



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

### **Discussion Paper 3 + Draft RJC CoC Standard (version 2)**

**Comment period – Friday 24 June to Monday 22 August, 2011.**

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#### **Comment welcome:**

Feedback is warmly invited from RJC Members and stakeholders on RJC's proposed Chain-of-Custody Certification. Please contact us at:

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Also see the companion document *RJC Chain-of-Custody draft Certification Handbook + Standards Guidance*. See [www.responsiblejewellery.com/chain-of-custody.html](http://www.responsiblejewellery.com/chain-of-custody.html)

## PART 1 – INTRODUCTION AND BACKGROUND

### 1. Purpose and Summary

The purpose of this paper is to seek feedback in a third and final comment period on the RJC's proposed Chain-of-Custody Certification for diamonds, gold and platinum metals. This paper responds to the second round of consultation on the proposed Standard held during September 2010-February 2011. This third paper in the series includes:

- a second draft of a Chain-of-Custody Standard;
- a draft Certification Handbook; and
- a draft Chain-of-Custody Standard Guidance, thereby providing the core elements of a comprehensive Chain-of-Custody Certification system.

The RJC again welcomes input on how the proposal could be further improved and is providing a 60 day public comment period for stakeholder review of this paper. The RJC hopes to launch Chain-of-Custody Certification in early 2012.

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 (CoC) Certification system aims to enable businesses to demonstrate rigorous assurance for responsible, conflict-free supply chains for diamonds, gold and platinum group metals. Businesses wishing to become RJC CoC Certified would be audited by RJC-accredited, independent, third party auditors.

RJC Member Certification, launched in 2009, provides assurance about responsible business practices at the level of the business. The new RJC CoC Certification would be against a separate standard that would also be applied at the level of the business or specific parts of the business, and would cover the transfers of responsibly-sourced diamond, gold and platinum metals to other businesses. RJC Member Certification, combined with RJC CoC Certification, would thereby enable claims to be made about responsible supply chains.

The current draft of the RJC CoC Standard in this paper has been revised to more directly address the proposed rules for implementation of Section 1502 of the United States' Dodd-Frank Wall Street Reform and Consumer Protection Act. While for Certification purposes the CoC Standard requires RJC Membership, the published Standard could also be used by non-RJC Members as tools for establishing robust chain-of-custody systems for disclosure or reporting purposes.

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Table 1 – RJC Chain-of-Custody Certification Overview – Proposed Key Elements

Element	Proposed coverage
<b>Who can seek Chain-of-Custody (CoC) Certification</b>	<ul style="list-style-type: none"> <li>• CoC Certification would be voluntary, and open to RJC Members: <ul style="list-style-type: none"> <li>○ RJC Certified Members for responsible business practices, or</li> <li>○ Businesses that join the RJC and commit to achieve RJC Member Certification for responsible business practices within the set time period (2 years from joining).</li> </ul> </li> </ul>
<b>What Eligible Materials are included in the CoC Standard</b>	<p>Diamonds, Gold and Platinum Metals that are one of the following:</p> <ul style="list-style-type: none"> <li>• Mined: produced under responsible mining practices, as defined by the RJC Code of Practices or a comparable standard recognised by the RJC, and conflict-free as demonstrated by Due Diligence.</li> <li>• Recycled: from Recyclable materials sourced from suppliers screened according to Know Your Customer requirements to avoid illegitimate sources.</li> <li>• Grandfathered: historical stocks with records that demonstrate they were produced before a set date.</li> <li>• Mix of Mined, Recycled and/or Grandfathered: to accommodate bulk-commodity chain-of-custody models.</li> <li>• Laboratory-Grown diamonds: Synthetic diamonds produced by a research or manufacturing facility.</li> </ul> <p><b>Note:</b> RJC Code of Practices is to be reviewed in 2012 to include Platinum Metals Silver is to be considered for inclusion within the RJC Scope in 2013. Materials currently outside the RJC's scope, such as other metals in alloys, plating or coatings, leather, or other precious stones, would not be covered under the Standard.</p>
<b>Chain-of-Custody Models supported by Standard<sup>1</sup></b>	<ul style="list-style-type: none"> <li>• Track and Trace (tracing material to origin).</li> <li>• Bulk Commodity (allows eligible material to be mixed but prevents mixing of eligible with non-eligible material).</li> </ul>
<b>Audit process</b>	<ul style="list-style-type: none"> <li>• Certification audit: for business seeking CoC Certification, to verify that the business has systems in place to source CoC Materials and/or supply them to other participants in the jewellery supply chain.</li> <li>• Surveillance audit: conducted within 8-12 months following the Certification audit, to verify that the business' systems are working effectively and verify corrections for any minor non-conformances.</li> <li>• Re-certification required after 3 years from Certification audit.</li> </ul>
<b>Claims supported by CoC Certification</b>	<ul style="list-style-type: none"> <li>• <u>RJC Chain-of-Custody Certified Member/Entity</u>: CoC Certified Business has verified systems in place for custody and/or supply of responsibly sourced Jewellery Materials.</li> <li>• <u>RJC Chain-of-Custody Material</u>: Material comes from responsible sources in accordance with the RJC CoC Standard.</li> <li>• <u>RJC Conflict-Free Gold Refiner</u>: Refiner has elected to certify that it has systems in place to source gold only from Conflict-Free sources.</li> </ul>

<sup>1</sup> See RJC CoC Discussion Paper 1 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](http://www.responsiblejewellery.com/downloads/RJC_Chain_of_custody_discn_paper_19_04_2010.pdf)

## 2. Background

### a) RJC Membership and Member Certification

Responsible business practices are fundamental to the RJC's mission, and all Commercial Members of the RJC are required to achieve certification within two years. RJC Member 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.

### b) Proposal for RJC Chain-of-Custody Certification

The RJC is proposing an additional certification standard for Chain-of-Custody, with the aim to support businesses wishing to make claims about material provenance and responsible practices in their jewellery supply chains. While RJC Member Certification is compulsory for RJC Members, CoC Certification would be optional because of the need for compliance with [anti-trust](#) laws. RJC CoC Certification would be based on independent, third party verification of a business' chain-of-custody systems for materials from eligible sources, as defined in the CoC standard. The RJC aims for its CoC initiative to work wherever possible in harmony with other mechanisms for encouraging responsible supply chains. RJC continues to engage with a variety of initiatives, including OECD Due Diligence Guidance Gold Supplement, EICC-GeSi Smelter Validation program, World Gold Council, Fairtrade/Fairmined Gold, and the Diamond Development Initiative, providing opportunities for alignment and mutual support.

### c) Process for Development of the Chain-of-Custody System

This discussion paper forms part of a multi-stakeholder standards development process, which offers multiple rounds of public comment opportunities. Visit <http://www.responsiblejewellery.com/chain-of-custody.html> for background on the process so far, including drafts and reports on each stage.

