



RJC Chain-of-Custody certification for the diamond, gold and platinum jewellery supply chain – Discussion Paper 2

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1. Purpose and Summary

The purpose of this paper is to seek feedback on proposals for RJC to develop Chain-of-Custody Certification in the jewellery supply chain for diamonds, gold and platinum metals. The paper has been developed to initiate and inform a second round of discussion among the RJC and its stakeholders.

In summary:

The RJC's mission is to promote responsible ethical, human rights, social and environmental practices throughout the jewellery supply chain. The proposed RJC Chain-of-Custody Certification System aims to enable businesses to demonstrate rigorous assurance for responsible supply chains. Importantly, it would allow for on-product RJC certification of tracked diamonds, gold and/or platinum metals in jewellery products for consumer sale.

Currently, RJC Member Certification enables claims about responsible business practices at the level of that business. RJC Chain-of-Custody Certification, when combined with RJC Member Certification, would enable product-related claims about responsible supply chains to be made to consumers. By

implementing chain-of-custody management systems, businesses could show their customers the provenance of the material in their products, including through voluntary use of the RJC Certified Product label.

The proposed RJC Chain-of-Custody Certification System represents the first attempt to develop a large-scale initiative of this scope for the jewellery industry. The certification system would encompass tracking of eligible material and conditions for responsible business practices, and would be applicable internationally and across the supply chain from production to retail. The requirements to achieve certification would not be prescriptive; businesses would establish their own management systems to suit the nature and scale of their activities and deliver the required performance. Businesses wishing to become certified would be audited by RJC-accredited, independent, third party auditors.

An initial draft Standard has been laid out in some detail, to help facilitate concrete discussion about design and implementation issues. The draft Standard aims to strike a balance between commercially realistic requirements and the critical objective of supply chain integrity. The RJC welcomes input on how the proposal could be further improved and is providing a four month public comment period for stakeholder review of this paper.

An open and transparent, multi-stakeholder standards development process is planned, with multiple rounds of public comment opportunities. It is hoped that the RJC Chain-of-Custody Certification System could be launched in 2012.

2. Background

a) RJC Membership and Member Certification

In December 2009, the RJC formally launched its system for Member Certification applicable to businesses operating in the Diamond and Gold jewellery supply chain. Businesses that become RJC Members are required to achieve certification within two years. Certification is based on independent, third party auditing against the RJC Code of Practices, the RJC's standard for responsible business practices. The RJC Code of Practices defines the Council's ethical, social, human rights and environmental commitments for RJC Members, covering a wide range of supply chain issues. Beginning in 2010, companies operating in the Platinum Metals jewellery supply chain have been able to join the RJC. The RJC Code of Practices and supporting documents for Member certification will be reviewed and expanded to formally include Platinum Metals in 2012.

b) Proposal for RJC Chain-of-Custody Certification

Businesses in the jewellery supply chain are increasingly being asked by civil society, regulators, business partners and consumers to demonstrate they have responsible supply chains. The RJC is proposing to develop a new initiative that can support businesses wishing to make claims about material provenance and responsible practices in their jewellery supply chains. RJC Chain-of-

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Custody Certification would be based on an agreed standard and process for independent, third party verification of a business' chain-of-custody systems in the jewellery supply chain for Diamonds, Gold and Platinum Metals. Alongside RJC Member Certification, the proposed RJC Chain-of-Custody Certification would be a voluntary and complementary assurance tool that RJC can offer to businesses in the jewellery supply chain. The RJC aims for this initiative to work wherever possible in harmony with other mechanisms for encouraging responsible supply chains.

c) Discussion Paper 1 – April 2010

The RJC released an initial discussion paper on issues and options for Chain-of-Custody Certification on 19 April 2010. The public comment period was open for 12 weeks, until 12 July 2010. During this time, workshops with RJC Members and stakeholders were convened in London in May 2010 and Las Vegas in July 2010. Fifty-six people participated in the London workshop, and approximately twenty in the Las Vegas workshop. Two formal submissions were also received. The discussion paper, which provides useful background to this document, and a compilation of the feedback received are all available at:

<http://www.responsiblejewellery.com/chain-of-custody.html>

d) Key issues from feedback

In the workshop discussions and submissions, there was support for the proposal for RJC to develop a system to support chain-of-custody assurance. The RJC Standards Committee and Consultative Panel have both expressed a strong commitment to the importance of this task.

The workshops indicated general support for the following principles:

- While RJC Member Certification is compulsory for businesses that choose to become RJC Commercial Members, RJC Chain-of-Custody Certification must be voluntary due to competition/anti-trust laws. Individual businesses would make the decision whether to require chain-of-custody certification from their suppliers and/or customers.
- Different businesses have different drivers for accessing or creating supply chain initiatives. A flexible approach will be important, so that RJC Chain-of-Custody Certification can potentially verify a variety of different kinds of chain-of-custody models and claims.
- Not all businesses would want to use a chain-of-custody product label in their retail model. While a product label is a form of direct communication to retail consumers, it is not essential and should not be required.

Key challenges raised by stakeholders include:

- The need for incentives to create a critical mass of participation in chain-of-custody certification.
- The need for chain-of-custody tools that can be used by companies to credibly differentiate materials on the basis of their provenance, such as 'conflict sources'.
- The difficulty of quickly switching a large company's business to chain-of-custody certified products.

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- How to address components (diamonds, gold, platinum metals) **and** whole jewellery pieces.
- Traceability challenges for smaller diamonds ('melee').
- The role of responsible artisanal gold for the jewellery industry as a development pathway for producers.
- The increasing scale and profile of scrap gold and above-ground stocks in the jewellery supply chain. Pre-recycling provenance would be impossible to track from its many potential starting points and thus it would be unfeasible to go beyond a 'recycled' claim for recycled metals. However, 'recycled' claims could also be used to hide 'inconvenient truths' about supply chains.
- How consumers might understand different types of chain-of-custody claims made under a future RJC certification system.

3. Proposed approach to some key questions

In essence, there are two parts to a claim that a product is responsibly produced: that there are responsible practices in the supply chain, and there is tracking of the material contained in the product as it passes through the supply chain. To be credible, claims about responsible supply chains need to be based on verifiable evidence that the management systems necessary to support the claims are in place.

This paper proposes a potential RJC Chain-of-Custody Certification system to address these points. Table 1 summarises the key elements.

