



## **RJC Chain-of-Custody (CoC) Certification for the diamond, gold and platinum jewellery supply chain**

### **RJC CoC Standard (Draft 4 including diamonds for comment)**

#### **Introduction**

##### **A. Background**

The Responsible Jewellery Council (RJC) is a not-for-profit membership organisation with the following Mission:

To advance responsible ethical, social and environmental practices, which respect human rights, throughout the Jewellery supply chain, from mine to retail.

The RJC's Code of Practices provides a common standard for responsible business practices. All Commercial Members of the RJC are required to be audited by accredited, third party auditors to verify their conformance with the Code of Practices, and thus achieve RJC Member Certification within two years of joining. For more information, please visit [www.responsiblejewellery.com](http://www.responsiblejewellery.com)

The **RJC Chain-of-Custody (CoC) Standard** (this Standard) builds on and complements the Code of Practices, and is **voluntary** for RJC Members. The CoC Standard provides requirements for the creation of a Chain-of-Custody for responsibly-sourced Jewellery Materials produced, processed and traded through jewellery supply chains. It specifies requirements for a business to segregate CoC Material from other material in its custody, and to provide relevant information supporting the provenance of CoC Materials when transferred or sold to other parties. CoC Material may be purchased and sold between different businesses certified as conforming with this Standard, thereby enabling credible claims to be made about the responsible sourcing of Jewellery Materials.

##### **B. Purpose**

The CoC Standard aims to support responsible supply chains by:

- Providing a common standard for RJC Members who wish to implement Chain-of-Custody systems;
- Establishing requirements that can be independently audited to provide objective evidence for the granting of RJC CoC Certification; and
- Serving as an "open-source" document, enabling non-RJC Members and other stakeholders to establish and improve their own chain-of-custody initiatives.

### C. Scope

The CoC Standard defines requirements for businesses implementing Chain-of-Custody management systems, including systems for sourcing, segregating and transferring Eligible Materials.

Eligible Materials are Diamonds, Gold and Platinum Group Metals sourced in accordance with the requirements of the CoC Standard. Materials currently outside the RJC's scope, such as other metals in alloys, plating or coatings, leather, and other precious stones, are not covered under the CoC Standard.

### D. Status and Effective Date

*Diamonds have been removed from the scope of the RJC CoC Standard (to be published 2012), pending additional consultation with the diamond industry. This document contains a draft of RJC's Chain-of-Custody (CoC) Standard including diamonds, for public comment.*

### E. Standards Development

Development of this Standard has been underpinned by formal and transparent multi-stakeholder processes overseen by the RJC Standards Committee, in consultation with the RJC Consultative Panel, and supported by a series of public comment periods. The RJC is sincerely grateful for the time, expertise and valuable input of the many individuals and organisations who contributed to this Standard. The RJC aims to conduct standards development in conformance with the ISEAL Code of Good Practice for Setting Social and Environmental Standards (P005\_2010). More information on the RJC's Standards Development processes can be found at:

<http://www.responsiblejewellery.com/standards-development/>.

Standards harmonisation is a key objective of the RJC. Related initiatives considered in the development of the CoC Standard include:

- Diamond Development Initiative – Development Diamonds Standard project
- EICC-GeSI Smelter Validation Program
- Fairtrade and Fairmined Gold Standard
- Kimberley Process Certification Scheme (KPCS) and World Diamond Council System of Warranties
- London Bullion Market Association (LBMA) – Responsible Gold Guidance
- OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas
- International Conference on the Great Lakes Region (ICGLR) Regional Initiative Against the Illegal Exploitation of Natural Resources (RINR)
- Section 1502 of the USA Dodd-Frank Act regarding “Conflict Minerals”
- WGC Conflict-Free and Chain-of-Custody standards (v 3.5)

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The RJC CoC Standard can be used by companies to support implementation of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. The RJC actively participated in the multi-stakeholder development of the OECD Guidance and its Gold Supplement. For more information on harmonization with other audits and initiatives, see the RJC CoC Certification Handbook.

The RJC will continue to monitor and seek opportunities for harmonisation with other relevant chain-of-custody initiatives under development.

#### **F. Application**

Members of the RJC all respect and share a commitment to responsible business practices, but have varied interests and priorities about the chain of custody of the Diamonds, Gold and Platinum Group Metals they buy and sell. The RJC Chain-of-Custody (CoC) Standard is therefore voluntary, and offers flexibility in the types of provenance claims that Members may wish to support. Use of the Standard is open to all interested users, however RJC CoC Certification can only be granted to RJC Members or Entities under the Control of RJC Members, on the basis of verification of conformance by RJC Accredited Auditors.

While the RJC does not exclude artisanal and small scale mining (ASM) from directly applying its standards, it may be difficult for ASM activities to comply with best practice standards designed for the formal mining sector. Where this is not possible, the CoC Standard aims to build bridges with the ASM sector via provisions that can recognise other responsible mining standards, and that enable sourcing from on-concession ASM. The RJC is also working with other dedicated ASM initiatives for diamonds and gold to support ASM participation in the jewellery supply chain.

#### **G. Certification**

The RJC CoC Standard is designed for use by RJC Accredited Auditors to verify an Entity's conformance for the purposes of granting RJC CoC Certification. The Entity's Certification Scope is defined by the Entity seeking Certification and includes all Facilities and Outsourcing Contractors that the Entity intends to use for the processing, storage, handling, shipping and receiving of CoC Material.