**Table 2 – Timeline for Development of the CoC Standard**

Date	RJC Process
April 2010	Discussion Paper 1 – 3 month public comment period
May 2010	Stakeholder Workshop - London
July 2010	Comments report – Stage 1
September 2010	Discussion Paper 2 – 4 month public comment period
January 2011	Stakeholder Roundtables – Europe and USA, 185 participants
February 2011	Comments report – Stage 2
June - August 2011	Discussion Paper 3 - 2 month public comment period
December 2011	Finalise CoC Standard and associated documents; internal and Board approvals.
February 2012	Documentation layout and publication.

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### 3. How has this draft standard changed from the previous draft?

The second draft of the CoC Standard contains many changes from the initial draft. The second draft provides, in general, a narrower and more prescriptive approach to the transfer of custody of defined types of eligible materials. The Standard no longer proposes certifying RJC ‘branded’ products at the consumer level, and allows less flexibility in describing the provenance of eligible materials. A number of other changes have been made to reflect the results of feedback, to improve clarity, and to harmonise with external developments such as the US Securities and Exchange Commission (SEC) proposed rules implementing the “conflict minerals” provision of the Dodd-Frank Act.

The main changes, which have again been legally reviewed for any anti-competition law issues, are:

- **Term for materials covered by Chain-of-Custody:** The term “Tracked Material” has been changed to “CoC Material”, to convey a direct and specific relationship to the CoC Standard.
- **Mechanism for transferring Custody of Materials and describing the Provenance of Materials:** The “Statements of Provenance” mechanism has been replaced with “CoC Transfer Documents”. This change involves a more prescriptive approach to documenting the transfer of custody of materials and restricts the ability to introduce new information to describe the provenance of CoC Material. CoC Material may only be created through a formal Declaration of Eligible Material made on a CoC Transfer Document by a CoC Certified Entity.
- **Standard is not certifying products, allowing removal of Minor components requirements:** The previous draft Standard included provisions that implied RJC certified and branded jewellery products. The revised draft Standard re-focuses on certifying **systems** for chain-of-custody of Eligible Material, which simplifies the Standard by no longer needing rules to address ‘minor components’ in products. The proposed Standard nevertheless does address claims about CoC Materials made to customers and consumers, and the use of the RJC logo to communicate CoC Certification.
- **Tighter provisions on outsourcing.** Any Outsourcing Contractors that are not themselves CoC Certified must be included in the Certification Scope of the company seeking CoC Certification, and be audited for compliance with the provision on Internal Material Controls.
- **Additional controls to prevent conflict sources to meet proposed SEC Rules for Section 1502 of the US Dodd-Frank Act:** The draft Standard now requires that mining companies identify the country or origin in their CoC Transfer Documents, and conduct due diligence to determine if mined materials come from or are transported through Conflict-Affected Areas. If mining or transportation is in Conflict-Affected Areas, the due diligence must determine that the production and transportation of the Material did not directly or indirectly benefit Illegal Armed Groups. For recycled materials, checks and monitoring of suppliers would be carried out for possible links to conflict sources or money laundering. The draft CoC

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Standard will be further reviewed when the final SEC rules are published, expected to be August-December 2011.

- **Requirements for Responsible Practices:** The proposed Standard requires that businesses seeking certification must be Members of the RJC even if they have not yet been certified against the Code of Practices. This allows companies who have recently joined the RJC to become CoC Certified at an earlier point in time. In addition, the Standard makes provision for Eligible Materials produced by an entity that has been certified by another standard for responsible practices that has formally been recognised by the RJC as comparable to the RJC's Code of Practices. This is proposed to address and support certification standards such as those designed for artisanal mining production. However it is important to note that the RJC CoC Standard will be publicly available, and any organisation is free to use it as a tool to implement chain-of-custody approaches without the formal Certification process administered by RJC.
- **Recycling entities:** Recycling by businesses other than refiners is now also accommodated under the Standard. This includes bench-level recycling by small businesses.
- **Diamonds:** The Standard now accommodates recycling of post-consumer diamonds; and grandfathering, for one year, of diamonds which have verifiable records of ownership and production known to be before the set date.
- **More detail on Know Your Customer requirements:** The proposed Standard includes detailed Know Your Customer requirements for approving suppliers of post-consumer and scrap materials used as inputs for Eligible Recycled Materials.
- **Mass balance:** Some stakeholders requested RJC to consider allowing a **mass balance**<sup>2</sup> model under its CoC standard for the complex trading practices of diamond melee, or to recognise the material produced under other CoC initiatives which permit mass balance in some circumstances (such as Fairtrade/Fairmined Gold). However, inclusion of a CoC model not based on physical segregation would add complexity to RJC CoC Certification and potential confusion for implementation and CoC claims. The current draft of the Standard has instead attempted to address the underlying issues:
  - Removal of the 'Minor Components' sections, which effectively enables companies to choose which materials to source under a CoC model, while providing a clearer structure for disclosure of which parts of a jewellery product have CoC information and which do not.
  - Addition of a provision which proposes to allow certified product resulting from another supply chain standard recognised by the RJC to continue its chain-of-custody under the RJC CoC Standard. Such standards may use a mass balance approach if low volumes of production, such as for artisanal mining, make this necessary and it does not introduce conflict-related risks.

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<sup>2</sup> See RJC CoC Discussion Paper 1 for more discussion of chain-of-custody models, and examples of their use: [http://www.responsiblejewellery.com/downloads/RJC\\_Chain\\_of\\_custody\\_discn\\_paper\\_19\\_04\\_2010.pdf](http://www.responsiblejewellery.com/downloads/RJC_Chain_of_custody_discn_paper_19_04_2010.pdf)

- Under the revised draft Standard, CoC Material can be sold or transferred to any business, not just those who are CoC Certified. Businesses that wish to take a 'mass balance' approach in their manufacturing process, and not segregate the CoC Material from material of unknown provenance, are free to do so, as long as they do not want to make CoC claims about specific materials. Thus instead of being CoC Certified and making material-related claims about products, the business could make more general claims about responsible sourcing at the level of the business.

The draft Standards Guidance and Certification Handbook, contained in an accompanying discussion paper, provide more detail on audit scope and frequency, and refer to other relevant initiatives such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (2010), and the US Securities and Exchange Commission (SEC) proposed rules for implementing Section 1502 of the Dodd-Frank Act (December 2010).

An Assessment toolkit, including assessment questions, will also be developed after taking into account feedback on this discussion paper.

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#### 4. Frequently Asked Questions

This section contains some brief answers to common questions and issues of interest which have arisen during the consultation processes for standards development so far. They provide a useful orientation to the revised draft CoC Standard.

To support ongoing stakeholder interest, a set of FAQ will be maintained on the RJC website after publication of the final CoC Standard. Additional questions for inclusion in an FAQ document are welcome.

