically integrated companies
    - Diamond trading offices (excluding manufacturing)



## Certification Scope – current situation

- Do Members include all their Facilities in the Certification Scope?
  - Yes – everything that is owned or controlled by the Member
  - This is a rule for all Members and is confirmed by auditors and checked by RJC.
  - Interested parties may raise concerns with RJC through the Complaints Mechanism.
- Should businesses have to include all relevant entities in a group, for example parent companies, or other entities in a group of companies when they join RJC?
  - Stricter joining requirements have pros and cons, but would raise barriers to entry
  - This is beyond the COP review and under discussion in RJC

## Certification scope – proposed change

- The COP Review can make changes to enhance transparency of Certification Scope– which facilities/parts of a business are covered by the audit.
- Proposed change in reporting:
  - Requiring auditors to identify in their summary reports to RJC whether a Member represents all relevant parts of a business, rather than a subsidiary of a larger parent group.
  - Where a Member represents all relevant parts of a business, this will be specifically noted on the RJC website.

## Certification Scope – what the change means

- Under current Membership rules, subsidiary companies can legitimately join the RJC and become Certified.
- A formal designation of ‘all in’ helps communicate greater commitment of those Members to stakeholders.
- Disclosure of Facilities covered by a Member’s Certification continues to provide necessary detail on Scope.

## Transition between COP versions

- A new section on 'Effective Date' will be added.
  - For 1 year from publication of the Board-approved revision of the COP, RJC Members may be certified or re-certified against either the 2009 or 2013 standard.
  - After the 1 year period, the 2009 version will be superseded and only the 2013 version will be in effect.
- The COP version used for each Member's certification will be identified on the RJC website.

## COP Transition – what it means for Members

- For existing RJC Members, current certifications against the 2009 Code of Practices will still be effective for the remainder of the certification period and re-certification will not be required until the expiry of the period.
- New RJC Members that join on or after the date of publication of the revised COP may only use the revised COP.



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# Questions and comments?

# Mining provisions

## Standards and initiatives in the Mining sector

- Diamond, gold and platinum group metal jewellery is at the end of a complex supply chain that usually started at a mine
- Impacts of mining are well known, RJC focus is on how these can be responsibly managed
- Wide range of mining-relevant initiatives:
  - Industry associations: ICMM, World Gold Council
  - International institutions: IFC, OECD
  - Standards-setting bodies: RJC, Fairtrade-Fairmined
  - Emerging: IRMA, Better Coal, Equitable Origin
  - Issue-focus: EITI, Global Reporting Initiative, Voluntary Principles on Security and Human Rights, Cyanide Code, UNEP APELL for Mining (all covered by COP)



## RJC Mining Standards

- ‘Mining Supplement’ was added to the Code of Practices in 2009, developed through multi-stakeholder consultation
  - Specific provisions that are applicable to Members with Mining Facilities only
  - The rest of the Code of Practices is also applicable, creating a broad combined scope
- Harmonisation approach
  - Essential for large companies that are committed to multiple initiatives
  - RJC brings additional assurance to some initiatives
  - Conversely, evidence of compliance with other initiatives can support RJC conformance

## RJC Mining Members

- RJC currently has 10 mining Members, out of 430+ Members total
  - 3 diamond mining
  - 6 gold mining
  - 1 diversified (diamond and gold)
  - Currently no platinum group metals miners
- Includes 4 Founding Members of the RJC
  - Commitment to responsible mining from the outset
  - Sophisticated understanding of standards landscape
- Includes 3 new mining Members in 2012
  - Small to mid-scale size operations
  - Connects them to international benchmark for good practice, new audience for voluntary initiatives

## Certification of Mining Members

- Code of Practices successfully implemented with Certified Mining Members, even though requirements are more complex than other sectors
- Significant stakeholder interest in the sector, and historically attracted most comment in standards development processes
- Starting to attract interest from companies in exploration phase – applicability issues to consider
- Now that first Certifications have been achieved, RJC aiming to raise awareness with diamond, gold and platinum group metal miners and increase uptake of the Code of Practices

# RJC Code of Practices Review – Specific Topics



- Biodiversity
- Tailings management
- Mercury
- Free Prior Informed Consent and Indigenous Peoples
- Mining-community engagement
- Artisanal and small-scale mining (ASM)
- Human Rights
- Conflict-affected areas
- Business Partners
- Child Labour
- Working hours
- Legal compliance
- Grading, Appraising and Assaying
- Provenance Claims
- India - summary

## 3.5 Biodiversity – why change the COP

- IFC Performance Standard 6 – Biodiversity Conservation updated in 2012.
- RJC also participated in a UNEP-WCMC / Convention on Biological Diversity study on integration of biodiversity in voluntary standards systems – useful recommendations.
- Issues raised – technical concepts:
  - Mitigation hierarchy, net positive gain
  - Critical habitat
  - No-go areas

## Biodiversity – proposed changes

- Key Biodiversity Areas:
  - Include areas *affected* by mining operations
  - Manage by mitigation hierarchy approach
  - Where practicable, deliver net positive impact
  - Avoid adverse impacts on Critical Habitat
- Threatened species:
  - Not contribute to significant decline
- No-go areas remains focused on World Heritage Areas, no change proposed in this comment period.