The steps for RJC CoC Certification are as follows:

- The Entity prepares for and requests a Certification Audit from an RJC Accredited Auditor.
- During the Certification Audit, the Auditor verifies the Entity has systems in place that conform to the CoC Standard to source CoC Materials and/or supply them to other participants in the jewellery supply chain. Minor non-conformances will be noted and the Entity will be directed to address them.
- Based on the Auditor's Audit Report, the RJC can grant CoC Certification to the Entity, authorising it to begin issuing CoC Transfer Documents for CoC Materials.

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- Within 12-18 months, the Auditor conducts a Surveillance Audit of the CoC Certified Entity to verify that systems, including the issuing of CoC Transfer Documents are working effectively. Any minor non-conformances found during the Certification Audit must be addressed prior to the Surveillance Audit.
- After the Certification Period of 3 years, a Certification Audit would be required to renew CoC Certification, followed by a Surveillance Audit within 12-18 months.

#### H. Supporting documents

The following documents provide supporting information to assist with implementing the CoC Standard:

- CoC Certification Handbook [G003\_2012] – Overview of CoC Certification and how to achieve it.
- CoC Standards Guidance [G004\_2012] – Business-level guidance on implementing the requirements of the CoC Standard.
- CoC Assessment Toolkit [T008\_2012] – Assessment questions and instructions for businesses and auditors.

#### I. Review

The RJC undertakes to formally review this Standard by 2017, five years after first publication, or earlier as required. Proposals for revisions or clarifications can be submitted by interested parties at any time, and the RJC will document these for consideration in the next review process. The RJC will continue to work with stakeholders and Members to ensure that these standards are relevant and achievable.

**All capitalised common terms and acronyms are defined in the Glossary at the end of this document. Auditable provisions are numbered below. *Italicised text summarises the intent of the provision but is not normative.***

## RJC CHAIN-OF-CUSTODY (CoC) STANDARD

### Chain-of-Custody Management (Provisions 1-3)

#### 1. Management System and Responsibilities

*This provision outlines the basic elements of management systems required to support implementation of the CoC standard at the business level. It also connects to a business' commitment to responsible practices via RJC Membership.*

- 1.1 The Entity shall have a Management System/s that addresses all applicable requirements of the Standard, in all Facilities under the Control of the Entity that have Custody of CoC Material.
- 1.2 The Entity shall nominate a management representative as having overall responsibility and authority for the Entity's compliance with all applicable requirements of the Standard.

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- 1.3 The Entity shall establish and implement communications and training measures that make relevant personnel aware of and competent in their responsibilities under the Standard.
- 1.4 The Entity shall maintain records covering all applicable requirements of the Standard and shall retain them for a minimum of five (5) years.
- 1.5 The Entity shall have systems in place to enable it to respond to reasonable requests for verification of CoC Transfer Documents issued by the Entity.
- 1.6 The Entity seeking CoC Certification shall be an RJC Member, or under the Control of an RJC Member, in good standing, thereby committing to uphold responsible business practices as defined in RJC's Code of Practices.

## 2. Internal Material Controls

*Eligible and/or CoC Material in an Entity's custody is physically segregated from non-Eligible and/or non-CoC Material to prevent any mixing during all processing and handling stages. Controls to ensure segregation may include physically separate processing areas, temporally separated batch processing, product identification, sealed containers during transit, etc., as appropriate to each stage of the supply chain. The Entity monitors, and is able to demonstrate, the reconciliation between Eligible and/or CoC Material entering and exiting the Entity's custody.*

- 2.1 Each point where there is an opportunity for Eligible and/or CoC Material in the Custody of an Entity to become mixed with non-Eligible and/or non-CoC Material shall be identified and controls put in place to ensure segregation.
- 2.2 The Entity's internal systems shall be able to reconcile the total weight of Eligible and/or CoC Material for which it has Custody with movements in and out of the inventory over a given time period. If the Entity has Custody of Jewellery Products containing CoC Material, reconciliation may be by item count rather than weight.
- 2.3 If the Entity issues a CoC Transfer Document for CoC Material identified as having a certain Provenance or other characteristic, or for Laboratory-Grown diamonds, the Entity's internal systems shall ensure that the requirements for segregation and reconciliation as set out in provisions 2.1 and 2.2 apply to support the segregation of that CoC Material.
- 2.4 The Entity's internal systems shall verify and document that the contents of each shipment of CoC Material received from, and/or dispatched to other Certified Entities, Outsourcing Contractors or Service Companies are accurately described by the applicable CoC Transfer Document for each such shipment. If an error is discovered after CoC Material has been shipped, the Entity and the other party shall document the error and the agreed steps taken to correct it.