- a. *How would RJC CoC gold/diamonds/platinum metals have been responsibly mined?*
- b. *What process would be followed by the RJC to determine that another standard for responsible practices is comparable to the RJC's Code of Practices?*
- c. *Why bother with CoC for diamonds, aren't the KP and SoW enough?*
- d. *How can a material that is defined by the Dodd Frank Act as a "conflict mineral" from a Conflict-Affected Area be Conflict-Free? Isn't this a contradiction?*
- e. *How would RJC CoC Material be Conflict-Free?*
- f. *How would I know that RJC CoC Recycled gold doesn't contain DRC gold?*
- g. *Why does the RJC CoC Standard allow 'grandfathering'?*
- h. *I'm an issuer under the SEC rules for the Dodd-Frank Act. How could the RJC CoC standard help?*
- i. *Does the RJC CoC Standard certify Conflict-Free gold refiners?*
- j. *Why doesn't the RJC CoC Standard allow a 'mass balance' approach to chain-of-custody for CoC Certified Entities?*
- k. *Could I buy CoC Materials as part of a responsible sourcing strategy, without being CoC Certified myself?*
- l. *Could I develop a line of products or jewellery made of CoC Materials?*
- m. *How could I go about initiating a chain-of-custody system with my customers or suppliers?*
- n. *How would I buy RJC CoC gold / platinum metals from a bullion bank?*
- o. *Could I mix CoC Materials from different sources?*
- p. *If I transfer CoC Material internally, to another part of my business, do I need to issue a CoC Transfer Document?*
- q. *If I sometimes use outsourcing, how would this affect my CoC certification?*
- r. *What would I tell my customers and consumers about CoC Material?*
- s. *Could I use the RJC logo if I've bought RJC CoC Material?*
- t. *What would happen if a CoC Transfer Document is missing?*
- u. *What should I do if I think someone is misusing the CoC Standard?*
- v. *How would I find out which other businesses are CoC Certified?*

#### **a. How would RJC CoC gold/diamonds/platinum metals have been responsibly mined?**

Mining companies initiating a chain-of-custody with mined gold, diamonds and platinum metals must be RJC Members and abide by the RJC Code of Practices. The Code includes a range of general requirements for business ethics, human rights, social and environmental performance, and has

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mining-specific standards for environmental management, tailings management, community engagement and development, relationships with artisanal miners, cyanide use in gold mining, impact assessment, mine closure, resource rents transparency and biodiversity. See [www.responsiblejewellery.com/certification](http://www.responsiblejewellery.com/certification) for a copy of the RJC Code of Practices.

***b. What process would be followed by the RJC to determine that another standard for responsible practices is comparable to the RJC's Code of Practices?***

The RJC would undertake a formal, technical review, in cooperation with the other standard setting organisations wherever possible, to identify the comparability of the other standard with the RJC Code of Practices. It should be emphasised that the RJC aims to use this provision to support responsible artisanal and small scale mining (ASM), and that different (but nonetheless responsible) practices may be appropriate for ASM as compared to industrial-scale mining.

The results of the technical review would be addressed by the RJC Standards Committee, followed by a period of public review and comment. The outcomes of the review process would be considered by the Standards Committee and result in a recommendation to the RJC Board on whether the standard should be recognised under the RJC CoC Standard.

***c. Why bother with CoC for diamonds, aren't the KP and SoW enough?***

The RJC CoC Standard would offer a chain-of-custody for diamonds that have been responsibly mined, and for legitimate recycled diamonds. CoC certification thus offers a new choice for businesses interested in responsible sourcing. It sets additional requirements above the Kimberley Process Certification, including for responsible mining, as outlined in the RJC Code of Practices, and a wider interpretation of conflict.

The latter could assist those who may be concerned about the governance of the Kimberley Process, and/or the narrower definition of conflict that it uses, which focuses on the funding of military forces opposed to internationally recognised governments. These areas of potential weakness in the Kimberley Process have been highlighted recently by the disputes over the status of diamonds mined from the Marange diamond fields in Zimbabwe.

Compliance with the Kimberley Process and the WDC System of Warranties nevertheless remains an auditable requirement under the RJC Code of Practices, whereas CoC certification would be voluntary. RJC thus continues to support the Kimberley Process and System of Warranties, and it remains a minimum expectation for RJC Members in the diamond supply chain.

***d. How can material that is defined by the Dodd Frank Act as a "conflict mineral" from a Conflict-Affected Area be Conflict-Free? Isn't this a contradiction?***

A "conflict mineral" is defined by the Dodd Frank Act to include Gold, in addition to columbite-tantalite (coltan), cassiterite, and wolframite. Unlike the term "conflict diamonds", the term "conflict minerals" is not used to signify that a given unit of the mineral was necessarily complicit in

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any Conflict. Thus an item of Gold, as a “conflict mineral” as defined by the Dodd-Frank Act, may be Conflict-free if its production did not finance conflict.

A Conflict-Affected Area means a geographical area where conflict is prevalent, but does not necessarily mean that all operations located in such an area are engaged with or complicit in conflict. Responsible operations can be located in Conflict Affected Areas, and may provide very important economic and other benefits to local populations. The RJC CoC Standard aims to provide a mechanism for such operations to provide assurance that the material they produce is conflict-free.

***e. How would RJC CoC Material be Conflict-Free?***

For Material to be Eligible to enter a chain-of-custody under the RJC standard, the following criteria need to be met:

- For mined materials, it would need to be mined by an RJC Member who must conduct due diligence and declare that the production and transportation of the material is not complicit in conflict and does not finance illegal armed groups. Alternatively, it could be produced under another recognised responsible mining standard that can also demonstrate that the material is conflict-free.
- For recycled materials, checks and monitoring of suppliers would be carried out for possible links to conflict sources or money laundering. While the original provenance of recyclable materials is usually unknown, responsible recycling would make no further contribution to conflict.
- For grandfathered materials, evidence is needed that they were produced before a certain date. This may include refining dates on precious metals bars, laser inscriptions on diamonds, or inventory records showing continuous ownership since prior to the cut-off date.

***f. How would I know that RJC CoC recycled gold doesn't contain newly mined conflict gold from the DRC?***

CoC Certified companies who collect and/or refine gold for recycling must follow Know Your Customer requirements to ensure they are informed about the nature of their suppliers' business, finances and sources of gold, which must be legitimate. Recycled gold may only be processed from end-user, post-consumer and investment gold and gold-bearing products, and scrap and waste metals and materials arising during refining and product manufacturing. Responsible recycling of gold provides no further financing of conflict, for example within the DRC and Adjoining Countries.

Ores and other mining material of any form or shape or concentration, that are not yet fully processed and refined or are a byproduct from a Mining Facility, can readily be distinguished from eligible recyclable gold products and scrap. They cannot be used as a source for CoC recycled gold. CoC gold could not therefore contain newly mined conflict gold unless there was deliberate,

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organized falsification and fraud. Such deliberate falsification or fraud would involve costs and risks of exposure that would be relatively difficult under RJC CoC Certification, compared with the unfortunate relative ease of distribution through other informal channels.

