



## RJC Chain of Custody Standard Review – Draft 1

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#### 1. Purpose

The Responsible Jewellery Council (RJC) is reviewing its Chain of Custody (CoC) Standard. This document describes the proposed changes to the standard for all interested parties to provide input.

#### 2. Background

The RJC formally launched its voluntary [Chain of Custody \(CoC\) Standard](#) for gold and platinum group metals in 2012. The CoC provides an assured approach for companies to source, handle and trade precious metals that are traceable and coming from responsible sources.

We are reviewing the standard through a process of gap analysis and stakeholder consultation which is overseen by our multi-stakeholder [Standards Committee](#). The process includes two public consultation periods: Round 1 on the Public Summary document (completed in October 2016), and Round 2 on draft changes to the standard (this document). For more information on the review process, see the [Public Summary](#) document.

The proposed changes in this report have been informed by consultation with CoC certified companies; a review of logged issues from 4 years of certification, comments received through the consultation process (as summarised in the [Comment Report](#) on Round 1), a review of parallel initiatives and engagement with the Standards Committee.

We are committed to developing credible and effective standards and are a full member of the [ISEAL Alliance](#) since 2012, following the ISEAL Code of Good Practice for Setting Social and Environmental Standards.

The Responsible Jewellery Council is the trading name of the Council for Responsible Jewellery Practices Ltd. The Council for Responsible Jewellery Practices Ltd is registered in England and Wales with company number 05449042  
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### 3. Summary of changes

The proposed revisions aim to simplify the structure of the standard to support improved uptake and consistency in interpretation of the provisions. A summary of the main changes is below.

Conflict sensitive sourcing (currently covered under CoC provision 10)

- The provision on conflict sensitive sourcing is aimed at responsible business practices for conflict sensitive sourcing and is not specific to CoC material. Responsible business practices are defined in the Code of Practices (COP) which is mandatory for all RJC members. For this reason, the conflict sensitive sourcing requirement will be moved to the COP in a single provision on 'Due Diligence'.
- The definition of 'conflict' will be aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (OECD guidance).
- Due diligence requirements will be specified for different types of companies along the supply chain (downstream, upstream, refiner). A set of requirements applicable to all RJC members will be defined, followed by the specific requirements for actors in the gold, platinum group metals (PGM) and diamond supply chains.
- The due diligence requirements will be aligned with the existing COP provisions on responsible sourcing (COP 6, 7, 9, 10) and Kimberley Process (COP 27). Provenance Claims (COP 12) on conflict sensitive sourcing will only be accepted if they go beyond the new provision requirements.
- Refiners will be required to share country of origin data with RJC on an annual basis, with due regard to confidentiality. This will inform RJC's training and support the integrity of cross-recognition with the Conflict-Free Sourcing Initiative's Conflict-Free Smelter Program (CFSP) and London Bullion Market Association (LBMA) Responsible Gold Guidance programme.
- Provision 10 will be removed from the CoC.

'Know your customer' (currently covered under CoC provision 5.1)

- Provision 5.1 in the CoC defines 'know your customer' systems and procedures to support conflict sensitive sourcing. The COP also defines a 'know your customer' approach for anti-money laundering and combatting the finance of terrorism (COP 10). A new combined provision will be developed in the COP.
- The new provision changes 'know your customer' to 'know your counterparty' (KYC) to clarify that suppliers, customers and relevant business partners are included.
- A new requirement will be added to check that the counterparty and their beneficial owners are not named on any government lists for wanted money launderers, known fraudsters or terrorists.
- Provision 5.1 will be removed from the CoC.

#### Eligible mined material (covered under CoC provision 4)

- A new category of eligible mined material will be introduced to allow CoC certified entities to independently validate sources of mined material which conform in all material aspects with the COP requirements and have undergone third party assurance. The validation will be in alignment with RJC's approach to harmonisation and recognition where a high value is placed on existing certifications which have equivalent requirements to the COP.
- The new provision specifically takes into account the following sustainability standards which are based on third party assurance: the Mining Association of Canada's '[Towards Sustainable Mining](#)' (TSM) program; and the International Council on Mining and Metal's ([ICMM](#)) [sustainable development framework](#).