## What does the change mean?

- Greater alignment of approach and key terms with IFC Performance Standard 6 (2012)
- Stronger biodiversity requirements for Members with Mining Facilities
- No-go areas remains an area for further discussion based on feedback received

### 3.3 Tailings – why change the COP

- Mine tailings consist of ground rock and effluent generated from processing mined ore: tailings management can be controversial
- Riverine tailings disposal is not permitted by the COP
- Conditions are placed on other forms of tailings disposal eg land-based, submarine etc
- New forms of mining eg deep-sea mining are emerging, which merited a review of the COP requirements to ensure these are covered
- Potential legacy impacts of tailing facilities also needed to be addressed



## Tailings – proposed changes

- Extend requirement to cover:
  - Tailings facilities + supporting infrastructure
  - Controlled discharge where applicable
  - Protection from potential impacts of loss of containment or contamination
  - Design and maintenance must minimise legacy impacts and risks after closure

## Tailings – what the changes mean

- Structural changes to provision give a more logical sequence
- Tightened up language to cover other types of risks and tailings disposal methods
- Provides linkage to mine closure planning

## 3.2 Mercury – why a new provision

- Mercury is a Hazardous Substance
  - Captured under these general provisions
  - Significant issue in some parts of gold supply chain
- RJC has reviewed:
  - ICMM Mercury Risk Management Position Statement
  - Progress of negotiations on the International Legally Binding Instrument (LBI) on Mercury.
  - UNEP Global Mercury Partnership progress (mainly ASM-related).

## Mercury – proposed new provision

- Applicable to Members with Mining Facilities where mercury is:
  - Used in processing
  - Contained in saleable products, by-products or emissions
- Required to adopt responsible management practices
  - At minimum in accordance with Applicable Law
  - Guidance will discuss other relevant best practice guidance

## What does the change mean?

- Specific focus on mercury as a hazardous substance means management practices will be audited where applicable.
- Increasing number of small to mid-scale mining companies joining RJC, including those that engage with artisanal and small-scale mining activities
- Proposed provision will be further reviewed in light of forthcoming LBI on Mercury

## 2.13 Free Prior Informed Consent – why change the COP

- Indigenous Peoples tend to be more vulnerable to adverse impacts of large-scale development projects, such as mining
- Sustainable development benefits for Indigenous Peoples should be promoted
- FPIC is emerging best practice and IFC Performance Standard 7 on Indigenous Peoples (2012) has introduced an FPIC framework for project decision-making.
- The RJC COP can be expanded from existing requirements to respect rights of Indigenous Peoples, and obtain broad-based support.

## Free Prior Informed Consent (FPIC) – Proposed change

- New provision requiring an FPIC process consistent with IFC Performance Standard 7 during planning and approval stages
  - New mining projects
  - Significant changes to existing projects
- Triggers are:
  - Impacts on land traditionally owned or under customary use
  - Relocation of Indigenous Peoples from such lands
  - Significant impacts on critical cultural heritage
  - Use of cultural heritage for commercial purposes

## What does the change mean?

- Alignment with IFC – a common approach is important for companies that may be subject to both standards
- Strengthening of human rights related provisions in accordance with UN Guiding Principles
- Important shift for the mining sector to have a formal and largely accepted framework for FPIC
- Implementation will still need to take account of state-based decision-making in different jurisdictions and preferred approaches of different Indigenous communities to consent and agreement making.



## 2.11 Mining-community engagement – why change the COP

- Essential to consider the interests and development aspirations of affected communities throughout the mining life cycle.
- Provides foundation for implementation of other COP provisions
- IFC Performance Standard 1 (2012) – Assessment and Management of Environmental Social Risks and Impacts
  - Benchmark with best practice stakeholder engagement approach

## Mining-community engagement – proposed changes

- Adds requirements that are pre-requisites to good stakeholder engagement and community development approaches:
  - Identification of affected communities and other relevant stakeholders in relation to project risks, impacts, and phase of development
  - Effective communication process that discloses project information and seeks feedback.
  - Informed consultation to underpin seeking of broad-based support for major mining decisions

## What does the change mean?

- Alignment with IFC – as for Indigenous Peoples, a common approach is important for companies that may be subject to both standards
- More detail on good practice
  - Important for smaller mining companies
  - Enhance auditability

## 2.14 Artisanal and small-scale mining (ASM) – why change the COP

- Awareness of risks and opportunities for ASM in gold and diamond supply chains is growing
- Increasing international focus on responsible sourcing standards and capacity building with ASM producers
- RJC COP encourages formalisation and professionalisation support for ASM from RJC Members
- RJC Chain-of-Custody Standard allows ASM sourcing on-concession of Members and through recognised responsible mining standards such as Fairtrade-Fairmined, subject to COP approach

## Artisanal and small-scale mining (ASM) – proposed new provision

- Applies to any Member that sources diamonds, gold or platinum group metals directly from ASM producers
- Requires regular review of risks related to:
  - Child labour
  - Uncontrolled mercury use
  - Other major environmental impacts
- Provide support to initiatives that manage or avoid the risks
- Ties into due diligence approach under OECD Due Diligence Guidance, particularly the Supplement on Gold

## What does the change mean?

- Strengthens framework for responsible ASM sourcing and integration into formal supply chains
- New provision focuses attention on key risks: others?
- Ties into LSM-ASM capacity building provision already included in the RJC COP
- Complementary to voluntary RJC Chain-of-Custody standard

## Exploration stage

- Need to more clearly address exploration related provisions, how COP applies, can exploration companies join RJC eg as a 'start-up', definition of Mining Facility
- Not in the COP revision table because focusing on provisions, but work will continue on this in supporting documentation eg Cert Handbook, Standards Guidance, Assessment Manual etc
- Work in progress!

# Questions and comments?