***g. Why does the RJC CoC Standard allow ‘grandfathering’?***

To ‘grandfather’ means allowing something to be exempted from the requirements of new laws, rules or standards. It can be used to avoid the difficulty of retroactively applying a new rule to past actions. It is thus useful as a means to transition from an established operating situation to a new model.

Under RJC’s draft CoC Standard, it is proposed that some types of gold, platinum metals and diamonds produced before a set date can be eligible to start a chain-of-custody. This has the effect of ‘grandfathering’ these types of eligible material. The key to implementing a grandfathering provision is access to reliable evidence of dates of production.

For diamonds, it is proposed to allow one year for supply chain entities to clear existing inventory and use the volume to establish chain-of-custody systems. Eligible diamonds are those that were owned before the set date, which must be demonstrated by inventory records of the entity which wishes to initiate a chain-of-custody with them. A similar grandfathering arrangement was provided during the establishment of the Kimberley Process Certification Scheme.

For gold, and to a lesser extent platinum group metals, there are significant levels of above ground stocks that have been historically produced and are stored in secure vaults. The standards for refining and minting of precious metals bullion result in bars, ingots and coins that have stamped refiner’s marks and often the year of manufacture. Other products such as grain for jewellery-making are supplied in sealed containers. Those which have reliable dates permanently attached, or verifiable by refinery or bullion bank records, are eligible to be grandfathered under the RJC CoC Standard. This allows the jewellery supply chain to access a validated reserve of gold and platinum metals produced before the set date.

***h. I’m affected by the US Dodd-Frank Act. How could the RJC CoC standard help?***

The CoC Standard would provide a significant level of assistance. The CoC Standard uses definitions for eligible material that work with and reflect the proposed US Securities and Exchange Commission (SEC) rules, and requires that these materials be segregated as they are transferred through the supply chain. This structure provides the advantage of establishing a chain-of-custody for gold from the relevant starting points in the supply chain, thereby removing the requirement to conduct retrospective inquiries to determine origin.

In summary, the proposed SEC Rules of December 2010 require issuers that file reports under the Securities Exchange Act to determine

- if gold used by the issuer did, or did not originate in the DRC and Adjoining Countries, or

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- if the issuer is unable to determine that the gold did not originate in the DRC and Adjoining Countries, or
- if the gold came from recycled or scrap sources.

If the gold did not originate in the DRC and Adjoining Countries, the issuer must make a “Conflict Minerals Disclosure” in its Annual Report along with the reasonable country of origin inquiry it undertook to make the determination.

If the gold did originate in the DRC and Adjoining Countries, or it cannot be determined that the gold did not originate there, the issuer must furnish a “Conflict Minerals Report” that describes the measures taken to exercise due diligence in establishing the source and chain of custody of the mined gold, or determining that the gold came from recycled or scrap sources.

Under the Dodd-Frank Act, gold is deemed “DRC conflict free” if it did not directly or indirectly finance or benefit armed groups in the DRC and Adjoining Countries. Gold from scrap or recycled sources is “DRC conflict free”. Gold that the issuer is unable to determine did not come from the DRC and Adjoining countries is not “DRC conflict free”. If the issuer uses gold that is not “DRC conflict free”, the products containing the gold, the mineral processing facility used to process the gold, and the country of origin and the mine or location of origin must be identified in the “Conflict Minerals Report” with the greatest possible specificity.

The RJC CoC Standard requires CoC Certified mining companies, when initiating a chain of custody for mined gold via a CoC Transfer Document, to determine through Due Diligence and declare whether the mine, and the transportation routes for the Mined Material, are either:

- a) not located in Conflict-Affected Areas (which include the DRC and Adjoining Countries), or
- b) located in a Conflict Affected Area but the production, processing and transportation of the gold did not directly or indirectly benefit Illegal Armed Groups.

In both cases, the CoC Transfer Document must include a Conflict-Free warranty.

If a) applies, the country of origin must be included in the CoC Transfer Document issued by the CoC certified mining company.

If b) applies, the CoC Transfer Document must identify the country of origin, the name and location of the mine, and include a summary of the Due Diligence. If b) applies and the gold originated in the DRC and Adjoining Countries, any subsequent CoC Transfer Document for the gold must include this information. This requirement is proposed in the RJC CoC Standard to support downstream companies affected by Dodd Frank implementation under the proposed SEC rules.

In the case of recycled gold, the RJC CoC Standard requires that suppliers of Recyclable Materials must be screened based on detailed Know Your Customer requirements. Recyclable Materials may

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only be post-consumer or scrap. Unrefined ores and other mining material, which can readily be distinguished from post consumer and scrap, are not eligible.

The draft CoC Standard also establishes requirements for identifying existing, Grandfathered gold bullion refined prior to (xx). [Note: The proposed SEC rules seek feedback on the issue of existing stocks. The final SEC rules were not published in April 2011 as had been anticipated. The SEC now plans to adopt its rule in August-December 2011. The RJC will review its draft Standard against the final SEC rules.]

The SEC's "Conflict Minerals Disclosure" requirement for gold that did not originate in the DRC and Adjoining Countries would be supported by the declarations made by CoC Certified mining companies at the start of the chain-of-custody, and, if applicable under the final SEC rules, the evidence of the date of refining for any Grandfathered bullion.

In the case of recycled gold, the SEC's proposed requirement for a "Conflict Minerals Report" would be supported by the screening requirements for suppliers of post consumer and scrap gold to CoC certified Entities.

All gold transferred under the RJC CoC Standard would be DRC Conflict-Free. Therefore, the chain-of-custody for any gold transferred in accordance with the Standard would have started with mined gold that is declared as conflict free, supported by due diligence; or legitimate recycled gold; or Grandfathered gold.

The proposed SEC Rules also require the issuer to include an independent audit of the "Conflict Minerals Report". The audit would constitute a critical component of the issuer's due diligence in establishing the source and chain of custody of the gold, or provide assurance that it came from recycled or scrap sources. The CoC Standard would facilitate the fulfilment of this requirement through the evidence provided by CoC Transfer Documents, issued by Entities that have themselves been independently audited.

***i. Does the RJC CoC Standard certify Conflict-Free gold refiners?***

Yes. The CoC Standard includes an option for Refiners that allows for a Conflict-Free Gold Refiner designation to be included within its Certification Scope. The provision requires the Refiner to demonstrate screening according to Know Your Customer principles for all its sources of Gold, and documented Due Diligence to confirm that all sources of mined Gold are Conflict-Free, not just CoC Material.