Table 1 – Chain-of-Custody (CoC) Certification – Key Elements

Element	Proposed coverage
Chain-of-Custody (CoC) certification eligibility	<ul style="list-style-type: none"> • CoC Certification would be voluntary, and open to: <ul style="list-style-type: none"> ○ RJC Members (i.e. already RJC Certified Members for responsible business practices, or obligated to achieve this within a set time period). ○ Participants in certification systems for responsible business practices, formally judged equivalent to the RJC's. • Eligible Materials covered under the Standard, either stand-alone or contained in jewellery products: <ul style="list-style-type: none"> ○ Diamonds; ○ Gold; ○ Platinum Metals (platinum, palladium and rhodium). • Note: Materials currently outside the RJC's scope, such as other metals in alloys and other precious stones, would not be tracked under the Standard.
Starting point in the supply chain	<ul style="list-style-type: none"> • Producer (mine or diamond production laboratory), which can be described in terms of the company, mine/laboratory, region or country (or group thereof); or • Recycled Gold/Platinum Metals produced by Refiner in accordance with Know Your Customer principles; or

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	<ul style="list-style-type: none"> • Marked Gold/Platinum Metals Bullion produced before a set date.
Chain-of-Custody Models supported	<ul style="list-style-type: none"> • Track and Trace (tracing product to origin). • Bulk Commodity (prevents mixing of eligible with non-eligible material but does not trace to origin).
Chain-of-Custody Certification	<ul style="list-style-type: none"> • RJC Chain-of-Custody Certification required for all Entities making, changing, trading, packaging, labelling or retailing tracked material. • Note: Entities that do not physically change tracked material and/or maintain segregation as part of their business model, and do not issue or update Statements of Provenance, would not need to be CoC certified: <ul style="list-style-type: none"> ○ Retailers who purchase already labelled products to sell to end consumers. ○ Bullion banks storing or delivering Marked Bullion for, or to, their customers. ○ Service industries, such as grading labs, assayers, and transportation companies, who maintain segregation of Tracked Material on behalf of their clients as an essential part of their service. ○ Outsourcing contractors who carry out manufacturing or processing on Tracked Material on a flexible basis under the Management System of the Entity seeking certification.
Requirements for Chain-of-Custody Certification	<ul style="list-style-type: none"> • Key elements of internal systems: <ul style="list-style-type: none"> ○ Ability to reliably segregate and track material and prevent mixing of tracked with untracked material. ○ Ability to reconcile all tracked material in custody. ○ Proper oversight and management of Statements of Provenance on tracked material to be transferred to other Chain-of-Custody certificate holders.
Requirements for responsible practices	<ul style="list-style-type: none"> • RJC Member Certification (or equivalent) for all Entities in the supply chain up to and included the affixing of a product label.
Product certification	<ul style="list-style-type: none"> • Jewellery products containing tracked material would be eligible for on-product labelling as RJC certified.
Proportion of final product	<ul style="list-style-type: none"> • Claim relates to diamond and/or gold and/or platinum metals content of a jewellery product (all karatages). Specific claim to be documented in the Statement of Provenance or on-product information. • Minor components less than 5% of value can be exempt from chain-of-custody tracking and labelling.

Discussion of key elements and options:

- **Why require RJC Membership or equivalent?** The RJC's mission is to promote responsible business practices throughout the jewellery supply chain. RJC Members are required to be independently audited against the RJC Code of Practices for responsible business practices. A consumer-facing product label supported by the RJC would strongly imply that not only is the material provenance known, but also that it has been produced responsibly. Furthermore, the RJC's Articles of Association and membership structure provides for sanctions in the case of improper practices by participating businesses. This enables the RJC

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to suspend CoC certification and/or Member Certification should relevant non-conformances be identified. Section 7 of this paper considers the scope for potential equivalent certifications of responsible business practices.

- **Why offer Chain-of-Custody Certification as well as Member Certification?** Member Certification enables claims about responsible business practices at the level of that business. Chain-of-Custody Certification, when combined with RJC Member Certification, would provide a product-tracking dimension and enable product-related claims about responsible supply chains to be made to consumers. Implementing Chain-of-Custody management systems is a way for businesses to show their customers the provenance of the material in their products. The same kind of Chain-of-Custody certification is used to support product labelling by the Forest Stewardship Council (FSC) and Marine Stewardship Council (MSC), in addition to their management standards for forests and fisheries, respectively.
- **Why include Bulk-Commodity and Track-and-Trace?** Both Track-and-Trace and Bulk-Commodity¹ chain-of-custody models segregate certified from non-certified material through the supply chain. Track-and-trace is based on tracing product to origin, while Bulk-Commodity prevents mixing of eligible with non-eligible material but does not trace to origin. Accommodating both models under the proposed certification would enable it to capture larger volumes of products and achieve a greater critical mass in uptake across the industry. For large volume supply chains and/or lower value material, a Track-and-Trace model could be impossible to implement, creating barriers to entry and missing the opportunity to make important, but less specific, claims about provenance. The Bulk-Commodity model would allow for claims about what the provenance could be, within a defined set, or “ring fence” of possible starting points. This meets the demand from many businesses and consumers for assurance that products came from an aggregate certified supply chain, without the necessity of being able to trace a specific product to a specific source.
- **Why include Marked Bullion and Recycled Gold/Platinum Metals?** If certified product could only be made from ‘freshly’ mined metals of known provenance, this could perversely discourage the use of above-ground metals stocks, which already exist in significant quantities, and devalue the role of recycling. It is proposed to include Marked Bullion under the system if it has been produced before the RJC chain-of-custody certification system was launched; and Recycled if it has been refined after the launch of the certification system by a Chain-of-Custody certified refiner. In the case of recycled gold and platinum metals, the Chain-of-Custody would be deemed to start with the certified refining company, who can only accept scrap and post-consumer gold based on ‘know your customer’ principles as set

¹ See the previous RJC Discussion Paper for more discussion of these models, and examples of their use:
http://www.responsiblejewellery.com/downloads/RJC_Chain_of_custody_discn_paper_19_04_2010.pdf
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out in the RJC's Code of Practices. In the case of existing, historical stocks of gold and platinum metals bullion, the information about where the Chain-of-Custody started would be provided by stamped Marks on the bullion, which provide a serial number, date of manufacture, purity standard and identification of the refining company. This would enable Marked Bullion available through unallocated bullion accounts, and produced before tracking systems were available, to at least be tracked back to a refiner.

- **Why offer a product label?** An RJC Certified Products label would provide the link between the certifications of responsible practices and chain-of-custody at the business level, and consumers who consider provenance and responsible conditions in the supply chain to be relevant to their purchasing decisions. The option (but not the obligation) of applying a label to signify a responsible supply chain should therefore be available to certified businesses that produce and/or sell jewellery products to the final consumer.

4. Proposed RJC Chain-of-Custody Certification (CoC) System

A credible chain-of-custody requires the ability to segregate tracked material and to keep appropriate records. Each business is just one link in the chain, from the source of material through to the consumer. Under the proposed RJC CoC Certification System, the internal chain-of-custody systems at each link in the chain, and the management of Statements of Provenance and other documentation as tracked materials are transferred between each link, would be verified by an RJC-accredited, independent third-party auditor. The CoC certification would be in addition to, and would require, the verification of responsible business practices provided by RJC Member Certification (or equivalent).