## 3. Outsourcing Contractors and Service Companies

*Outsourcing Contractors and Service Companies are encouraged to become CoC Certified in their own right. However it is recognised there may be initial challenges in uptake of CoC Certification for flexible or niche supply chains, and by smaller businesses. This provision provides Entities with an option, upon conditions, to outsource processing or manufacturing of CoC Material to non-CoC Certified Outsourcing Contractors.*

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- 3.1 The Entity shall not transfer CoC Material to an Outsourcing Contractor or Service Company unless the following conditions have been met:
- a. The Entity shall have, and not relinquish, legal ownership of any CoC Material transferred to Outsourcing Contractors or Service Companies.
  - b. The Entity shall assess the risk of potential non-conformance with this Standard resulting from the engagement of each Outsourcing Contractor or Service Company taking Custody of CoC Material owned by the Entity, and determine, based on the risk assessment, that the risk is acceptable.
  - c. Any Outsourcing Contractor that takes Custody of an Entity's CoC Material shall be included in the Entity's Certification Scope and shall have a Management System in place that conforms with provision 2 (Internal Material Control) of this Standard.
  - d. Any Outsourcing Contractor included in an Entity's Certification Scope shall not outsource any processing of CoC Material to any other contractor.
- 3.2 For the return of CoC Material from an Outsourcing Contractor or Service Company:
- a. The Entity shall verify and record that each transfer received by the Entity for the return of CoC Material is consistent with the CoC Transfer Document issued by the Entity for the CoC Material when shipped to the Outsourcing Contractor or Service Company, subject to any changes to the CoC Material expected to occur as a result of the processing or manufacturing activities carried out by the Outsourcing Contractor.
  - b. If there are inconsistencies, the Entity shall not issue any subsequent CoC Transfer Documents for that Material.

### **Systems to Confirm Eligibility of Material (Provisions 4-6)**

#### **4. Eligible Mined Materials**

*This provision means that Eligible Mined Materials come only from legitimate and conflict-free sources through a commitment to responsible business practices, as defined in the RJC Code of Practices or another recognised 'responsible mining' standard.*

- 4.1 An Entity shall have systems in place to ensure that Mined Material for which the Entity issues an Eligible Material Declaration is sourced only from one or more of the following:
- a. Mining Facilities that are within its CoC Certification Scope;
  - b. Mining Facilities in which it holds a legal interest and are within the CoC Certification Scope of another CoC Certified Entity;
  - c. Mines or producers certified under a Recognised Responsible Mining Standard, with documented Due Diligence that confirms that the Material comes from such producer's mining operations;
  - d. ASM producers operating on the Entity's Mining Facility concessions that have participated in initiatives that enable the professionalisation and formalisation of ASM, and with documented Due Diligence that confirms that the Material comes from such producer's mining operations on the Entity's Mining Facility concession and not from Illegitimate Sources;

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- e. Processing residues that contain trace Precious Metals from which Mining Byproduct can be extracted, for which an Eligible Material Declaration may only be issued by the Refiner.
- 4.2 An Entity issuing an Eligible Material Declaration for Mined Material shall have documented Due Diligence that is able to confirm one of the following:
- a. The mine or mines from which the Mined Material is produced, and/or the transportation routes for the Mined Material, are not located in Conflict-Affected Areas; or
  - b. The mine or mines from which the Mined Material is produced and/or the transportation routes for the Mined Material are located in Conflict-Affected Areas, and the production, processing and transportation of the Material did not directly or indirectly finance or benefit Illegal Armed Groups through the provision of payments, logistical assistance or equipment to such Illegal Armed Groups or their affiliates; or
  - c. The Material is Mining Byproduct with suppliers screened according to the Know Your Customer systems and procedures described in provisions 5.1a,b,c,d and 5.2a,b,c.

## 5. Eligible Recycled Materials

*This provision supports recycling as a responsible practice. Suppliers of Recyclable Materials are subject to monitoring and Due Diligence based on Know Your Customer principles to avoid supplies from Illegitimate sources.*

- 5.1 An Entity shall ensure that any Eligible Recycled Material for which the Entity issues an Eligible Material Declaration is produced only from Recyclable Materials sourced according to the following Know Your Customer systems and procedures:
- a. The Entity shall document a Know Your Customer policy and procedures;
  - b. The Entity shall nominate a Compliance Officer who shall be responsible for implementation of the Entity's Know Your Customer policy and procedures;
  - c. The Entity shall carry out a regular internal review of its Know Your Customer policy and procedures to ensure they are up to date and appropriate;
  - d. The Entity shall monitor relevant transactions for unusual or suspicious activity and report suspicious transactions to the relevant authorities.
- 5.2 For Recyclable Precious Metals sourced from commercial suppliers:
- a. The Entity shall provide a documented description of criteria for acceptable sources and types of Precious Metals to:
    - i. Companies seeking approval to become suppliers to the Entity; and
    - ii. CoC Certified customers purchasing CoC Material from the Entity.
  - b. The Entity shall have documented procedures for approval of new commercial suppliers which shall include:
    - i. Establishing the applicant's identity, beneficial ownership and principals;
    - ii. Describing the applicant company's business, its finances, and its source(s) of Precious Metals;
    - iii. Verifying the applicant is engaged in the described business;

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- iv. Denying the applicant if information acquired through the approval process provides reasonable evidence to suspect the legitimacy of the supplier and/or its sources.
    - c. The Entity shall have documented procedures for monitoring commercial suppliers which shall include:
      - i. Maintaining records of existing commercial suppliers' identity, beneficial ownership and principals;
      - ii. Maintaining an understanding of the nature of each supplier's business circumstances;
      - iii. Acting upon information about possible links between the supplier and Illegitimate Sources;
      - iv. Excluding the supplier from the production of any CoC Material if the monitoring procedures identify unusual or suspicious transactions, activities or associations by a supplier and, upon investigation, those transactions cannot be cleared of suspicion.
- 5.3 For Recyclable Materials for which the Entity issues an Eligible Material Declaration in the form of Jewellery or other products containing Precious Metals or Diamonds supplied directly to the Entity by individuals or estates, the Entity shall apply the following Know Your Customer procedures:
- a. The Entity shall obtain and record proof of the identity of the seller and record an identification of the Jewellery Product or other product containing Recyclable Materials;
  - b. The Entity shall undertake reasonable steps and inquiry to ensure the Recyclable Materials are not from an Illegitimate Source.