#### Eligible recycled material (CoC provision 5)

- The acceptable sources of recycled material will be clarified in a new provision (new CoC 5.1) and cover commercial suppliers, individuals or estates, and bullion banks.
- A new category of recycled material will be introduced ('recovered content') to allow for e-waste, catalysts or other sources of recyclable precious metals that are outside the jewellery supply chain, to be recognised as eligible recycled material.
- A new provision will define requirements to assess that bullion bank sources are adequately managing the risk of illicit gold sources, based on legal requirements and existing certifications.
- A new provision will define requirements for sourcing 'recovered content'. This will cover an assessment of key risks in the initial stages of the recycling chain such as labour, Human Rights, and environmental risks and consider existing certifications.
- A new provision will be introduced to check the KYC policy and procedures of suppliers, where high risks have been identified.

#### Other

- A new provision will be added to the section on consumer claims (CoC 9) to clarify that CoC claims can be made on jewellery products that contain both CoC material and non-CoC material.
- When the CoC Standards Guidance and CoC Certification Handbook are updated, the guidance for auditor assessments of due diligence will be updated with regards to sampling and evidence so as to align with cross-recognized partners (CFSP and LBMA).

#### 4. Next steps

This document will be open for public consultation for the defined period, after which a summary of all the comments received will be published. At the same time, we will be holding workshops and webinars to consult on the proposed changes to the standard from March to May 2017<sup>1</sup>. All the feedback will be then consolidated into final changes to be reviewed by the Standards Committee (estimated to be in June 2017). The Committee may then decide to proceed directly with final approvals. However, if it is considered that there is insufficient feedback or substantive unresolved issues, an additional round of public consultation will take place in July – August 2017.

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<sup>1</sup> To find out about CoC review webinars and workshops to be held in March to May 2017 contact [consultationCoC@responsiblejewellery.com](mailto:consultationCoC@responsiblejewellery.com)

**Table 1 – Proposed changes to the RJC Chain of Custody Standard**

The proposed changes are listed by provisions moving to the Code of Practices first, followed by proposed changes to the CoC standard in the order they would appear in the revised standard. **Minor and editorial changes are in green, major changes are in orange, and new requirements are in red.**

#	Proposed change	Reason	Original text
<p><b>New COP DD</b></p>	<p><b>Due Diligence</b>  <b>1. Members shall adopt and communicate to their suppliers and the public a supply chain policy for sourcing diamonds, gold and platinum group metals from conflict-affected and high risk areas. The policy shall be consistent with Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (the OECD guidance)</b></p>	<p>This brings together requirements for a company to source responsibly from conflict affected and high risk areas in a single provision that is a mandatory part of COP certification.</p> <p>The new provision defines conflict affected and high risk areas as those where there is identified armed conflict, widespread violence or other risks of harm to people. This includes risks such as gross human rights violations, torture, forced or compulsory labour, war crimes, support to non-state armed groups, public or private security forces who illegally control mine sites, bribery and fraudulent misrepresentation of the origin of minerals, money laundering, and non-payment of taxes.</p> <p>Many of these risks are currently addressed in the CoC under provision 10 and in the COP under COP 6 (Human Rights), COP 7 (sourcing from ASM), COP 9 (Bribery and facilitation payments), COP 10 (money laundering) and COP 27 (Kimberly Process). The new COP provision will align with existing RJC requirements (particularly COP 6a on Human Rights policy) with two added features: It will cover all the risks related to the definition of conflicted affected and high risk areas and it will focus on supply chain risks (beyond the company's own direct operations).</p> <p>In addition, Provenance Claims (COP 12) on conflict sensitive sourcing will only be accepted if they go beyond the requirements in this provision.</p>	<p>10. Conflict-Sensitive Sourcing  This provision supports the adoption of a policy and risk management framework for conflict-sensitive sourcing practices, drawing on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.  10.1 The Entity shall adopt and communicate to suppliers of Materials and the public a policy for the supply chain of Materials from Conflict-Affected Areas.</p>