An RJC CoC Certification System, like RJC Member Certification, would be supported by a system of implementation documents (to be drafted) including a Certification Handbook, a Standard, Standards Guidance and Assessment Tools. This is the key standards development work that the Council seeks to undertake in consultation with Members and stakeholders.

Generally, a certification system is based on the following elements:

- A defined standard – what do businesses need to do to be certified?
- Auditor accreditation and verification – who are qualified and competent to assess whether the standard is being met by the business?
- Certification – what are the terms of the certification and how can it be used?

The following sections summarise RJC's proposed approach.

a) Proposed Chain-of-Custody Standard

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

A draft, or “strawman”, Chain-of-Custody Standard (see Appendix 1) has been developed as a part of this paper, to initiate and facilitate detailed discussion about its design and implementation. In summary, the Standard requires businesses to have appropriate systems for the segregation, tracking and reconciliation of tracked diamonds, gold and/or platinum metals under their custody. These systems must be capable of issuing, receiving, recording and updating applicable Statements of Provenance, as follows:

- Statements of Provenance would be issued by Chain-of-Custody (CoC) certified businesses on sales or transfer documentation, and supported by appropriate record-keeping. These Statements would be used to track information about the provenance of material as it is transferred from the custody of one certified business to another in the supply chain.
- Initial Statements of Provenance would be generated by CoC certified producers (mining companies or diamond production laboratories), certified refiners, or by other certified businesses for purchases of pre-existing marked bullion. Statements of Provenance would include clear and relevant information about where the Chain-of-Custody started, or could have started, such as a mine, country, region, or groups thereof, a Producer, or a type of production, etc. Statements of Provenance would also include relevant information about the subsequent steps in the Chain-of-Custody, such as a facility, country, region, company, or groups thereof, where the processing, refining or manufacturing of the product occurred.
- Diamonds, gold and/or platinum metals with different Statements of Provenance could be mixed or combined downstream in the supply chain, as long as the resulting, aggregated Statement of Provenance remained a truthful, clear and accurate description of where the supply chain started or could have started, and is supported by appropriate records. This would enable businesses to determine the Statements of Provenance most appropriate for their markets, while maintaining segregation from material of unknown provenance.
- Minor components containing diamonds, gold and/or platinum metals that cannot be sourced with Statements of Provenance and are less than 5% of the value of a jewellery product can be exempted from the business’ tracking systems. This proposal would enable businesses to begin implementing chain-of-custody for the majority of the diamonds, gold and/or platinum metals content of jewellery items, without the additional hurdle of requiring known provenance of low-value components from complex and/or low-margin supply chains. However developing comprehensive and consistent implementation rules may be a challenge and further review aims to look at this proposal in more detail.

RJC’s draft Chain-of-Custody Standard (Appendix 1) sets out performance requirements that business’ management systems would need to achieve. How these management systems would be designed, including internal or third-party IT platforms and other technologies, would be at the discretion of the individual business and would not be prescribed in the Standard. RJC would develop Standards Guidance and training materials to provide generic support for businesses

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attempting to establish chain-of-custody systems for the first time, or seeking to improve performance of their existing systems.

b) Auditor Accreditation and Verification

To become CoC certified, the company's internal systems would have to be audited by an RJC accredited, independent third party auditor to verify conformance to the applicable parts of the Chain-of-Custody Standard. To maintain certification status, companies would be audited every 3 years, with an interim surveillance audit. The RJC would build on its existing systems for auditor accreditation and training, and the current verification model outlined in the RJC Assessment Manual (2009). This is based on both desktop reviews and on-site assessments to audit the effectiveness of systems in practice.

c) Certification

CoC Certification would be granted by the RJC, based on the recommendation of the independent auditor and evidence that the business is an RJC Member in good standing (or has been certified by an approved equivalent assurance system for responsible practices). The RJC would assign a unique CoC certification number to each CoC certified company. Public documentation on CoC certification status would include the name of the company, the list of Facilities covered by the certification (the certification scope), the certification period and the materials that it covers (diamonds and/or gold and/or platinum metals). CoC Certified businesses would also be entitled to use the RJC Certified Products Label/Logo on jewellery products.

5. RJC Certified Products Label/Logo

CoC Certified companies who wish to make on-product representations to the final consumer about tracked materials in jewellery products would apply an RJC Certified Products label.

Certified companies could reproduce and display an RJC Certified Products label under the following conditions:

- All entities in the supply chain for the jewellery product are Chain-of-Custody certified and are Members of the RJC (or participants in equivalent systems for responsible business practices);
- The use of the label complies with the RJC's policy for Members' use of its intellectual property (or in the case of participants in equivalent systems, with a licensing agreement for use of the label);
- The label includes the CoC certification number of the business applying the label to the product, and an identification number or other means to link the product to the last applicable Statement/s of Provenance for the Tracked Material;

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- The label is accompanied by the following general statement of assurance (or similar) at a minimum:

This label is your assurance that the (diamonds, gold, platinum metals) contained herein came only from certified sources that have been independently verified for compliance with the Responsible Jewellery Council's rigorous standards for responsible social, ethical and environmental practices. For more information about RJC Certified Products see: www.responsiblejewellery.com

- More specific information from the Statement/s of Provenance for the jewellery product can also accompany the assurance statement.
- If applicable, on-product information would note: *May contain Minor Components of diamonds and/or gold and/or platinum metals that have not been tracked, and that comprise less than 5% of the value of the jewellery.*

The label could be used on, or as part of, product tags, Marks, hallmarks, engravings, laser inscriptions, information on retail packaging, transit packaging and/or associated sales documentation.

A Chain-of-Custody certified company would be able to apply the label to a finished jewellery product, and then sell or transfer the product with the label attached to a non-certified retailer for final sale to the consumer, providing the label is integral to the product or protected from tampering.

An RJC Certified Products logo could also be used for promotional purposes by Chain-of-Custody certified companies, for example in company information, product catalogues and online retailing platforms, subject to the RJC's policies for Members' use of its intellectual property.

The RJC would develop the label and logo design, which would be based on the existing RJC logo, and a suite of marketing materials along with usage guidance for certified companies and retailers. The intellectual property would remain with the RJC.

The aim will be to develop a simple, credible consumer-facing labelling approach that includes information relevant to the market while avoiding the potential for confusion or over-complication.

6. RJC Member Certification and RJC Chain-of-Custody Certification – comparison

As noted above, the proposed RJC Chain-of-Custody Certification would be offered as an option alongside the existing RJC Member Certification for responsible business practices. Table 1 summarises key aspects of the two RJC programs: RJC Membership and Member Certification (existing), and RJC Responsible Supply Chains and Chain-of-Custody Certification (proposed).