## 6. Eligible Grandfathered Materials

*This provision supports the tracking through the supply chain of existing stocks of material produced before a set date of 1 January 2012. Evidence of the date of production is recorded and linked with any subsequent CoC Transfer Document.*

- 6.1 The Entity issuing an Eligible Material Declaration for Grandfathered Material shall have systems in place to ensure that the information necessary to make the Declaration is recorded, and that the Entity can verify the information on request.
- 6.2 If the refining date does not appear as a permanent part of the item of Eligible Grandfathered Material, the Entity shall ensure it obtains documented evidence of the year the item was produced or minted based on records matched to a serial number or Refiner's Mark stamped on the item or to some other permanent mark or physical characteristic.
- 6.3 For Eligible Grandfathered Diamonds, the Entity's inventory records shall demonstrate that the Eligible Grandfathered Diamonds have been owned continuously by the Entity from a date prior to 1 January 2012

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## Issuing Chain-of-Custody Documentation (Provisions 7-9)

### 7. Eligible Material Declarations

*Eligible Material Declarations are made in the CoC Transfer Document by the first Entity in a Chain-of-Custody. These Entities declare the Eligible Material as one or more of Mined, Recycled, or Grandfathered Eligible Material or Laboratory-Grown Diamonds. For Eligible Mined Material, a Conflict-Free declaration based on Due Diligence is included.*

7.1 The Entity issuing an Eligible Material Declaration in a CoC Transfer Document shall document the Eligible Material as one of the following:

- a. Mined, in conformance with provision 4 of this Standard; or
- b. Recycled, in conformance with provision 5 of this Standard; or
- c. Grandfathered, in conformance with provision 6 of this Standard; or
- d. Mix of Mined, Recycled and/or Grandfathered, each in conformance with the applicable provisions of this Standard; or
- e. Laboratory-Grown diamond.

7.2 For Eligible Mined Material, the Entity shall include in the CoC Transfer Document:

- a. A Conflict-Free Declaration that identifies if 4.2.a, 4.2.b or 4.2.c applies.
- b. The country or countries where the Mined Material was extracted for 4.2a or 4.2b.
- c. The country or countries where the Mining Byproduct was refined for 4.2c.
- d. If 4.2.b applies, the Entity shall append to the CoC Transfer Document a summary of its Due Diligence for that Material.

7.3 When initiating a Chain-of-Custody for Material that will be mixed with existing CoC Material prior to a transfer to another Entity, the Entity shall record an Eligible Material Declaration in an Internal CoC Transfer Document.

### 8. Chain-of-Custody (CoC) Transfer Documents

*Entities issue a CoC Transfer Document when CoC Material is sold or transferred between businesses. Supplementary provenance information may also be included in the Transfer Document at the business' discretion, taking into account whether the information is valuable to the supply chain or commercially sensitive. If the Material includes Gold from the DRC or an Adjoining Country, or if it is Laboratory-Grown diamonds, that information is included in any subsequent CoC Transfer Documents containing that Material.*

8.1 The Entity shall ensure that a CoC Transfer Document accompanies, and wherever possible is physically attached to, each shipment or transfer of CoC Material dispatched to other Certified Entities, Outsourcing Contractors or Service Companies.

8.2 The Entity shall ensure that CoC Transfer Documents include all of the required information outlined in the template in Appendix 1 of this Standard.

8.3 If the CoC Transfer Document includes supplementary information about the Entity, the Eligible Material, or its Provenance, the Entity shall ensure the supplementary information can be supported by objective evidence.

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## 9. Consumer claims and Intellectual Property

*CoC Certified Entities are encouraged to communicate with their customers and consumers about their support for responsible supply chains. Entities can decide whether they will make claims about CoC Materials in Jewellery Products to consumers. Communications and marketing claims are to be consistent with the assurance provided by the RJC CoC Standard.*

- 9.1 If the Entity makes claims or representations about CoC Material in a Jewellery Product to consumers, the claims or representations shall be described in written form and made available to consumers at the point of sale, and shall not include information that is inconsistent with the CoC Transfer Document(s) supplying the CoC Material.
- 9.2 The Entity shall have systems in place to ensure all relevant employees, including sales associates, do not make verbal claims or representations to consumers about CoC Material that are inconsistent with the claims or representations described in written form.
- 9.3 If the Entity uses the RJC logo, it shall ensure that it abides by the Rules for Use of the Responsible Jewellery Council Logo, Trademarks and Intellectual Property. If the Entity uses the RJC logo and/or CoC Certification stamps in association with Jewellery Products containing CoC Material, it shall ensure that their use clearly applies only to the CoC Material.