#	Proposed change	Reason	Original text
<p>New COP DD</p>	<p><b>Due Diligence</b> 2. Members shall exercise due diligence over the supply chains of diamonds, gold and platinum group metals in ways appropriate to their size and circumstances in accordance with the OECD guidance. Specifically: a. Members in the gold value chain shall adhere to the OECD guidance and the recommendations of the Gold Supplement as applicable to their operations. b. Members in the platinum group metals value chain shall adhere to the OECD guidance. c. Members in the diamonds value chain shall adhere to the principles of the OECD guidance five-step framework.</p>	<p>The Due Diligence approach aligns with the OECD 5 step framework and specifies different requirements for different types of companies (downstream, upstream, refiner). These will be defined in detail in guidance.</p> <p>All members will be required to have management systems to support due diligence (step 1) including the identification of upstream actors. Note that this is <u>not</u> a requirement for full traceability. Management systems will also include engagement with suppliers and a grievance mechanism. The latter can be in conjunction with systems in place under COP 6.1c (which requires companies to provide processes for remediation to Human Rights violations). Due diligence will also involve identifying and assessing risks in the supply chain (ie, identifying 'red flags') (step 2), mitigating risks (step 3), and reporting on supply chain due diligence (step 5).</p> <p>Downstream companies dealing in previous metals will focus due diligence efforts on identifying refiners supplying gold and PGMs and ensuring that all gold is from independently validated "conflict-free" refiners (or recycled). Refiners will identify the country of origin of mined gold or PGM and gather information on the locations, suppliers and circumstances of the supply chain to identify red flags and apply risk mitigation measures on these. Upstream companies will focus on communicating required information downstream and use on-the-ground teams for mitigating risks.</p> <p>Companies dealing in diamonds (traders/cutters/and polishers, and downstream companies) shall use information from compliance with the Kimberly Process and System of Warranties (COP 27) as part of their identification of 'red flags' and assessment of risks. Where risks are identified, the approach for mitigation outlined in the OECD Annex II Model Policy will be used.</p>	<p>10.2 If the Entity purchases Materials, it shall assess the risks of non-compliance with its supply chain policy by its suppliers of Materials, and take action to prevent or mitigate the risks.</p> <p>10.3 The Entity shall establish a complaints or grievance mechanism appropriate to the nature, scale and impact of the business, to allow interested parties to voice concerns about circumstances in its supply chain involving Eligible and/or CoC Materials from Conflict-Affected Areas.</p> <p>10.4 If the Entity is a Gold Refiner, it shall apply the following Conflict-Sensitive Due Diligence practices: a. The Refiner shall source all Gold inputs according to the Know Your Customer systems and procedures described in provisions 5.1a,b,c,d and 5.2a,b,c. b. The Refiner shall conduct Due Diligence to confirm that the conditions described in provision 4.2 apply to all of its inputs of Mined Gold. In conducting the Due Diligence, the Refiner may, subject to provision 10.4a, rely on information provided by suppliers of Mined Gold.</p>

#	Proposed change	Reason	Original text
<p>New COP DD</p>	<p><b>Due Diligence</b>  3. RJC gold refiner members shall  a. Maintain internal material control systems that allow for the reconciliation of movement in and out of inventory over a given period of time.  b. Collect and, with due regard to business confidentiality, make available to the RJC, information on the countries of origin of mined gold material received on an annual basis.</p>	<p>This requirement will be included in the new COP provision to maintain robust internal material control systems including the ability to reconcile the total weight of gold material moving in and out of inventory.</p> <p>Country of origin data will be shared with RJC on an annual basis for informing RJC's training and for the integrity of cross-recognition with CFSP and LBMA. This will include:</p> <ul style="list-style-type: none"> <li>a. A list of countries of origin of gold material received during the audit period;</li> <li>b. Identification of conflict-affected and high risk areas in the countries disclosed;</li> <li>c. Summary of the criteria applied to determine conflict-affected and high risk countries.</li> </ul>	