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Table 2 – Comparison of RJC’s existing and proposed assurance programs

Features	RJC Membership <i>(Available)</i>	RJC Certified Products <i>(Proposed)</i>
Voluntary?	RJC Membership is voluntary. Commercial Members must seek Member certification as a condition of membership.	Participation is voluntary.
Certification that supports it	RJC Member Certification <i>(Launched 2009)</i>	RJC Chain-of-Custody Certification <i>(Proposed)</i>
Applicable Standard	RJC Code of Practices. <i>Published 2009, see www.responsiblejewellery.com</i>	RJC Chain-of-custody Standard. <i>See draft 1 in Appendix 1.</i>
Guidance for Implementation	RJC Certification Handbook, Standards Guidance, Assessment Workbook and Manual. <i>Published 2009, see www.responsiblejewellery.com</i>	RJC Chain-of-Custody Certification Handbook, Standards Guidance, Assessment Workbook and Manual. <i>To be developed, including rules of use for on-product labelling.</i>
Requirement for third-party auditing	Every 3 years if no Major Non-Conformances, or after 1 year if any Major Non-Conformances found.	Every 3 years with an interim surveillance audit.
Resulting Claim	<u>RJC Certified Member</u> : Member conforms with RJC Code of Practices, the RJC’s standard for responsible business practices. Claim cannot be used on products.	<u>RJC Chain-of-Custody Certified Member/Entity</u> : Business conforms with RJC Chain-of-Custody Standard; <u>RJC Certified Products</u> : jewellery products contain tracked material as described. Claims used on products would require use of the RJC Certified Products label; however a business is not obligated to use an on-product label/logo.
RJC Role – common to both programs	<ul style="list-style-type: none"> • Standards development, guidance and training. • Auditor accreditation and training. • Administration of Accredited Auditor recommendations re Certification. • Maintain public website on Certification status and related information. • Administration of policies and rules for use of RJC logo/labels. • Complaints mechanism. • Governance of Members, including disciplinary proceedings if required. 	

The last row of the table shows the common operational roles for RJC in offering both certification programs. These capabilities are already in place in order to implement the RJC Member certification program, which helps to reduce the additional effort that would be required for the RJC to establish a Chain-of-Custody certification program.

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7. Potential equivalents to RJC Member Certification of Responsible Business Practices

RJC Member Certification offers a standard for responsible business practices applicable to the jewellery supply chain from production through to retail. However other relevant standards and certification systems for responsible business practices may also be of interest to businesses wishing to make chain-of-custody claims.

Various standards initiatives are in development for artisanal and small-scale mining, large-scale industrial mining, and conflict minerals. Some initiatives include chain-of-custody standards to track material from mine to market. The RJC CoC system could potentially provide an increased range of pathways to market for materials of known provenance that can evidence responsible business practices in their production, if the standards were judged equivalent.

To be judged equivalent by the RJC, other systems would need to be evidence-based and underpinned by independent third-party auditing, include sanctions mechanisms for non-conformance, and cover a scope of subjects that is comparable to the RJC Code of Practices. Proprietary systems of a supply chain participant would not be considered eligible.

The RJC will establish a formal and transparent process of review, including public comment periods, to judge equivalency.

8. Examples of different jewellery supply chains – how might this work?

In RJC's Discussion Paper 1 on chain-of-custody², hypothetical example supply chains highlighted the range of operators who might form the supply chains for products in different price points. These examples illustrated that the products of multiple supply chains (metals and precious stones) can be combined and transformed into a highly diversified product (a jewellery item for consumer sale).

In Tables 3 and 4 below, two of these example supply chains are re-examined to highlight the potential process for issuing Statements of Provenance that can be included with each business' normal material sale and transfer documentation.

The first example in Table 3 shows a high-value, low-volume jewellery product that might be supplied to an independent retailer. An item of this nature is likely to have a relatively high level of emotional value to the consumer, which may reinforce the consumer's interest in assurance of responsible practices in the supply chain.

² http://www.responsiblejewellery.com/downloads/RJC_Chain_of_custody_discn_paper_19_04_2010.pdf
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Table 3. The story of a diamond ring: 18 K gold, 10 side stones, 1+ ct centre stone, approx. US\$10,200.

Diamonds			Metals		
Centre stone 1+ ct	10 side stones, mixed sources		Gold	Platinum	
SoP's for Eligible Material, issued by Producer					
<i>Mined by Hanrahan Inc.</i>	<i>Mined by Red Earth Diamonds</i>	<i>Maple Diamonds, Syrup Mine.</i>	<i>Mined by Global Co., North Mine</i>	Previously mined (pre-CoC).	<i>Mined by PT Inc.</i>
SoP's for Tracked Material					
Issued by rough traders / manufacturers			Issued by Refiners		
Hanrahan Client sells unmixed parcel to TA Diamond in Israel: <i>Mined by Hanrahan Inc.</i>	Rough dealer sells split to Coyote Diamonds, Antwerp / Mumbai: <i>Mined by Red Earth Diamonds</i>	Rough dealer splits and mixes Parcels, sells to XYZ Co., Antwerp / Armenia: <i>Mined in Canada</i>	Grand Refinery produces Marked gold bullion in 2008. No SoP applies.	In-house Refiner mixes mine concentrates with recycled platinum from Know Your Customer sources, produces Marked platinum bullion. <i>Refined by PT Inc., South Africa: 74% mined by PT Inc., 26% recycled.</i>	
SoP's for Tracked Diamonds, issued by cutters and polishers			SoP or equivalent for Tracked Bullion		
Diamond sold to a polished wholesaler in New York, who consigns it to a retailer, with RJC Certified Product Label. SoP issued by wholesaler: <i>Mined by Hanrahan Inc. Cut and polished in Israel.</i>	<i>Mined by Red Earth, cut and polished in India</i>	<i>Mined in Canada, Cut and polished in Armenia</i>	Gold sourced by Coyote Diamonds Inc. from bullion bank. <i>Marked bullion serial number provides Record of Provenance including date.</i>	Platinum sourced directly from PT Inc. <i>Refined by PT Inc., South Africa: 74% mined by PT Inc., 26% recycled.</i>	
	Side stones sourced by Coyote Diamonds Inc. in-house and from XYZ Co. Coyote Diamonds Inc.: - casts ring, sets side stones and prongs in accordance with retailer's standing order; - verifies SoP for gold bullion with Refiner/s; - applies the RJC Certified Product Label.				
SOP issued by Coyote Diamonds Inc. for Jewellery Product containing Tracked Material when sold to retailer:					
<i>Mixed diamonds mined by RJC Members, cut and polished in India and Armenia. Gold, Grand Refinery, 2008. Platinum 74% mined, 26% recycled, PT Inc., South Africa. Manufactured in Thailand.</i>					
Retailer: - includes RJC Certified Product Labels in product display materials; - mounts centre stone on ring according to customer's selection for final sale; - includes centre stone RJC Certified Product Label with final product.					