## 10. Conflict-Sensitive Sourcing

*This provision supports the adoption of a policy and risk management framework for conflict-sensitive sourcing practices, drawing on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.*

- 10.1 The Entity shall adopt and communicate to suppliers of Materials and the public a policy for the supply chain of Materials from Conflict-Affected Areas.
- 10.2 If the Entity purchases Materials, it shall assess the risks of non-compliance with its supply chain policy by its suppliers of Materials, and take action to prevent or mitigate the risks.
- 10.3 The Entity shall establish a complaints or grievance mechanism appropriate to the nature, scale and impact of the business, to allow interested parties to voice concerns about circumstances in its supply chain involving Eligible and/or CoC Materials from Conflict-Affected Areas.
- 10.4 If the Entity is a Gold Refiner, it shall apply the following Conflict-Sensitive Due Diligence practices:
  - a. The Refiner shall source all Gold inputs according to the Know Your Customer systems and procedures described in provisions 5.1a,b,c,d and 5.2a,b,c.
  - b. The Refiner shall conduct Due Diligence to confirm that the conditions described in provision 4.2 apply to all of its inputs of Mined Gold. In conducting the Due Diligence, the Refiner may, subject to provision 10.4a, rely on information provided by suppliers of Mined Gold.

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## Glossary

**Accredited Auditor:** An independent, third party person or organisation meeting the RJC's objective selection criteria and accredited to carry out RJC-related audits.

**Adjoining Country:** Defined with reference to Section 1502 of the United States' Dodd-Frank Wall Street Reform and Consumer Protection Act as a country that shares an internationally recognised border with the Democratic Republic of the Congo, and includes Angola, Burundi, Central African Republic, Kenya, Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia.

**ASM:** Artisanal and small-scale mining.

**Bullion Bank:** Investment banks that function as wholesale suppliers dealing in large quantities of refined gold.

**Certification Audit:** The CoC Certification Audit provides the independent, third party verification that Chain-of-Custody Management Systems have been implemented to meet applicable provisions in the CoC Standard.

**Certification Scope:** See CoC Certification Scope.

**Chain-of-Custody:** The documented sequence of Custody that occurs when CoC Material is created by an Eligible Material Declaration, and transferred from one Facility and/or Entity to another along the supply chain through the issuance of a CoC Transfer Document.

**Chain-of-Custody (CoC) Certification Scope:** The CoC Certification Scope is defined by the Member/Entity seeking CoC Certification. It must include:

1. All Facilities under the Control of the Member that the Member/Entity intends to use for the extraction, processing, manufacturing, storage, handling, shipping and receiving, and marketing of CoC Material; and
2. All Outsourcing Contractors that the Member/Entity intends to use for the processing and manufacturing of CoC Material; and
3. The types of CoC Material (Diamonds, Gold, and/or Platinum Group Metals) to be included in the Certification Scope; and
4. The types of Eligible Material, if any, for which the Member/Entity intends to issue Eligible Material Declarations.

**Chain-of-Custody (CoC) Certified Entity:** An Entity that is the whole or part of a Member that conforms with the applicable parts of the RJC CoC Standard, as verified by an RJC Accredited Auditor.

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**Chain-of-Custody (CoC) Material (CoC Diamonds, CoC Gold and/or CoC Platinum Group Metals):**

Material with an Eligible Material Declaration from a CoC Certified Entity that is transferred in accordance with the RJC CoC Standard. CoC Material may be one or more of Mined, Recycled, Grandfathered, or Laboratory-Grown (see **Eligible Material** definitions).

**Chain-of-Custody (CoC) Transfer Document:** A document showing the information required for a transfer of CoC Material to another Entity, and issued by a CoC Certified Entity in accordance with the RJC CoC Standard.

**Conflict:** Armed aggression, widespread violence, and/or widespread human rights abuses.

**Conflict-Affected Area:** Area where Conflict is prevalent. The area may be a region, a country, an area within a country, or an area that crosses one or more country boundaries. Operations are not necessarily complicit in Conflict if they are located in a Conflict-Affected Area. The DRC and Adjoining Countries as defined under Section 1502 of the United States' Dodd-Frank Wall Street Reform and Consumer Protection Act are deemed a Conflict-Affected Area.

**Conflict-Free:** A description for Material that is determined by Due Diligence investigation not to have provided financial or other benefit to Illegal Armed Groups or their affiliates operating in a Conflict-Affected Area.

**Conflict-Sensitive:** Consideration of the spectrum of issues that may have, or may in the future, cause and trigger Conflict. [*Reference: International Alert, Conflict-Sensitive Business Practice: Guidance for Extractive Industries, March 2005, p3*]. In the context of the CoC Standard, Conflict-Sensitive sourcing encompasses strong management systems, including policies, risk assessment and mitigation, and complaints mechanisms, for Due Diligence directed towards Conflict issues. [*Reference: OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas*].

**Conformance:** The Member's policies, systems, procedures and processes perform in a manner that is conformant with the Standard.