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<p>New COP KYC</p>	<p><b>Know your counterparty</b>  1. The entity shall document a Know Your Counterparty policy and procedures for business partners that are suppliers or customers of diamonds, gold and platinum group metals or jewellery products containing these materials. The policy and procedures shall include:  a. Establishing the identity, and where triggered by a risk assessment or applicable law, the beneficial ownership and principals of the supplier or customer;  b. Verifying that the counterparty and their beneficial owners are not named on any government lists for wanted money launderers, known fraudsters or terrorists;  c. Maintaining an understanding of the nature of their business;  d. Maintaining adequate records for such period as may be defined by national legislation.</p>	<p>This new provision outlines requirements for a company to establish the identity of counterparties and identify and react to transaction patterns that appear out of the ordinary or suspicious. This process supports due diligence for responsible sourcing from conflict-affected and high risk areas (COP DD above). It is a key process for avoiding illegitimate sources of material (as defined in the current CoC provision 5.1) and for combating money laundering and finance of terrorism (as defined in COP provision 10). The new provision combines the requirements into a single provision that is a mandatory part of COP certification.</p> <p>The term 'know your customer' which was previously used will be changed to 'know your counterparty' to clarify that suppliers, customers and relevant business partners are included.</p> <p>The provision includes a new requirement to verify that the counterparty and their beneficial owners are not named on any government sanctions lists, to strengthen the KYC approach.</p>	

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<p>New COP KYC</p>	<p><b>Know your counterparty</b>  2. The entity shall nominate a compliance officer who shall be responsible for implementation of the KYC policy and procedures;  3. The entity shall carry out a regular review of its KYC policy and procedures to ensure they are up to date and appropriate;  4. The entity shall monitor relevant transactions for unusual or suspicious activity and report suspicious transactions to the relevant authorities.</p>	<p>The provision will combine the KYC elements currently covered in the CoC (provision 5.1) and in the COP (provision 10).</p>	<p>5.1 An Entity shall ensure that any Eligible Recycled Material for which the Entity issues an Eligible Material Declaration is produced only from Recyclable Materials sourced according to the following Know Your Customer systems and procedures:  a. The Entity shall document a Know Your Customer policy and procedures;  b. The Entity shall nominate a Compliance Officer who shall be responsible for implementation of the Entity’s Know Your Customer policy and procedures;  c. The Entity shall carry out a regular internal review of its Know Your Customer policy and procedures to ensure they are up to date and appropriate;  d. The Entity shall monitor relevant transactions for unusual or suspicious activity and report suspicious transactions to the relevant authorities.</p>



#	Proposed change	Reason	Original text
CoC 4.1a	<p><b>Eligible mined material</b> This provision means that eligible mined materials come only from <b>sources with responsible mining practices</b>, as defined in the RJC Code of Practices or another recognised responsible mining standard. 4.1 An entity shall have systems in place to ensure <b>that eligible mined material declarations are only issued for material sourced from the following:</b> a. <b>Mines</b> that are within its CoC certification scope <b>or in which it holds a legal interest and where the mines are within the CoC certification scope of another CoC certified entity;</b></p>	Minor and editorial changes to combine provisions 4.1 a and b	<p>This provision means that Eligible Mined Materials come only from legitimate and conflict-free sources through a commitment to responsible business practices, as defined in the RJC Code of Practices or another recognised 'responsible mining' standard. 4.1 An Entity shall have systems in place to ensure that Mined Material for which the Entity issues an Eligible Material Declaration is sourced only from one or more of the following: a. Mining Facilities that are within its CoC Certification Scope; b. Mining Facilities in which it holds a legal interest and are within the CoC Certification Scope of another CoC Certified Entity;</p>
CoC 4.1b	<p><b>Eligible mined material</b> <b>Artisanal and small scale mining (ASM)</b> producers operating on the entity's <b>mining concessions</b> that have participated in initiatives that enable the professionalisation and formalisation of ASM, and with documented due diligence that confirms that the material comes from such <b>ASM producers and not from illegitimate sources;</b></p>	Minor editorial changes for clarification and restructure changes to group eligible mined sources by entity making the eligibility declaration.	4.1 d. ASM producers operating on the Entity's Mining Facility concessions that have participated in initiatives that enable the professionalisation and formalisation of ASM, and with documented Due Diligence that confirms that the Material comes from such ASM producers mining operations on the Entity's Mining Facility concession and not from Illegitimate Sources;