This provision would allow CoC Certified Refiners to source gold from artisanal and small-scale mining (ASM) production where Due Diligence can show that it does not finance conflict. Thus in addition to the proposed 'Recognised Responsible Mining Standard', this could be used to help support the integration of legitimate ASM into the formal sector.

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It will also support alignment and cross-recognition between the RJC CoC initiative and conflict-free standards and programs in development for the large-scale gold mining and formal refining sector, such as that of World Gold Council (WGC) and the London Bullion Market Association (LBMA).

All of the gold produced by CoC Certified Conflict-Free Gold Refiners would be conflict-free as a base requirement. To respond to customers' requests for CoC Gold, which promotes a wider range of responsible practices particularly for mining, Refiners will need to segregate Eligible CoC Material (any combination of responsibly Mined, Recycled and Grandfathered) from any other sources of conflict-free gold which are not Eligible under the CoC Standard.

***j. Why doesn't the RJC CoC Standard allow a 'mass balance' approach to chain-of-custody for CoC Certified Entities?***

A mass balance approach to chain-of-custody is one where each company keeps track of the amount of certified product it buys and sells. There is no physical segregation of the certified material from non-certified material. Instead, an 'administrative segregation' is used to support a percentage-based claim. For example, where 1kg of certified material is mixed at the start of a process with 9kg of uncertified material, 1kg of the 10kg of material in the resulting products can be claimed as 'certified'. This approach is used for paper products under the Forest Stewardship Council (FSC) credit system for mixed sources of paper. The only current example in the jewellery supply chain is under the Fairtrade/Fairmined gold standard, where a mass balance approach may be allowed in the refining stage to accommodate very small volumes of artisanally produced gold.<sup>3</sup>

The RJC CoC Standard requires CoC Certified Entities to use physical segregation for CoC Material if they wish to transfer that CoC Material on with a CoC claim. Relaxing the physical segregation requirements has less justification under the RJC CoC Standard, as the potential volumes of Eligible Material are large, unlike the Fairtrade/Fairmined example. Allowing for CoC claims that may or may not be based on physical segregation would add significant complexity to implementation of the CoC Standard, and thus increase the potential for accidental and deliberate non-compliances. Chain-of-custody claims made under a 'mass balance' model would not support Dodd Frank reporting requirements, nor potential use of the CoC Standard to control for issues in the diamond supply chain that go beyond the Kimberley Process' scope. It would also present major communications challenges and may weaken stakeholder perceptions of the value of RJC CoC Certification.

Businesses such as manufacturers, refiners and retailers are interested in responsible sourcing, but are dealing with very complex and/or high volume supply chains. In some circumstances, the transition to a segregated chain-of-custody approach within those businesses may seem daunting or even impossible. However it is important to note that CoC Material can be sold or transferred to any business, not just those who are CoC Certified. Businesses that wish to take a 'mass balance'

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<sup>3</sup> See RJC CoC Discussion Paper 1 for more discussion of chain-of-custody models, and examples of their use: [http://www.responsiblejewellery.com/downloads/RJC\\_Chain\\_of\\_custody\\_discn\\_paper\\_19\\_04\\_2010.pdf](http://www.responsiblejewellery.com/downloads/RJC_Chain_of_custody_discn_paper_19_04_2010.pdf)

approach in their manufacturing process, and not segregate CoC Material from material of unknown provenance, are free to do so, as long as they do not wish to make subsequent CoC claims about specific material. Thus, instead of being CoC Certified and making material-related claims about products, the business could make more general claims about responsible sourcing at the level of the business without CoC Certification.

Such businesses which support responsible sourcing in this way will still play an important role in building demand for CoC Material, even if they do not continue the chain-of-custody of specific jewellery materials beyond the manufacturing or retail stage of the supply chain. The business may decide it can change this approach over time, as supply of CoC Material, and potentially downstream and consumer demand, increases.

***k. Could I buy CoC Materials as part of a responsible sourcing strategy, without being CoC Certified myself?***

Yes. The CoC Standard would facilitate responsible sourcing strategies for businesses such as retailers and luxury brands who are not necessarily CoC Certified themselves. This may be because they do not intend to maintain segregation after sourcing CoC Material. In such cases, the business could describe the role of CoC Material in its responsible sourcing strategy, including targets for the use of CoC Material in the products they sell.

Note however that such non CoC Certified businesses may not make use of the RJC logo or provide any representations about CoC Material on or in conjunction with products, other than representations provided on or in conjunction with the CoC Material when it was supplied by a CoC Certified Entity. (RJC Members may continue to use the RJC logo under its terms of use for Members).

***l. Could I develop a line of products or jewellery made of CoC Materials?***

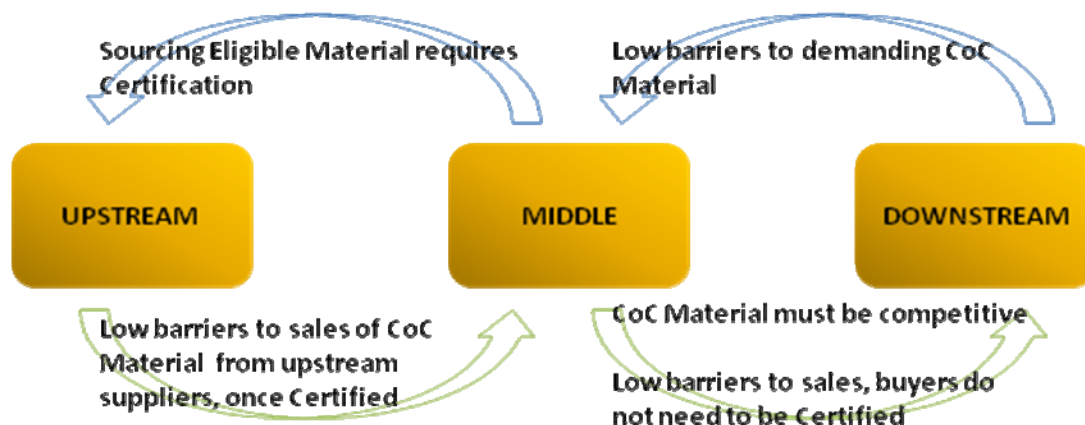
Yes, providing however that either all of the Materials contained in the line are CoC Materials, or the representations about CoC Materials for the line clearly apply only to the CoC Material.

***m. How could I go about initiating a chain-of-custody system with my customers or suppliers?***

Implementing the RJC CoC Standard will be an individual business decision. Businesses can choose to play a role in driving chain-of-custody supply and/or demand no matter where they are in the supply chain. However businesses who can issue Eligible Material Declarations for mined, recycled and grandfathered material will be critical in building available supply.