The centre stone and the gold can be traced to the Producer or Refiner, and a portion of the platinum can be traced to the Producer and a portion to Recycled sources. These components reflect a Track-and-Trace model, although it traces only to the Producer (or Refiner for Recycled), and not to the mine of origin. The side stones cannot be traced to a particular Producer due to

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mixing and changes to the Statements of Provenance, but can be traced to a group of Producers, and reflects a Bulk-Commodity model.³

The ring component could be relatively challenging to manage for Chain-of-Custody purposes, as it would be a lower volume item requiring Tracked Material from multiple sources. On the other hand the supply of the centre stone would much more straightforward, as a single high value item that would justify being tracked individually, or “stone by stone”. Since the retailer is involved in making of the final product, they would need to be CoC Certified. Because the diamond and the ring would be sourced separately and brought together at the time of final sale to the consumer, it is possible that the consumer could see two labels, one for each item, if the retailer wished to use on-product labelling.

Table 4. The story of a necklace: 10 K white gold, diamonds. US\$249

Diamonds			Metals
57 diamonds, mixed sources, average .004 ct.			10 K Gold
SoP's for Eligible Material, Issued by Producer, all RJC Members			
Red Earth, Australia: <i>Mined by Red Earth Diamonds</i>	Hanrahan, Botswana and South Africa: <i>Mined by Hanrahan Inc.</i>	Global Co., Canada: <i>Mined by Global Co.</i>	AU Mining Co.: <i>Mined by AU Mining Co.</i>
SoP's for Tracked Material, all RJC Members			
Issued by rough traders / manufacturers			Issued by Refiners
Red Earth client, AB Co., buys from DTC client, mixes parcels, cuts and polishes at own factory in India.	Hanrahan client sells rough split to AB Co.: <i>Mined by Hanrahan Inc.</i>	Global Co. Client polishes split in China, sells polished to AB Co.: <i>Mined by Global Co., cut and polished in China</i>	Grand Refinery produces Marked gold bullion. Retailer buys gold bullion from Producer directly, as a preferred supplier.
SoP's for Tracked Diamonds, issued by AB Co.			<i>Mined by AU Mining Co.</i>
<i>Mined by RJC Members Cut and polished in India and China</i>			
AB Co. sources diamonds in-house and from Global Co. client, and consigns to a related company for jewellery manufacturing. Retailer supplies bullion to an alloyer, supplies 10 K gold to AB Co. with SoP. AB Co. casts pendants, sets stones, manufactures chains, and adds chain clasps (Minor Components) from non-certified supplier. AB Co. ships product batch to retailer with the RJC Certified Product Label applied.			
SoP issued by AB Co. to Retailer for Jewellery Products containing Tracked Material:			
<i>Diamonds mined, cut and polished by RJC Members. Gold mined by AU Mining Co. May contain Minor Components (less than 5% of the value) that have not been CoC tracked. Manufactured by AB Co.</i>			
Retailer: - includes RJC Certified Product Label in product display materials for pendant and chain.			

³ For more information on the Track-and-Trace and Bulk-Commodity models see:

http://www.responsiblejewellery.com/downloads/RJC_Chain_of_custody_discn_paper_19_04_2010.pdf
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The second example in Table 4 shows a high-volume, lower-cost product which could be carried by many larger retailers. Purchasers of a product of this nature would be relatively price-driven. The assurance provided by the RJC Certified Products label could attract the consumer to this item compared to a similar item that did not carry the label, particularly if it were purchased as a gift. In addition, the retailer may be interested in carrying high-volume items which use the label, and to use the logo for promotional purposes, as a means to protect and enhance its reputation.

The supply chain shown in Table 4 reflects the Bulk-Commodity model, where the tracked material would have to have come from an identifiable, “ring fenced” supply chain, but could not be individually traced to origin. Since the product is securely labelled by the manufacturer in this example, the retailer would not need to be CoC Certified. This example would lend itself to centralised supply chains that utilise only a few high-volume suppliers.

More generally, the attractiveness of chain-of-custody processes and the ability of businesses to implement them will vary considerably. It will depend on the nature of the individual business’ market, supply chain and capacity to implement systems for physical segregation of tracked material. The proposed RJC standard is voluntary, and businesses will have to make their own decisions on the value of implementing chain-of-custody systems for some or all of their products.

9. Timetable for Standard Development

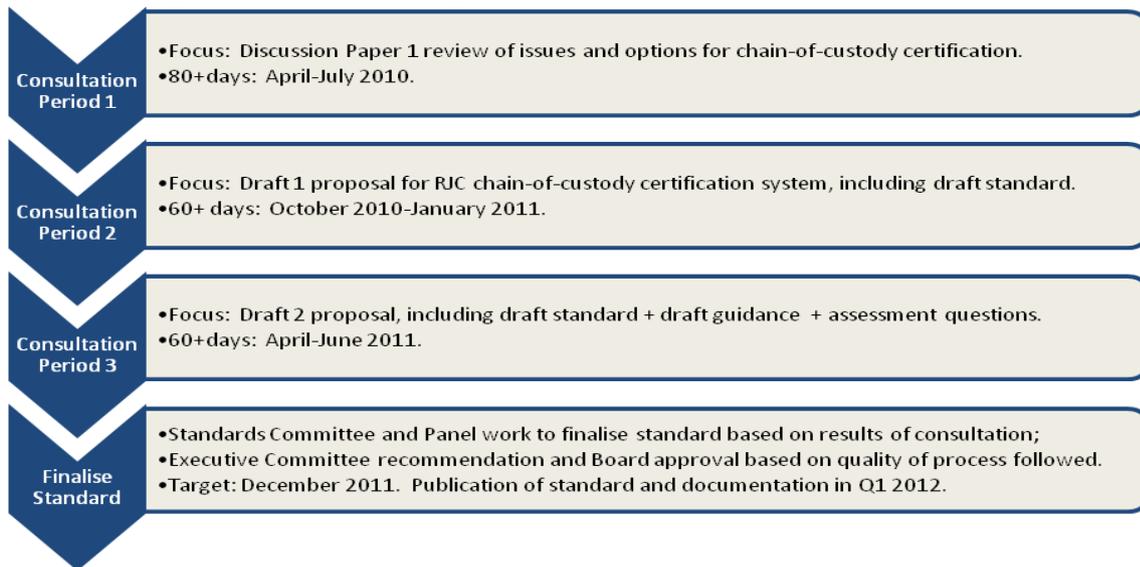
RJC’s multi-stakeholder standards development process is overseen by the RJC Standards Committee, in consultation with the RJC Consultative Panel, and supported by a series of public comment periods. The RJC aims to conduct standards development in conformance with the ISEAL Code of Good Practice for Setting Social and Environmental Standards (P005_2010). More information on RJC’s standards development process can be found at:

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

Figure 1 (overleaf) summarises RJC’s proposed steps for the Chain-of-Custody work. Following each consultation period, a synopsis of comments received and how they were addressed in the subsequent draft/s will be published on the RJC website.

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Figure 1 - Proposed standard development schedule



The intervening work will be conducted by the RJC Management Team, supported via teleconferences and web-based meetings with the Standards Committee and Consultative Panel. Face to face workshops and meetings can be convened as travel schedules permit.