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CoC 4.1d	<p><b>Eligible mined material</b>  Mines that are independently validated<sup>2</sup> to conform, in all material aspects, with the RJC Code of Practices requirements as defined in provision 4.2 and with documented due diligence that confirms the material comes from such mines;</p>	<p>This provision has been developed to allow entities to source mined material that is the product of responsible mining as defined in the COP and which has been subject to third party assurance.</p> <p>The provision is in alignment with RJC's approach to 'harmonisation and recognition of existing certifications' as outlined in the RJC Assessment Manual. Under this approach, a high value is placed on existing assurance programmes which have equivalent requirements to provisions in the RJC standards. This approach is not an outright equivalency as defined in the CoC provision 4.1c for recognised responsible mining standards.</p> <p>The new provision specifically builds on the following sustainability standards used at mine sites:</p> <ul style="list-style-type: none"> <li>• the Mining Association of Canada's <a href="#">'Towards Sustainable Mining'</a> (TSM) program;</li> <li>• the International Council on Mining and Metal's <a href="#">(ICMM) sustainable development framework</a>.</li> </ul> <p>The approach also incorporates certifications already recognised in the COP (ISO 14001 and OSHAS 18001) and standards directly required as part of the COP (COP 3 on Global Reporting Initiative (GRI) reporting, COP 38 on International Cyanide Management Code certification).</p>	

<sup>2</sup> The term 'validation' is used to describe the defined process followed by an entity to recognise eligible mined material from a mine source.

<p>CoC 4.2</p>	<p><b>Eligible mined material</b> An entity sourcing eligible material from mines under Provision 4.1d shall have documented due diligence of having carried out the following validation process:</p> <p>a. Enhanced Know Your Customer for each mine using the RJC Enhanced KYC Checklist;</p> <p>b. A desktop review of the mine’s conformance with the Code of Practices (COP) using the RJC Self-Assessment Workbook and taking into account recognised existing certifications;</p> <p>c. Review of the certification audit reports relevant to the mine and assessment of conformance with COP provisions 13 – 20 through a review of the mine’s compliance with legal requirements on labour rights and working conditions in the country of operations.</p> <p>d. An in-person verification of all applicable provisions of the COP at the mine that are not covered by a recognised existing certification.</p>	<p>This provision defines how CoC certified entities can source eligible mined material that is third party assured and conforms in all material aspects with the requirements of the COP Standard. The validation analysis is carried out by the CoC certified entity and is audited as part of the entity's CoC certification. The validation analysis is carried out in collaboration with the mine and directly integrates existing assurance programmes with which the mine complies.</p> <p>Enhanced KYC is the first step of the validation analysis and will be defined through a checklist. This will include collecting details on mining practices and mine capacity, the regulatory environment, human resources at the mine, processing plant details, materials used, transportation routes and the responsible precious metal supply chain policy of the mine.</p> <p>The CoC certified entity will then be required to apply different levels of validation analysis based on adherence with existing programmes by the mine source(s). If the mine is:</p> <ul style="list-style-type: none"> <li>• <b>COP certified</b>, no further validation is required, subject to requirements if the mine sources gold from external suppliers (eg, other mines)</li> <li>• <b>TSM verified or an ICMM member</b>, validation is required through limited desktop review (recognising COP provisions that are covered by TSM and ICMM). Research on compliance with labour rights and working conditions is required to assess conformance with COP provisions 13 – 20 (as this is not explicitly covered by TSM or ICMM). In recognition of the third-party assurance provided through TSM and ICMM, no further third party validation is required. However, the CoC certified entity shall conduct an in-person visit to assess the mine's performance against COP provisions not covered by existing certifications.</li> <li>• <b>Not certified</b>, validation is required through full desktop review and research on compliance. Third party audit at the mine is also required.</li> </ul>	
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#	Proposed change	Reason	Original text
CoC 4.3a	<b>Eligible mined material</b> An entity issuing an eligible material declaration for mined material shall have documented due diligence in conformance with the COP provision on Due Diligence [reference to be added] that is able to confirm one of the following: a. The mine(s) from which the mined material is produced, and/or its transportation routes, are not located in conflict affected and high risk areas; or	Editorial and restructure changes (formerly 4.2a). Clarification that both conflicted affected and high risk areas are included.	4.2 An Entity issuing an Eligible Material Declaration for Mined Material shall have documented Due Diligence that is able to confirm one of the following: a. The mine or mines from which the Mined Material is produced, and/or the transportation routes for the Mined Material, are not located in Conflict-Affected Areas; or
CoC 4.3b	<b>Eligible mined material</b> The mine(s) from which the mined material is produced and/or its transportation routes are located in conflict affected and high risk areas, and is sourced in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas; or	Editorial and restructure changes (formerly 4.2b). Clarification that both conflicted affected and high risk areas are included.  A clearer reference to the OECD Due Diligence Guidance is included in the provision, but the intent of the provision remains the same.	b. The mine or mines from which the Mined Material is produced and/or the transportation routes for the Mined Material are located in Conflict-Affected Areas, and the production, processing and transportation of the Material did not directly or indirectly finance or benefit Illegal Armed Groups through the provision of payments, logistical assistance or equipment to such Illegal Armed Groups or their affiliates; or
CoC 4.3c	<b>Eligible mined material</b> The material is mining byproduct with suppliers screened according to the know your counterparty systems and procedures described in the COP provision [reference to be added]	Editorial and restructure changes (formerly 4.2c) to align with changes made to KYC requirements.	c. The material is Mining Byproduct with suppliers screened according to the Know Your Customer systems and procedures described in provisions 5.1a,b,c,d and 5.2a,b,c.