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Figure 1 – Dynamics for initiating a chain-of-custody system



In general terms, and as illustrated in Figure 1, the supply of CoC Material would be facilitated by:

- Refiners and miners who, if they choose to be CoC Certified, would face very low to negligible incremental costs in creating and declaring Eligible Material;
- Existing stocks providing potentially large volumes of Grandfathered Materials, particularly Gold and Platinum Metals, to businesses operating in the middle of the supply chain who can declare these sources as Eligible Material;
- The lack of constraints to the sale of CoC Material by any CoC Certified Entity, as purchasers do not need to be CoC Certified;
- Information about CoC Certified businesses via the RJC website and through promotion by CoC Certified businesses of their certification status.

The demand for CoC Material will primarily depend on the interest expressed by retailers and other downstream purchasers, who could include CoC Materials in their specifications and/or preferences to suppliers. As such purchasers would not necessarily need to be CoC Certified, barriers to initiating a chain of custody sourcing approach are minimised.

The critical part of the supply chain will be traders, wholesalers and manufacturers operating in the middle of the supply chain, who must become CoC Certified, and be able to source and sell CoC Material at competitive terms and prices. The cost of CoC Certification for businesses in the middle of the supply chain will vary, and in cases where the required management systems and controls are already in place, should be relatively low.

***n. How would I buy RJC CoC gold / platinum metals from a bullion bank?***

A bullion bank may be willing to supply bullion that bears a suitable Mark which meets CoC requirements. As a purchaser, you could request bars produced by CoC Certified Refiners or produced before the set date [*date to be confirmed*] for grandfathered material.

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***o. Could I mix CoC Materials from different sources?***

Yes. Materials from different sources can be mixed, with the exception of Laboratory-Grown diamonds, which cannot be mixed with natural, Mined Diamonds because of the RJC's Code of Practices' disclosure requirements.

It should be noted however that Gold sourced from the DRC and Adjoining Countries, whether mixed or not mixed with Gold from other sources, must be identified in all CoC Transfer Documents including the name and location of the mine, the country of origin, and the Refiner. This aims to support implementation of the Dodd-Frank Act under the proposed SEC rules.

***p. If I transfer CoC Material internally, to another part of my business, do I need to issue a CoC Transfer Document?***

A CoC Transfer Document would generally be optional for an internal transfer, providing the relevant Facilities are within the same Certification Scope. If a CoC Transfer is used for an internal transfer, all requirements for the CoC Transfer Document would have to be met. Issuing a CoC Transfer Document for internal transfers may help to reinforce the requirement for segregation and proper record-keeping. An Eligible Material Declaration could also be issued via a transfer between different Facilities.

An exception is where you wish to mix Material which has been supplied to you by CoC Certified Entities with Material for which you wish to issue an Eligible Material Declaration (for example, Recycled or Grandfathered Materials for which you are initiating a chain-of-custody). As all CoC Material requires an Eligible Material Declaration, you would have to issue an internal CoC Transfer Document and make the initial Eligible Material Declaration for that Material before mixing it with other CoC Material. After the Eligible Material has been mixed with other CoC Material, you would then issue a CoC Transfer Document for 'Mixed Sources' when transferring it to another Entity.

***q. If I sometimes use outsourcing, how would this affect my CoC certification?***

The Standard does not prevent you from using other contractors, but they cannot be used for processing CoC Material you wish to transfer on to others with CoC information, unless they are included in your Certification Scope and audited to ensure conformance with the Internal Material Controls requirements of the CoC Standard.

***r. What would I tell my customers and consumers about CoC Material?***

Customers and consumers can be assured that CoC Material comes from responsible sources in accordance with the RJC CoC Standard and Code of Practices (public documents), that all participants in the CoC supply chain have been independently audited, and all CoC Materials have been segregated from any non-CoC Materials.

Any representations about specific characteristics of CoC Material must not be inconsistent with information provided in the CoC Transfer Documents supplying the CoC Material.

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**s. *Could I use the RJC logo if I've bought RJC CoC Material?***

CoC Certified businesses may use the logo for general promotional purposes, and on or in conjunction with CoC Material, but must ensure that any such use is not likely to cause confusion with non-CoC Material.

Businesses that purchase CoC Material and who are not themselves CoC Certified may not reproduce the logo, but may use the logo on or in conjunction with CoC Material, if the logo was already applied to CoC Material supplied by a CoC Certified business. For example, if the logo is included in the packaging or labelling of the CoC Material.

**t. *What would happen if a CoC Transfer Document is missing?***

CoC Transfer Documents for Materials received from other CoC Certified Entities must be available to support the chain-of-custody. Missing documents could be retrieved from the Entity that issued the document, but the Entity would not be obligated to provide a copy, and would have to be satisfied with the reasons why a copy was needed. During an audit, evidence of missing documentation for CoC Material, or persistent losses and requests for copies of documents, could provide evidence of a major non-conformance and loss of certification.

A CoC Certified Entity may also, on request, issue a CoC Transfer Document for Eligible Gold or Platinum Group Metals that the Entity previously shipped to another CoC Certified Entity or to a bullion bank without a CoC Transfer Document, providing the Eligible Gold or Platinum Group Metals bears a Mark, the weight is unchanged, and is not Grandfathered.

**u. *What should I do if I think someone is misusing the CoC Standard?***

The RJC has a published Complaints Mechanism for the resolution of complaints raised by interested parties relating to potential non-conformances with its Standards, and/or the conduct of its Members and Accredited Auditors. Prior to submitting a complaint to the RJC, complainants should have taken all reasonable attempts to resolve their complaint with the person/organisation subject to the complaint, and to give the respondent an opportunity to respond and/or rectify the situation.

**v. *How would I find out which other businesses are CoC Certified?***

A list of CoC Certified businesses, and their certification details, will be available on the RJC website.

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## PART 2 – RJC Chain-of-Custody Standard – Draft 2

### 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 become certified under the RJC System.

The Chain-of-Custody (CoC) Standard complements the Code of Practices, and is **voluntary** for RJC Members. The CoC Standard provides requirements for the identification of responsibly-sourced jewellery materials processed and traded through the jewellery supply chain. It specifies requirements for a business to segregate CoC Material from other material in its custody, and to provide warranties of 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
- As an “open-source” document, enabling non-RJC Members 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

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in alloys, plating or coatings, leather, and other precious stones, are not covered under the CoC Standard.

#### **D. Status and Effective Date**

*This document contains the RJC's Chain-of-Custody (CoC) Standard (Draft 2) for stakeholder comment and feedback.*

#### **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.html>.

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
- Dodd Frank Act “Conflict Minerals” Provisions, Proposed SEC rules (December 2010)
- EICC-GeSI Smelter Validation initiative
- Fairtrade/Fairmined Gold
- Kimberley Process Certification Scheme (KPCS)
- OECD Due Diligence Guidance
- International Conference on the Great Lakes Region (ICGLR) Mineral Tracking and Certification system
- WGC Conflict-Free and Chain-of-Custody standards (v 3.1)

The RJC will monitor and seek opportunities for harmonisation with other relevant chain-of-custody initiatives for conflict-affected regions that are 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 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, on the basis of verification of conformance by RJC Accredited Auditors.