10. Comment welcome

Feedback is warmly invited from RJC Members and stakeholders on the proposed RJC Chain-of-Custody Certification System. Issues for consideration include:

- Does it meet your expectations?
- Could it work for your business?
- Are there existing or developing initiatives that should be taken into account?
- What might be some of the barriers to implementation?
- What might be some of the unintended consequences?
- Are there any gaps or weaknesses?
- What are examples of best practice for chain-of-custody, product tracking, and physical segregation of material through the jewellery supply chain?

The RJC looks forward to your feedback. Please direct inquiries and correspondence to the contact details provided on page 1 of this paper.

The public comment period for this paper will formally close 31 January 2011.

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Appendix 1. RJC Chain-of-Custody Standard – Draft 1

About this Standard

This Standard is intended to be used on a global basis by RJC Accredited Auditors, to undertake verification of Entities in the jewellery supply chain seeking certification of management systems for the Chain-of-Custody of Diamonds, Gold and/or Platinum Metals with defined Provenance. To create a Chain-of-Custody under this Standard, Eligible and/or Tracked Material must be sold or transferred between CoC Certified Entities. Entities must also be RJC Members, or participate in equivalent systems for certification of responsible business practices.

This draft, or “strawman”, Chain-of-Custody Standard has been developed to initiate and facilitate detailed discussion about the Standard’s proposed provisions and its implementation. Feedback and comments are welcome.

Introduction [to be drafted as per RJC Code of Practices, 2009]

- **Background**
- **Purpose**
- **Scope**
- **Standards Development**
- **Application**
- **Supporting documents**
- **Review**

All capitalised common terms and acronyms are defined in the Glossary at the end of this document.

STANDARD – Draft 1

1. Management System and Responsibilities

- 1.1 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.
- 1.2 The Entity shall have a Management System/s which addresses all applicable requirements of the Standard, in all Facilities which have Custody of Eligible and/or Tracked Material.
- 1.3 The Entity shall establish and implement training measures required for the implementation of the Management System/s.
- 1.4 The Entity shall maintain an up-to-date register of the identity, certification numbers and certification scope of the CoC Certified Entities from/to whom they receive/transfer Custody of Eligible and/or Tracked Material.

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2. Record-keeping

- 2.1 The Entity shall maintain complete and up-to-date records covering all applicable requirements of this Standard.
- 2.2 Retention time for all records and reports, including Statements of Provenance, sales and transfer documentation, training records, and production records, shall be specified by the Entity and shall be at least five (5) years.
- 2.3 The Entity shall have systems in place to enable it to respond in a timely manner to reasonable requests for verification of Statements of Provenance on Eligible and Tracked Material that the Entity previously sold or transferred.
- 2.4 If the Entity started a Chain-of-Custody with Eligible Gold or Platinum Metals Bullion, it shall have records and systems in place to link the serial numbers on the Eligible Gold or Platinum Metals Bullion with any subsequent Statement/s of Provenance issued by the Entity.

3. Material Control Systems

NOTE: Eligible and/or Tracked Material must be physically segregated from non-Eligible and/or non-Tracked Material to prevent any mixing during all processing and handling stages. Internal control systems to ensure segregation may include physically separate processing areas, temporally separated batch processing, sealed containers during transit, product identification, etc., as appropriate to each stage of the supply chain.

- 3.1 Each part of the Entity's operation where there is an opportunity for Eligible and/or Tracked Material to become mixed with non-Eligible and/or non-Tracked Material shall be identified and controls put in place to ensure segregation. Control points may apply though not restricted to receiving, storage, processing, inventory databases, invoicing and shipping.
- 3.2 Each part of the Entity's operation where there is an opportunity for Eligible and/or Tracked Material to be mixed with other Eligible and/or Tracked Material with different Statements of Provenance shall be identified and controls put in place to prevent any mixing, unless such mixing is deliberate.
- 3.3 If Eligible and/or Tracked Material with different Statements of Provenance are deliberately mixed, the Entity's internal systems shall be able to record the proportions used, the nature of the Eligible and/or Tracked Material created, and demonstrate the reconciliation between the Materials used and the Materials created.
- 3.4 The Entity's internal systems shall be able to reconcile the total weight of Eligible and/or Tracked 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 Tracked Material, reconciliation may be by item rather than weight.

4. Material Transfer Documentation

- 4.1 The Entity shall ensure that any Statement of Provenance it issues is a truthful, clear and accurate description of the Provenance of the Eligible and/or Tracked Material.

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- 4.2 The Entity supplying Eligible and/or Tracked Material shall ensure that the Material sale or transfer documentation for the receiving Entity includes for each item/s the following information:
- a. The Statement/s of Provenance issued by the Entity for the Tracked Material;
 - b. The identity and certification numbers of the CoC Certified Entities who are party to the transaction;
 - c. The weight or quantities of the item/s of Eligible or Tracked Material;
 - d. The physical form of the Eligible or Tracked Material when transacted;
 - e. A unique identification number for the transfer;
 - f. The date of transaction;
 - g. The responsible employee of the Entity who can verify the Statement of Provenance, if required;
 - h. If separate Transport Documentation is issued, information sufficient to link the Material sale or transfer documentation and related Transport Documentation to each other if a copy of the above information is not included.
- 4.3 When Tracked Material is transferred from one Entity to another and then returned to the same Entity with no change of ownership, the Entities shall ensure that the description used in the Statement of Provenance in the initial transfer is included in the Statement of Provenance for the return of the Material.
- 4.4 The Entity, when selling or transferring both Tracked and non-Tracked Material in the same transaction, shall ensure that the Statement of Provenance applies only to Tracked Material.
- 4.5 The Entity may sell or transfer Tracked Material to a CoC Certified Entity or Facility without a Statement of Provenance, but such material shall no longer be Tracked Material under this Standard.
- 4.6 The Entity may sell or transfer Tracked Material to a non-CoC Certified Entity or Facility, with or without a Statement of Provenance, but such material shall no longer be Tracked Material under this Standard, unless the non-CoC Certified Entity is exempted.

NOTE: To create a Chain-of-Custody under this Standard, Eligible and/or Tracked Material must be sold or transferred between CoC Certified Entities. However companies that do not physically change Tracked Material and/or maintain segregation as part of their business model, and do not issue or update Statements of Provenance, would not need to be CoC certified and are exempted:

- a. Retailers who purchase already labelled products to sell to end consumers.
- b. Bullion banks storing or delivering Marked Bullion for, or to, their customers.
- c. Service industries, such as grading labs, assayers, and transportation companies, who maintain segregation of Tracked Material on behalf of their clients as an essential part of their service.
- d. Outsourcing contractors who carry out manufacturing or processing on Tracked Material, on a flexible basis, under the Management System of the Entity seeking certification, as per provision 12 of this Standard.