#	Proposed change	Reason	Original text
CoC 5.1	<p><b>Eligible recycled material</b>  An entity shall have systems in place to ensure that recycled material for which the entity issues eligible material declarations is from one or more of the following:</p> <ul style="list-style-type: none"> <li>a. Commercial suppliers, eg, wastes from jewellery manufacturing, post-consumer, waste metals and materials arising during refining.</li> <li>b. Individuals or estates</li> <li>c. Bullion banks</li> <li>d. Recovered content from products which are recycled for multiple materials including precious metals, eg, electronic scrap, spent automotive catalysts, spent industrial catalysts, fuel cells;</li> </ul>	<p>RJC members are not always clear on what materials are permitted to enter the material flow when claiming Chain of Custody for recycled materials. This provision clarifies acceptable sources of recyclable material.</p> <p>The provision clarifies that gold from bullion banks is an acceptable source of CoC material thus bringing the CoC standard in alignment with LBMA.</p> <p>It also introduces a new category of recycled material (recovered material) to allow for e-waste, catalysts or other sources of precious metals that are typically outside the jewellery supply chain to be recognised as eligible recycled material.</p> <p>As described above in the KYC section, the existing provision 5.1 will be replaced by the new COP provision on KYC.</p>	
CoC 5.2d	<p><b>Eligible recycled material</b>  The entity shall review their supplier's KYC policy and procedures if they are identified as representing a high risk of introducing illegitimate sources. This may require on-site due diligence to verify the supplier's systems and records.</p>	<p>This additional step is included to strengthen the management of risks of illegitimate sources of precious metals being falsely represented as recycled material.</p>	<p>5.2 For Recyclable Precious Metals sourced from commercial suppliers:</p> <ul style="list-style-type: none"> <li>a. The entity shall provide a documented description of criteria for acceptable sources and types of Precious Metals to: [...]</li> <li>b. The Entity shall have documented procedures for approval of new commercial suppliers which shall include: [...]</li> <li>c. The Entity shall have documented procedures for monitoring commercial suppliers which shall include: [...]</li> </ul>
CoC 5.3	<p><b>Eligible recycled material</b>  For recyclable materials in the form of jewellery or other products containing precious metals that are supplied directly to the entity by individuals or estates, the entity shall apply the following procedures:</p>	<p>Editorial change.</p>	<p>5.3 For recyclable materials for which the entity issues an eligible material declaration in the form of jewellery or other products containing precious metals supplied directly to the entity by individuals or estates, the entity shall apply the following know your customer procedures:</p>