**Control:** Control by an Entity consists of:

1. Direct or indirect ownership, or Control (alone or pursuant to an agreement with other entities) of 50% or more of the voting equities/rights (or equivalent) of the controlled business or Facility; and/or
2. Direct or indirect (including pursuant to an agreement with other entities) power to remove, nominate or appoint at least half of the members of the Board of the directors or management (or equivalent of the controlled business or Facility); and/or
3. Day-to-day or executive management of the controlled business or Facility; or

4. Any legally recognised concept of 'Control' analogous to those described in (1) to (2) above in a relevant jurisdiction.

Although the above defines 'Control' in a corporate context, the same principles will apply by analogy to other organisational arrangements, including franchisees, licensees and Control by an individual or a family, where applicable.

**Critical Breach:** A finding or observation, supported by objective evidence, of deliberate falsification of information required to support a conformance rating.

**Custody:** The physical possession of CoC Material by an Entity or Outsourcing Contractor for the purposes of producing, processing, trading, manufacturing, packaging, labelling or retailing.

**Diamond:** A natural mineral consisting essentially of pure carbon crystallised with a cubic structure in the isometric system.

**Dodd-Frank Act:** Section 1502 of the United States' Dodd-Frank Wall Street Reform and Consumer Protection Act. The Act defines "conflict minerals" as columbite-tantalite (coltan), cassiterite, Gold, wolframite, or their derivatives (tantalum, tin, tungsten and Gold); or any other mineral or its derivatives determined by the US Secretary of State to be financing conflict in the DRC and Adjoining Countries. The Act requires issuers under the US Securities Exchange Act to disclose whether any "conflict minerals" used in their products originated in the DRC and Adjoining Countries.

**DRC:** the Democratic Republic of Congo (DRC).

**Due Diligence:** Process through which companies, acting reasonably and prudently under the circumstances, conduct inquiry and analysis necessary to make reliable and verifiable determinations about the relevant conditions applying to the production and transportation of Mined Materials from Mining Facilities. Due Diligence includes, where applicable, the application of Know Your Customer systems and procedures. The Due Diligence required under the RJC CoC Standard supports implementation of the *OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas*.

**Eligible Material:** Diamonds, Gold, and/or Platinum Group Metals, that is eligible to become CoC Material under the RJC Chain-of-Custody standard. Eligible Material shall be one of the following types:

- **Eligible Mined:** Conflict-Free Material produced by a CoC Certified Entity, or by ASM on the concession of a CoC Certified Entity, or under a Recognised Responsible Mining Standard. Eligible Mined Gold and Platinum Group Metals may be in the form of unrefined concentrate, impure alloys, or refined metal. Eligible Mined Diamonds shall be in the form of rough diamonds. Eligible Mined Gold and Platinum Group Metals can also be recovered by a CoC Certified Entity, including a Refiner, as a Mining Byproduct from processing residues (such as slimes) arising from

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metallurgical processing of other metals not within the RJC's scope such as copper, lead, zinc or nickel.

- **Eligible Laboratory-Grown:** Synthetic diamonds produced by a CoC Certified research or manufacturing facility.
- **Eligible Recycled:** Material recycled by a CoC Certified Entity from Recyclable Materials sourced from suppliers screened according to the CoC Standard's Know Your Customer requirements to avoid Illegitimate Sources. Recyclable Gold and Platinum Group Metals are those that have been previously refined, such as end-user, post-consumer and investment products Gold and Platinum containing Group Metals, and scrap and waste metals and materials arising during refining and product manufacturing, which are returned to a Refiner or other downstream intermediate processor for recycling. Recycled Diamonds must be from retail or post-consumer sources.
- **Eligible Grandfathered:** Existing stocks of Material that existed before the CoC standard came into effect, with a reliable record demonstrating its date of ownership, extraction and/or manufacture. **Diamonds:** Rough or polished Diamonds owned by a CoC Certified Entity and supported by records to demonstrate continuous ownership by the CoC Certified Entity from a date prior to 1 January, 2012. **Gold:** Refined Gold that was refined before 1 January, 2012. Grandfathered Gold may be in the form of bars, ingots, coins, or similar, or within a sealed container (e.g. grain, powder or sponge), with the refining date either permanently shown with the Mark of a Refiner or Government Mint, or verified by the Refiner in accordance with a serial number or other permanent physical mark or characteristic, or determined through bank depository or inventory records. In the case of Refiners on the LBMA "Former Melters and Assayers of Good Delivery Gold Bars" list that ceased operating before 1 January, 2012, if the refining date is not permanently shown, it may be inferred from that Refiner's Mark on the Gold. **Platinum Group Metals:** Refined Platinum Group Metals minted before 1 January, 2012. Grandfathered Platinum Group Metals may be in the form of bars, ingots, coins, plates or similar, or within a sealed container (e.g grain, powder or sponge), bearing the Mark of a Refiner or Government Mint, with the refining date permanently shown with the Mark or verified by the Refiner, or determined through bank depository or inventory records.

**Eligible Material Declaration:** Declaration of Eligible Material made by a CoC Entity in a CoC Transfer Document to initiate a Chain-of-Custody.

**Entity:** A business or similar responsible for implementation of the CoC Standard.

**Facility:** Premises or operations with Custody of Eligible or CoC Material.

**Gold:** A rare yellow metallic element with the chemical symbol 'Au' and the atomic number 79.

**Government Mint:** A government controlled facility where official currency and Precious Metals bars, ingots, coins or similar are minted.

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**Grandfathered Material:** See Eligible Material definition.