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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. The RJC is thus 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 grants CoC Certification to the Entity, authorising it to begin issuing CoC Transfer Documents for CoC Materials.
- Within 8-12 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.

### **H. Supporting documents**

*A draft CoC Certification Handbook and Standards Guidance is contained in a companion paper see [www.responsiblejewellery.com/chain-of-custody.html](http://www.responsiblejewellery.com/chain-of-custody.html). A CoC Assessment Workbook will be developed after feedback from consultation is taken into account.*

### **I. Review**

The RJC undertakes to formally review this Standard in 2017, five years after first publication, or earlier if 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.**

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## RJC CHAIN-OF-CUSTODY (CoC) STANDARD – Draft 2

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

#### 1. Management System and Responsibilities

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

- 1.1 The Entity shall have a Management System/s which addresses all applicable requirements of the Standard, in all Facilities under the Control of the Entity which 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.
- 1.3 The Entity shall establish and implement training measures to ensure all relevant personnel are aware of their responsibilities under the Standard.
- 1.4 The retention time for all records required by this Standard shall be a minimum of five (5) years.
- 1.5 The Entity shall have systems in place to enable it to respond in a timely manner 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 must be 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 needs to monitor, and be 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, including those described in provisions 7.2 and 7.3, 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 that CoC Material.

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- 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.
- 2.5 The Entity's internal systems shall ensure that a CoC Transfer Document accompanies, and wherever possible is physically attached to, each shipment of CoC Material dispatched to other Certified Entities, Outsourcing Contractors or Service Companies.
- 2.6 The Entity may, on request from another CoC Certified Entity, issue a CoC Transfer Document for Eligible Gold or Platinum Group Metals that was shipped to a Bullion Bank without a CoC Transfer Document, providing the Eligible Gold or Platinum Group Metals bears a Mark, the weight is unchanged, and is not Grandfathered.

### 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.

- 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 which 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 document 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.

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

- 4.1 An Entity with Mining Facilities shall have systems in place to ensure that Mined Material for which the Entity issues an Eligible Material Declaration is sourced only from Mining Facilities that are within its CoC Certification Scope, or in which it holds a legal interest and are within the CoC Certification Scope of another CoC Certified Entity.
- 4.2 An Entity with Mining Facilities shall not issue a CoC Transfer Document and make an Eligible Material Declaration for Mined Material unless it has documented Due Diligence that confirms one of the following only:
  - 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.
- 4.3 The Entity with Mining Facilities shall identify in the CoC Transfer Document if 4.2.a or 4.2.b applies to the Eligible Mined Material being transferred, and shall include in the CoC Transfer Document a Conflict-Free warranty for that Mined Material.
  - a. If 4.2.b applies the Entity shall append to the CoC Transfer Document a summary of its Due Diligence for that Material. If the Mined Material is Gold originating in the DRC or an Adjoining Country, the Entity with Mining Facilities shall also identify the country where the Mined Material was extracted, the name and location of the Mining Facility/ies, and if applicable the Refiner in which the Material will be processed.
  - b. Otherwise, the Entity shall identify in the CoC Transfer Document the country or countries where the Mined Material was extracted.
- 4.4 If an Entity sources Mined Material from a producer certified by a Recognised Responsible Mining Standard, the Entity may not issue an Eligible Material Declaration unless it has documented Due Diligence that confirms that the Material comes from the certified producer's mining operations and is Conflict-Free.

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## 5. Eligible Recycled Materials

This provision supports recycling as a responsible practice, and requires that suppliers of Recyclable Materials are screened based on Know Your Customer principles, and continue to be monitored, to avoid supplies from Illegitimate sources.

5.1 An Entity shall only source Recyclable Materials according to Know Your Customer principles and procedures, which shall include the following:

- a. The Entity shall document a Know Your Customer policy;
- 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 appropriate training for relevant employees to ensure awareness of the Entity's Know Your Customer policy and procedures;
- d. The Entity shall carry out a regular internal review of its Know Your Customer policy and procedures;
- e. The Entity shall monitor 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 Eligible Recyclable Precious Metals to:
  - i. Companies seeking approval to become suppliers of Recyclable Precious Metals 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 suppliers which shall include:
  - i. Procedures to establish the applicant's identity, beneficial ownership and principals;
  - ii. Description of the applicant company's business, its finances, and its source(s) of Precious Metals;
  - iii. Inspection of the applicant's company's operations to verify that it is engaged in the described business; and
  - iv. Procedures to deny 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 monitoring procedures in place for 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; and
  - iii. acting upon information about possible links between the supplier and Illegitimate Sources.

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- iv. 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, the Recyclable Materials from that supplier shall be excluded from the production of any Eligible Recycled Material.

5.3 For post-consumer Recyclable Materials supplied directly to the Entity by individuals or estates:

- a. The Entity shall apply the following Know Your Customer conditions:
  - i. The Entity shall obtain and record proof of the identity of the seller and record an identification of the Jewellery Product containing Recyclable Materials;
  - ii. 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 [date – Note: RJC will set one grandfathering date for all materials, and aim to align with the SEC rules for Dodd Frank implementation]. It requires that evidence of the date of production be recorded and linked with any subsequent CoC Transfer Document. An Entity may declare Eligible Grandfathered Diamonds only during the initial year following [xx].

- 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 For Eligible Grandfathered Gold and Platinum Group Metals, if the refining date does not appear as a permanent part of the item, 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.
- 6.3 For Eligible Grandfathered Diamonds, the Entity's inventory records shall demonstrate that the Eligible Grandfathered Diamonds have been held continuously by the Entity from a date prior to [xx].
- 6.4 The Entity shall ensure it does not issue an Eligible Material Declaration for Grandfathered Diamonds after [xx+ 1 year].

## 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, and declare the Eligible Material as one or more of Mined, Recycled or Grandfathered Eligible Material. 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.

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- 7.1 The Entity issuing an Eligible Material Declaration in a CoC Transfer Document shall have systems in place to ensure that the Material it is declaring to be Eligible Material is 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 If the Eligible Material Declaration includes supplementary information about the Provenance of the Eligible Material, including but not restricted to the country of origin of Mined Material, the name of the mine, and/or the country where the Recycled or Grandfathered Materials were collected and/or processed, the Entity shall ensure the supplementary information is truthful, accurate, and relevant.
- 7.3 If the Eligible Material Declaration includes supplementary information about the conformance of the Eligible Material to a recognised national or international standard, the Entity shall ensure the applicable standard is identified and there is objective evidence of such conformance.

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

This provision sets out the documentation requirements that apply when CoC Material is sold or transferred between businesses. An Entity must issue a CoC Transfer Document in order to initiate or continue a Chain-of-Custody with another business. If the Material includes Gold from the DRC or an Adjoining Country, or if it is Laboratory-Grown diamonds, the Entity must include information to that effect in any subsequent CoC Transfer Documents containing that Material.