#	Proposed change	Reason	Original text
CoC 5.4	<p><b>Eligible recycled material</b>  For recyclable material sourced from bullion banks, the entity shall have systems to assess the risk of illegitimate sources of material being introduced into the supply chain through maintaining an understanding of the following:</p> <ul style="list-style-type: none"> <li>a The legal requirements in the country related to illegitimate sources of precious metals;</li> <li>b Third party certifications on due diligence that the bank may have.</li> </ul>	<p>This provision describes requirements to assess that bullion bank sources are managing the risk of precious metals from conflict affected and high risk areas and ensuring that illicit gold sources are not being supplied. The legal requirements on anti-money laundering, combatting of finance of terrorism and conflict sourcing in the country of operation are an important part of how these risks are being managed, as is third party certification.</p>	
CoC 5.5	<p><b>Eligible recycled material</b>  For recyclable material sourced from recovered content sources, the entity shall have systems to address key risks in the upstream recycling chain through the following:</p> <ul style="list-style-type: none"> <li>a. Implement all the steps applicable to commercial suppliers (5.2)</li> <li>b. Assess labour, health and safety, and environmental risks of the suppliers of recovered content, including existing third party assurance of related systems.</li> <li>c Where high risks are identified, a third party audit of the suppliers should take place.</li> </ul>	<p>This provision describes requirements for sourcing 'recovered content' as eligible CoC material. It outlines the key risks to be assessed by the CoC certified entity in the initial stages of the recycling chain. These relate to labour, Human Rights, health and safety and environmental risks.</p>	

#	Proposed change	Reason	Original text
CoC 7.2	<p><b>Eligible material declarations</b></p> <p>7.2 For eligible mined material, the entity shall include in the CoC transfer document:</p> <p>a. A conflict-free declaration that identifies if 4.3a, 4.3b or 4.3c applies.</p> <p>b. The country or countries where the mined material was extracted for 4.3a and 4.3b.</p> <p>c. The country or countries where the mining byproduct was refined for 4.3c.</p> <p>d. If 4.3b applies, the entity shall append to the CoC transfer document a summary of its due diligence for that material.</p>	Editorial changes.	<p>7.2 For Eligible Mined Material, the Entity shall include in the CoC Transfer Document:</p> <p>a. A Conflict-Free Declaration that identifies if 4.2.a, 4.2.b or 4.2c applies.</p> <p>b. The country or countries where the Mined Material was extracted for 4.2a or 4.2b.</p> <p>c. The country or countries where the Mining Byproduct was refined for 4.2c.</p> <p>d. If 4.2.b applies, the Entity shall append to the CoC Transfer Document a summary of its Due Diligence for that Material.</p>
CoC 9.1	<p><b>Consumer claims</b></p> <p>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.</p> <p>Claims on the components in a product that are CoC can be made. If these components do not make up the majority of the product, this must be clearly communicated.</p>	This provision clarifies that it is possible to make CoC claims on parts of a jewellery product. In order to avoid misleading claims, if the components do not make the majority (ie 75% by weight) of the product, this will need to be clearly communicated as part of the claim.	<p>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.</p>

#	Proposed change	Reason	Original text
CoC Glsry	<p>Conflict-affected and high risk area: Areas identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterised by widespread human rights abuses and violations of national or international law. [Reference: OECD Due Diligence Guidance]. These areas may be a region, a country, an area within a country, or an area that crosses one or more country boundaries. Operations are not necessarily complicit in conflict if they are located in conflict-affected or high risk areas. Under Section 1502 of the United States’ Dodd-Frank Wall Street Reform and Consumer Protection Act, the DRC and adjoining countries are deemed a conflict-affected area.</p>	<p>New definition to align with the OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas.</p>	<p>Conflict-Affected Area: Area where Conflict is prevalent. The area may be a region, a country, an area within a country, or an area that crosses one or more country boundaries. Operations are not necessarily complicit in Conflict if they are located in a Conflict-Affected Area. The DRC and Adjoining Countries as defined under Section 1502 of the United States’ Dodd-Frank Wall Street Reform and Consumer Protection Act are deemed a Conflict-Affected Area.</p>