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NOTE: CoC Certified Entities could establish systems that conform with the requirements of Section 4, irrespective of the number of CoC Certified Entities with which they deal at the time of the audit. For example, the Entity’s system for issuing Material sale or transfer documentation could require the information in provision 4.2 as a pre-requisite for including the relevant Statements of Provenance.

5. First Statements of Provenance for Eligible Material

5.1 The first Statement of Provenance describes the starting point for the Chain-of-Custody of Eligible Material, and shall be issued as follows:

- a. A Producer shall issue the first Statement/s of Provenance for Eligible Material they produce.
- b. A Refiner shall issue the first Statement/s of Provenance for Eligible Recycled Gold or Platinum Metals they refine.
- c. An Entity initiating a Chain-of-Custody with Eligible Gold or Platinum Metals Bullion shall issue the first Statement/s of Provenance for that Material.

5.2 The Entity issuing a first Statement of Provenance shall identify the Eligible Material as being supplied from one or more of the following:

Provenance	Statement of Provenance Examples
a. A single mine, controlled by a CoC Certified Producer;	<i>‘Yellow’ Gold Mine, XYZ Mining Inc.</i>
b. A single CoC Certified Producer, which controls one or more mines or diamond laboratories;	<i>Mined by XYZ Mining Inc. Diamonds created by ABC Diamond Laboratories.</i>
c. A single country, from one or more mines or diamond laboratories controlled by one or more CoC Certified Producers;	<i>Canada.</i>
d. A group of countries, from one or more mines or diamond laboratories controlled by one or more CoC Certified Producers;	<i>Mined in Namibia, South Africa and/or Lesotho.</i>
e. A type of production, from one or more mines or diamond laboratories controlled by one or more CoC Certified Producers;	<i>RJC Certified Member producers. Fairtrade/Fairmined artisanal gold. Laboratory-grown diamonds.</i>
f. 100% Recycled Gold or Platinum Metals from “know your customer” sources;	<i>100% Recycled Gold.</i>
g. Gold or Platinum Metals Bullion minted before 1 January 2011;	<i>LBMA Good Delivery bar from Acme Refiner, 1996.</i>
h. Gold or Platinum Metals of mixed sources, with assigned percentages from Recycled and/or Mined and/or Bullion.	<i>Gold 40% mined in USA, 30% recycled and 20% gold bullion minted before 1 January 2011.</i>

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6. Subsequent Statements of Provenance for Tracked Material

NOTE: Eligible Material with a Statement of Provenance transferred between two or more Chain-of-Custody Certified Entities and/or the final consumer becomes Tracked Material. Diamonds, Gold and/or Platinum Metals with different Statements of Provenance can be mixed or combined, as long as the resulting, aggregated Statement of Provenance remains a truthful, clear and accurate description of where the supply chain started or could have started, and is supported by appropriate records. This would enable each downstream business to determine the Statements of Provenance most appropriate for their markets, while maintaining segregation from material of unknown provenance.

- 6.1 The Entity shall ensure that any subsequent Statement of Provenance it issues for Tracked Material includes information that repeats, or is a reasonable and logical result of, the descriptions provided in the applicable supplied Statements of Provenance. Information that is based on inference or speculation must not be included in a Statement of Provenance.
- 6.2 The subsequent Statement of Provenance shall identify the Tracked Material as being supplied from one or more of the descriptions outlined in provision 5.1 of this Standard.
- 6.3 If the Entity processes or manufactures the Tracked Material, the subsequent Statement of Provenance shall also include a description of the Entity, country, or grouping thereof where the activity was carried out.

7. On-Product Labelling

- 7.1 The RJC Certified Product Label shall be used when any On-product representations are made to the final consumer about Diamonds, Gold and/or Platinum Metals being Tracked Material under this Standard.
- 7.2 The Entity, when using the RJC Certified Product Label, shall do so only if the Jewellery Product contains Tracked Material in accordance with this Standard. The Label shall not apply to Diamonds, Gold or Platinum Metals that is not Tracked Material, unless such material is a Minor Component as described in provision 13 of this Standard.
- 7.3 The Entity, when using the RJC Certified Product Label, shall do so in compliance with the policies and rules for use of the RJC Certified Product Label established by the RJC from time to time.
- 7.4 The Entity, when using the RJC Certified Product Label, shall include on the Label the Entity's CoC certification number, and a unique identification number or other means to link the Jewellery Product to the last Statement/s of Provenance for the Tracked Materials it contains.
- 7.5 The Entity, when using the RJC Certified Product Label, shall accompany the Label with the RJC's approved general statement of assurance as a minimum. More specific information from the Statement/s of Provenance for the Jewellery Product may also be provided.

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8. Producers: Supplementary Requirements

8.1 A Producer shall have systems to ensure that all of the Eligible Material they sell is sourced from mining operations or diamond production laboratories that are under their control, or in which they hold a legal interest and are under the control of another Chain-of-Custody certified Producer.

9. Refiners and Alloyers: Supplementary Requirements

9.1 A Refiner/Alloyer shall only accept Eligible Recycled Gold and/or Platinum Metals in accordance with Know Your Customer principles to establish the identity of all organisations with which they deal, so as to avoid sourcing from Illegitimate Sources.

9.2 A Refiner/Alloyer shall have records and systems in place for the verification of Records of Provenance for their Marks on Eligible Gold and/or Platinum Metals Bullion.

10. Diamond Trading, Cutting and Polishing: Supplementary Requirements

10.1 A Diamond Trader, or Diamond Cutter and Polisher shall ensure that all Parcels of Tracked Diamonds have a weight, and a unique identification number that is linked to a Statement of Provenance issued by the Entity who supplied the Tracked Diamonds.

10.2 A Diamond Trader, or Diamond Cutter and Polisher shall have systems in place to:

- a. Track and reconcile the weight of Parcels of Tracked Diamonds through each stage of production; and
- b. Securely record and reconcile all Parcels of Tracked Diamonds held in inventory or being processed by weight, update wherever there is a physical change, and identify any irregularities.

11. Manufacturing: Supplementary Requirements

11.1 A Manufacturer, when producing a Jewellery Product containing two or more of Tracked Diamonds, Tracked Gold or Tracked Platinum Metals, shall have systems in place to reconcile all Tracked Material used with the Statements of Provenance issued by the suppliers of the Tracked Material.

12. Outsourcing: Supplementary Requirements

NOTE: An Entity may outsource processing or manufacturing of Tracked Material on a flexible basis to any one of a number of potential contractors providing the following requirements are met.

12.1 An Entity shall have, and not relinquish, legal ownership of any Tracked Material to be included in outsourced processes.

12.2 The Entity's Management System shall include explicit procedures for the outsourced process which are shared with the relevant contractor/s, and which ensure that:

- a. Tracked Material can be tracked and controlled and cannot be mixed or contaminated with any other material during outsourced processing;

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- b. The contractor keeps records of inputs, outputs and transfer documentation associated with the processing or manufacturing of the Entity's Tracked Material.