- 8.1 The Entity shall, when shipping or transferring CoC Material to another business, ensure that it issues a CoC Transfer Document providing the following information:
- a. The identity and CoC Certification number of the Entity issuing the CoC Transfer Document ;
  - b. If the customer receiving the Material is another CoC Certified Entity, their identity and certification number;
  - c. The weight or quantities of the item/s of CoC Material;
  - d. Description of any non-CoC Material which is part of a Jewellery Product containing CoC Material;
  - e. A unique identification number for the transfer;
  - f. The date of transfer;
  - g. The responsible employee of the Entity who can verify information in the CoC Transfer Document , if required;
  - h. A statement confirming that the information shown on the CoC Transfer Document is in conformance with this Standard.

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- 8.2 When initiating a Chain-of-Custody via a transfer of Eligible Material, the Entity shall include an Eligible Material Declaration in the CoC Transfer Document.
- 8.3 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 make the Eligible Material Declaration in an Internal CoC Transfer Document.
- 8.4 When continuing a Chain-of-Custody via a transfer of CoC Material, and any of the CoC Transfer Documents that supplied the CoC Material to be transferred identified that the Material is Gold originating in the DRC or an Adjoining Country, the Entity shall ensure that all of the information described in 4.3a of this Standard is carried forward in any subsequent CoC Transfer Document for that Material.
- 8.5 When continuing a Chain-of-Custody via a transfer of CoC Laboratory-Grown diamonds, the CoC Transfer Documents shall identify that the CoC Material is Laboratory-Grown diamonds.

## 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. This provision sets out requirements for Entities that wish to make claims about CoC Materials in Jewellery Products to consumers, to ensure that the claims are 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 Responsible Jewellery Council Logo, Trademarks and Intellectual Property. If the Entity uses the RJC logo in association with Jewellery Products containing CoC Material, it shall ensure that the use of the logo clearly applies only to the CoC Material.

## 10. Sourcing from Conflict-Affected Areas

This provision requires Entities to adopt a policy 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. The provision also supports compliance with the US Securities and Exchange Commission (SEC) proposed rules for the “conflict minerals” provisions of the United States’ Dodd-Frank Wall Street Reform and Consumer Protection Act.

- 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 consider the risks of non-compliance with its supply chain policy by its suppliers of Materials, and take action to prevent or mitigate the risks.

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- 10.3 The Entity shall establish a complaints mechanism appropriate to the nature, scale and impact of the business, to allow interested parties to voice concerns about circumstances in the supply chain involving Eligible and/or CoC Materials from Conflict Affected Areas.
- 10.4 If the Entity is a Refiner, it shall confirm that the refining Facilities are not located in Conflict Affected Areas; or where refining Facilities are located in Conflict Affected Areas, it shall undertake documented Due Diligence to demonstrate that they do 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.
- 10.5 A Refiner may elect to demonstrate in the RJC CoC Certification Audit that it has internal systems to ensure that all of its sources of Gold supplied to Facilities within the Certification Scope are Conflict-Free, and is thus a Conflict-Free Gold Refiner. The following shall be verified:
- a. The Refiner shall have Know Your Customer principles and procedures in place that meet the applicable requirements of Provision 5 of this Standard for all of its sources of Mined and Recyclable Gold, not just Eligible Material; and
  - b. The Refiner shall undertake and document Due Diligence to confirm that all of its sources of Mined Gold are Conflict-Free.

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## Glossary

**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, Sudan, Tanzania, Uganda and Zambia.

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

**Certification Scope:** The Certification Scope is defined by the Member seeking CoC Certification. It must include:

1. All Facilities under the Control of the Member that the Entity/ Member 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 Entity/Member 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 Entity/Member intends to issue Eligible Material Declarations.

Gold Refiners may also elect to include the Conflict-Free Gold Refiner designation in the 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 Certification Scope is defined by the Entity and covers those parts of an Entity's business, as well as any non-CoC Certified Outsourcing Contractors, that have Custody of CoC Material.

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

**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).

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**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 which crosses one or more country boundary. 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.

**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.

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**Diamond:** A natural mineral 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 Diamonds and Laboratory-Grown diamonds, except where otherwise indicated.

**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 and Adjoining Countries:** the Democratic Republic of Congo (DRC) and countries that share an internationally recognized border with the DRC. The adjoining countries include Republic of Congo, Central African Republic, Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia and Angola.

**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.

**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 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 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. Recycled Diamonds must be from post-consumer sources. Recycled Gold and Platinum Group Metals may be processed only from Recyclable Materials comprised of end-user, post-consumer and investment gold and gold-bearing products, and scrap and waste metals and materials arising during refining and product manufacturing. Ore and other mining material of any form or shape or concentration which is not yet fully processed and refined, or is a byproduct from a Mining Facility, is not Recyclable Material under this Standard.

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- **Eligible Grandfathered:** Existing stocks of Material which existed before the CoC standard came into effect, with a reliable record demonstrating its date of ownership, extraction and/or manufacture. **Diamonds:** 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 [xx – *Note: RJC will set one grandfathering date for all materials, and aim to align with the SEC rules for Dodd Frank implementation*]. An Eligible Material Declaration must be made for all Eligible Grandfathered Diamonds in a CoC Transfer Document issued to another CoC Certified entity prior to [xx+1 year], after which time Eligible Grandfathered Material shall not include Diamonds. **Gold:** Refined Gold that was refined before [xx]. This Gold may be in the form of bars, ingots, coins, or similar, or within a sealed container, bearing the Mark of a Refiner or Government Mint, or London Bullion Market Association (LBMA) London Good Delivery Identification, with the refining date permanently shown with the Mark or verified by the Refiner in accordance with a serial number or by Bullion Bank depository records. In the case of Refiners on the LBMA “Former Melters and Assayers of Good Delivery Gold Bars” list which ceased operating before [xx], if the production 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 [xx]. The Platinum Group Metals may be in the form of bars, ingots, coins, plates or similar, or within a sealed container, bearing the Mark of a Refiner or Mint, with the refining date permanently shown with the Mark or verified by the Refiner in accordance with a serial number or by Bullion Bank depository 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.

**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. 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:*

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*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 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 gem stones (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.

**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, often stamped into the surface of a Gold or Platinum Group Metals bar, ingot, coin or similar, or permanently affixed to a sealed container, that indicates

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the Refiner or Mint. A Mark is often accompanied by a serial number and/or date, which, in combination, will 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.

**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.

**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 which are not themselves CoC Certified must be included in the Entity's 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 for Diamonds and Precious Metals.

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

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**Refiner:** An Entity engaged in separating and purifying Gold and/or Platinum Group Metals to defined specifications, not less than 995 fine.

**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, 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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