**Illegal Armed Group:** Armed group, including a public or private security force, that illegally controls mine sites, transportation routes and/or points where minerals are traded, and/or illegally taxes or extorts money or minerals at mine sites, points of access to mine sites, along transportation routes, or at points where minerals are traded; and/or illegally taxes or extorts intermediaries, export companies or international traders; and/or is engaged or complicit in Conflict. Illegal activity means activity that violates a country's sovereignty, or its laws and regulations, or international law.

“Direct or indirect support” for Illegal Armed Groups does not refer to legally required forms of support, including legal taxes, fees, and/or royalties that companies pay to the government of a country in which they operate. [References: *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 2010*; *UN Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo, Letter 12 April, 2001*].

**Illegitimate Sources:** Sources of Material that are contrary to applicable law, and/or involved with illegal mining, funding of conflict, money-laundering, funding of terrorism, or proceeds of crime.

**Internal CoC Transfer Document:** A CoC Transfer Document where the issuer and recipient are within the same Certification Scope. An Internal CoC Transfer Document shall be issued and recorded when making an Eligible Material Declaration for Material that will be mixed with existing CoC Material prior to the mixed Material being transferred to another Entity.

**Jewellery:** An adornment made of Precious Metals (including Gold and/or Platinum Group Metals) and/or set with gemstones (including Diamonds). Jewellery includes, but is not limited to, bracelets, rings, necklaces, earrings and watches.

**Jewellery Product:** Semi-finished or finished Jewellery or components.

**Know Your Customer (KYC):** Principles established to combat money laundering and finance of terrorism. KYC principles require businesses to establish the identity of all organisations with which they deal, have a clear understanding of their business relationships and have a reasonable ability to identify and react to transaction patterns appearing out of the ordinary or suspicious.

**Laboratory-Grown:** A synthetic object or product that has been either partially or wholly crystallised or re-crystallised due to artificial human intervention such that, with the exception of being non-natural, the product meets the requirements specified in the definition of the word “Diamond” in this glossary.

**Legitimate:** Not from Illegitimate Sources.

**London Bullion Market Association (LBMA) London Good Delivery Identification:** A unique serial number assigned by an LBMA Gold Refiner to a 400 troy ounce Gold bar as part of its Mark.

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**Major Non-Conformance:** The Member's policies, systems, procedures and processes perform in a manner that is not conformant with the Standard, due to the total absence of implementation of a provision; or a systemic failure or total lack of required controls; or a group of related, repetitive and persistent Minor Non-Conformances indicating inadequate implementation.

**Management System:** Management processes and documentation that collectively prove a systematic framework for ensuring that tasks are performed correctly, consistently and effectively to achieve the desired outcomes, and to drive continual improvement in performance.

**Mark:** A trademarked symbol of an Entity. The Mark of a Refiner or Mint is often stamped into the surface of a Gold or Platinum Group Metals bar, ingot, coin or similar, or permanently affixed to a sealed container. A Mark is often accompanied by a serial number and/or date, which, in combination, can verify the year the Precious Metal was produced or minted.

**Material:** Diamonds and/or Gold and/or Platinum Group Metals. Materials currently outside the RJC's scope, such as other metals in alloys, plating or coatings, and other precious stones, are not covered under the RJC CoC Standard.

**Member:** Any business that:

- (i) is actively involved for commercial reasons in the Diamond and/or Gold and/or Platinum Group Metals Jewellery supply chain; and
  - (ii) is exempt from the role of consultant, advisor or any other similar entity; and
  - (iii) commits to the prevailing RJC Principles and Code of Practices on business ethics, social, human rights and environmental performance and management systems; and
  - (iv) commits to a Verification Assessment by an Accredited Auditor against the RJC Principles and Code of Practices in accordance with the requirements of the RJC; and
  - (v) undertakes the payment of the annual RJC commercial membership fee;
- is eligible to become a RJC Commercial Member.

The Member may consist of one or more Entities and/or Facilities. In RJC Standards, the term 'Member' refers specifically to RJC Commercial Members.

**Mined Material:** Material that is produced by a Mining Facility. Also see Eligible Material definitions.

**Mining Facility:** A Facility that extracts Diamonds, Gold or Platinum Group Metals, or minerals containing saleable quantities of Diamonds, Gold or Platinum Group Metals, from the earth.

**Mining Byproduct:** Mined Gold or Platinum Group Metals that is produced from other metal mining, e.g., from copper sulphide ore, in which Precious Metals may be a trace constituent. When Mined Precious Metals are a byproduct, the other metal is processed and refined first, and the Precious Metal is then extracted and refined from the final residue of the first metal, such as a copper electrolytic cell slime. [*Reference: OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas – Supplement on Gold*].

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**Minor Non-Conformance:** The Member's policies, systems, procedures and processes perform in a manner that is not wholly conformant with the Standard, due to an isolated lapse of either performance, discipline and control which does not lead to a Major Non-Conformance.

**Outsourcing Contractor:** An individual, company or other business that takes Custody of Material from an Entity for the purpose of processing or manufacturing the Material for that Entity. Outsourcing Contractors that are not themselves CoC Certified must be included in the Entity's CoC Certification Scope.