12.3 The Entity shall ensure that contractors do not themselves outsource any processing of Tracked Material to any other contractor.

13. Minor Components: Supplementary Requirements

NOTE: An Entity may specify Minor Components in a Jewellery Product as exempt from the requirements for Chain-of-Custody control and labelling for Diamonds and/or Gold and/or Platinum Metals.

NOTE: Materials other than Diamonds and/or Gold and/or Platinum Metals used in a jewellery product do not need to be tracked under this Standard. There is no minimum percentage of Diamonds and/or Gold and/or Platinum Metals required relative to other materials used in a jewellery product.

13.1 The Entity shall have systems in place to demonstrate that the quantity of Diamonds and/or Gold and/or Platinum Metals contained in Minor Components which have been identified as exempt from requirements for Chain-of-Custody control and labelling comprises less than 5% of the value of the Jewellery Product.

13.2 The Entity, when using the RJC Certified Product Label, shall provide an On-product statement indicating that the Jewellery Product may contain Minor Components that are not covered by RJC Chain-of-Custody claims.

Glossary

Alloyer: An Entity engaged in manufacturing alloys of Gold and/or Platinum Metals to defined specifications of purity, colour, hardness and chemical specification.

Chain-of-custody (CoC): The documented sequence of Custody that occurs when Eligible or Tracked Material is transferred from one Facility and/or Entity to another along the supply chain.

Chain-of-Custody (CoC) Certified Entity: An Entity that conforms with the applicable parts of the RJC Chain-of-Custody (CoC) Standard, as verified by an RJC accredited auditor.

Custody: The physical possession of Eligible or Tracked Material by an Entity for the purposes of producing, processing, trading, manufacturing, packaging, labelling or retailing.

Diamond/Laboratory-grown diamond: A natural mineral, or any object or product that has been either partially or wholly crystallised or re-crystallised due to human intervention, consisting essentially of pure carbon crystallised with a cubic structure in the isometric system. Its hardness in the Mohs scale is 10; its specific gravity is approximately 3.52; it has a refractive index of 2.42 and it can occur in many colours. For simplicity, this document uses the term Diamond to refer to both natural (mined) and laboratory-grown diamonds.

Diamond Cutter and Polisher: An Entity that cuts and polishes rough Diamonds to produce polished Diamonds.

Diamond Trader: An Entity that trades rough and/or polished Diamonds.

Eligible Material: Diamonds, Gold, and/or Platinum Metals, that is eligible to become Tracked Material under the RJC Chain-of-Custody standard. Consists of one or more of the following:

- **Eligible Diamonds.** Rough Diamonds for which a Statement of Provenance can be issued by a CoC Certified Producer.
- **Eligible Mined Gold.** Mined Gold, in the form of unrefined Gold concentrate, impure alloy of Gold (doré), or refined Gold, for which a Statement of Provenance can be issued by a CoC Certified Producer.
- **Eligible Gold Bullion.** Refined Gold minted before 1 January 2011, in the form of bars, ingots or coins, bearing the Mark of a CoC Certified Refiner or Mint, or London Bullion Market Association (LBMA) London Good Delivery Identification, and supported by a Record of Provenance.
- **Eligible Recycled Gold.** Scrap and post-consumer Gold sourced in accordance with “know your customer” principles and refined by a CoC Certified Refiner, for which a Statement of Provenance can be issued by the Refiner.

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- **Eligible Mined Platinum Metals.** Mined Platinum Metals, in the form of unrefined concentrate, impure alloys or refined metal, for which a Statement of Provenance can be issued by a CoC Certified Producer.
- **Eligible Platinum Metals Bullion.** Refined Platinum Metals minted before 1 January 2011, in the form of bars, ingots, coins or plates bearing the Mark of a CoC Certified Refiner or Mint, and supported by a Record of Provenance.
- **Eligible Recycled Platinum Metals.** Scrap and post-consumer Platinum Metals sourced in accordance with “know your customer” principles and refined by a CoC Certified Refiner, with a Statement of Provenance issued by the Refiner.

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

Facility: Premises with Custody of Eligible or Tracked Material.

Gold: A rare yellow metallic element with the chemical symbol ‘Au’. It is a mineral with specific hardness of 2.5-3 on the Mohs scale of hardness and the atomic number 79.

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

Jewellery Product: Semi-finished or finished jewellery or components, containing Tracked Material.

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.

Label: RJC Certified Products Label.

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.

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.

Manufacturer: An Entity that manufactures semi-finished or finished jewellery or components.

Mark: A stamped impression on the surface of a Gold or Platinum Metals bar that indicates the Refiner or Mint, serial number, and purity of metal content. The year the bar was manufactured must appear with the Mark, or be verifiable in a Record of Provenance via the serial number.

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

Mint: An Entity engaged in manufacturing Gold and/or Platinum Metal bars, ingots or coins.

Minor Components: Components containing Diamonds, Gold and/or Platinum Metals which cannot be positively identified as Tracked Material and constituting less than 5% of the value of a Jewellery Product. Minor Components can be exempted from the requirements for Chain-of-Custody control as specified by this Standard.

On-product: Term applied to any label, packaging or marking attached or applied to a product. Examples of on-product labels include product tags, Marks, hallmarks, engravings, laser inscriptions, information on retail packaging, transit packaging and/or associated sales documentation.

Parcel: One or more Diamonds physically grouped together in a single package with a unique identification.

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

- **Rhodium:** chemical symbol 'Rh', Mohs hardness 6, atomic number 45;
- **Palladium:** chemical symbol 'Pd', Mohs hardness 5, atomic number 46;
- **Platinum:** chemical symbol 'Pt', Mohs hardness 4-4.5, atomic number 78.

Producer: An Entity which sells Eligible Material produced from one or more mines or diamond production laboratories, at the point of its initial entry into a Chain-of-Custody.

Provenance: Where the Chain-of-Custody for Eligible Material or Tracked Material specifically or collectively started, and the specific or collective path that was followed through the supply chain.

Record of Provenance: Reliable record supporting a Mark on Eligible Bullion that allows verification of its Refiner and date of manufacture.

Refiner: An Entity engaged in separating and purifying Gold and/or Platinum Metals to defined specifications.

Retailer: An Entity that sells Jewellery Products to the final consumer.

RJC: Responsible Jewellery Council.

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

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Statement of Provenance: The statement issued by a CoC Certified Entity that is a meaningful, truthful, and accurate description of the Provenance of the Eligible or Tracked Material being sold, based on information available to the CoC Entity issuing the statement.

Tracked Material (Tracked Diamonds, Tracked Gold and/or Tracked Platinum Metals): Eligible Material that has been transferred with a Statement of Provenance between two or more CoC Certified Entities and/or to the final consumer.

Transport Documentation: Covers all types of delivery, both international shipping documents and local delivery notes.

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