#	Proposed change	Reason	Original text
CoC Glsry	Due Diligence: Process through which companies, acting reasonably and prudently under the circumstances, conduct inquiry and analysis necessary to make reliable and verifiable determinations about the relevant conditions applying to the production and transportation of mined materials from mining facilities. Due diligence includes, where applicable, the application of know your counterparty systems and procedures.	Editorial change.	Due Diligence: Process through which companies, acting reasonably and prudently under the circumstances, conduct inquiry and analysis necessary to make reliable and verifiable determinations about the relevant conditions applying to the production and transportation of Mined Materials from Mining Facilities. Due Diligence includes, where applicable, the application of Know Your Customer systems and procedures. The Due Diligence required under the RJC CoC Standard supports implementation of the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas.
CoC Glsry	Eligible mined: Conflict-free material produced by a CoC certified entity, or by ASM on the concession of a CoC certified entity, under a recognised responsible mining standard, or from an independently validated mine. Eligible mined gold and platinum group metals may be in the form of unrefined concentrate, impure alloys, or refined metal. Eligible mined gold and platinum group metals can also be recovered by a CoC certified entity, including a refiner, as a mining byproduct from processing residues (such as slimes) arising from metallurgical processing of other metals not within the RJC's scope such as copper, lead, zinc or nickel.	Editorial change.	Eligible Mined: Conflict-Free Material produced by a CoC Certified Entity, or by ASM on the concession of a CoC Certified Entity, or under a Recognised Responsible Mining Standard. Eligible Mined Gold and Platinum Group Metals may be in the form of unrefined concentrate, impure alloys, or refined metal. Eligible Mined Gold and Platinum Group Metals can also be recovered by a CoC Certified Entity, including a Refiner, as a Mining Byproduct from processing residues (such as slimes) arising from metallurgical processing of other metals not within the RJC's scope such as copper, lead, zinc or nickel.

#	Proposed change	Reason	Original text
CoC Glsry	Eligible recycled: Material recycled by a CoC certified entity from recyclable materials sourced from suppliers screened according to the CoC <b>standard's requirements</b> to avoid illegitimate sources. Recyclable gold and platinum group metals are those that have been previously refined, [...].	Editorial change.	Eligible Recycled: Material recycled by a CoC Certified Entity from Recyclable Materials sourced from suppliers screened according to the CoC Standard's Know Your Customer requirements to avoid Illegitimate Sources. Recyclable Gold and Platinum Group Metals are those that have been previously refined, [...].
CoC Glsry	Know Your <b>Counterparty</b> (KYC): Principles established to combat money laundering and finance of terrorism. [...]	Editorial change.	Know Your Customer (KYC): Principles established to combat money laundering and finance of terrorism. [...]
CoC Apdix 1	<b>Transfer document template</b> <b>Fairmined, Fairtrade tick box to be added.</b> <b>Certification start and end dates to be added.</b>	Additional information to be included in the transfer document template: - An indication of if the material is from a recognised mining standard and which one (Fairmined, Fairtrade). - CoC certification dates information.	
CoC Apdix 1	<b>Conflict free declaration</b> The mine or mines from which the mined material was produced are not located in conflict-affected <b>and high risk</b> area and the mined material was not processed in or transported through conflict-affected <b>and high risk areas</b> .	Editorial change.	The mine or mines from which the Mined Material was produced are not located in Conflict-Affected Areas and the Mined Material was not processed in or transported through Conflict-Affected Areas.

Anyone interested in contributing to the Chain of Custody standard review should contact [consultationCoC@responsiblejewellery.com](mailto:consultationCoC@responsiblejewellery.com) to register their interest.

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## RJC Chain of Custody Review – Comment Form 2016-2017

Date:

Name:

Please tick here if you would like your comments to be kept anonymous:

New provision number	Type of comment <sup>3</sup>	Comment	Proposed Change

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<sup>3</sup> Type of comment: ge = general te = technical ed = editorial