**Platinum Group Metals:** Precious metallic elements that have similar physical and chemical properties and tend to occur together in the same mineral deposits. Platinum Group Metals covered under this Standard are:

- **Rhodium:** chemical symbol 'Rh', atomic number 45;
- **Palladium:** chemical symbol 'Pd', atomic number 46;
- **Platinum:** chemical symbol 'Pt', atomic number 78.

**Precious Metals:** Collective term for Gold and Platinum Group Metals.

**Provenance:** Where the Chain-of-Custody for Eligible Material or CoC Material specifically or collectively started.

**Recognised Responsible Mining Standard:** 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. Information will be maintained at [www.responsiblejewellery.com/chain-of-custody.html](http://www.responsiblejewellery.com/chain-of-custody.html)

**Recyclable Materials:** Used Materials that have been collected for recycling. See Eligible Materials definitions for more information on criteria.

**Recycled Material:** See Eligible Material definition.

**Refiner:** An Entity engaged in separating and purifying Gold and/or Platinum Group Metals to a commercial market quality.

**RJC:** Responsible Jewellery Council.

**Service Company:** A company that takes Custody of, and provides services on Eligible and/or CoC Material owned by an Entity, maintaining segregation on behalf of their clients as an essential part of their service, and not physically changing Material in their Custody. Service Companies include grading labs, diamond acid boilers, assayers, appraisers, security and transportation companies. Service Companies are not included in the Certification Scope of an Entity.

**Standard:** The RJC Chain-of-Custody Certification Standard.

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**Surveillance Audit:** A CoC Surveillance Audit verifies that Chain-of-Custody Management Systems continue to conform with the CoC Standard. The CoC Surveillance Audit must be conducted within 12 - 18 months following granting of CoC Certification. The scope of the CoC Surveillance Audit must include a check of samples of CoC Transfer Documents, any claims being made to consumers, and associated records, and also verify progress or completion of any corrective actions for non-conformances found during the Certification Audit.

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The Responsible Jewellery Council is the trading name of the Council for Responsible Jewellery Practices Ltd.  
The Council for Responsible Jewellery Practices Ltd, First Floor, Dudley House, 34-38 Southampton Street, London, UK, WC2E 7HF.  
The Council for Responsible Jewellery Practices Ltd is registered in England and Wales with company number 05449042.

## Appendix 1 – CoC Material Transfer Document – Template



## RJC Chain-of-Custody Transfer Document

<b>Date:</b>		<b>Document number:</b>			
<b>Issuer</b>		<b>Receiver</b>			
Name of Company		Name of Company			
Address		Address			
Certification number		Certification number <i>(if applicable)</i>			
Responsible person					
<i>The information provided in this CoC Transfer Document is in conformance with the RJC CoC Standard.</i>					
<b>CoC Material</b>					
Total weight					
Number of items <i>(if applicable)</i>					
<b>Type of Transfer</b> <i>(Check one)</i>					
<input type="checkbox"/>	Eligible Material Declaration Initiating the Chain-of-Custody				
<input type="checkbox"/>	Eligible Material Declaration Initiating the Chain-of-Custody for Mined Material Conflict Free Declaration provided				
<input type="checkbox"/>	Subsequent Chain-of-Custody Transfer, single type of CoC Material				
<input type="checkbox"/>	Subsequent Chain-of-Custody Transfer, Jewellery Products containing more than one type of CoC Material				
<b>Type of Material contained in Transfer</b> <i>(check all that apply)</i>					
Diamond	Gold	Platinum	Palladium	Rhodium	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mined
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mining Byproduct
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Recycled
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Grandfathered
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mix of Mined, Recycled and/or Grandfathered
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Laboratory-Grown (synthetic) diamond <i>(cannot be mixed with other types of diamonds)</i>
Supplementary Information <i>(include at Issuer's discretion)</i>					Material's previous CoC Transfer Document number(s) <i>(optional)</i>

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Description of any non-CoC Material which is part of Jewellery Products containing CoC Material *(if applicable)*

**Complete section A or B below for all Transfers of Mined Material:**

A Check one	<b>Conflict-Free Declaration for Mined Material (To be completed by CoC Certified Mining Company)</b>
	The mine or mines from which the Mined Material was produced <b>are not</b> located in Conflict-Affected Areas and the Mined Material was not processed in or transported through Conflict-Affected Areas.
	Country/ies where Mined Material was extracted:
	The mine from which the Mined Material was produced, the processing facility and/or the transportation routes for the Mined Material <b>is located</b> in a Conflict-Affected Area.  The CoC Certified Mining company has conducted Due Diligence, a summary of which is attached, to confirm the production and transportation of the Mined Material did not finance or benefit any Illegal Armed Groups.
	Country/ies where Mined Material was extracted:
	The Mined Material is Mining Byproduct and determined to be Conflict-Free by the Refiner's Due Diligence.
	Country/ies where Mining Byproduct was refined:
B Check one	<b>DRC and Adjoining Countries information for Dodd-Frank reporting (To be completed by all other CoC Certified Entities with custody of Mined or Mixed Gold)</b>
	Transfer does not include Gold from the DRC and Adjoining Countries.
	Transfer includes Gold from the DRC and Adjoining Countries and a summary of the required Due Diligence has been retained by the Refiner/s of the Gold.
	Country/ies where Mined Material was extracted:
	Refiner/s:

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