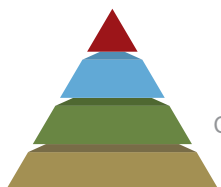




Responsible Jewellery Council

Chain-of-Custody (CoC) Standards Guidance



GUIDANCE

Chain-of-Custody (CoC) Standards Guidance

March 2012

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The Responsible Jewellery Council

The Responsible Jewellery Council (RJC) is a not-for-profit organisation founded in 2005 with the following mission:

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

About this Guidance

The Chain-of-Custody Standards Guidance (the "Guidance") provides general information and advice **about the RJC Chain-of-Custody Standard**.

The Guidance is not a substitute for legal advice.

This is a 'living document' and the RJC reserves the right to revise this Guidance based on implementation experience and emerging good practice. The Guidance posted on the RJC website supersedes all other versions. To verify this document is current, please visit: www.responsiblejewellery.com

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Contents

About this Handbook	2
Disclaimer	2
Inquiries or feedback	2
Introduction	4
a. Introducing Chain-of-Custody	4
b. Key elements of the CoC Standard	4
c. Eligibility of Material for Chain-of-Custody	5
d. Application of Provisions to different types of businesses	6
Standards Guidance	7
This Guidance	7
A. Chain-of-Custody Management	7
1. Management system and responsibilities	7
2. Internal Material Controls	9
3. Outsourcing Contractors and Service Companies	12
B. Systems to Confirm Eligibility of Material	14
4. Eligible Mined Materials	14
5. Eligible Recycled Material	22
6. Eligible Grandfathered Material	25
C. Issuing Chain-of-Custody Documentation	26
7. Eligible Material Declarations	26
8. Chain-of-Custody Transfer Documents	30
9. Consumer Claims	35
D. Conflict-Sensitive Sourcing	36
Appendix 1	
Example Policy on Materials from Conflict-Affected Areas	40
Appendix 2	
Example Complaints Mechanism – Simple Procedure for Small Businesses	42
Glossary	43

Introduction

a. Introducing Chain-of-Custody

The Responsible Jewellery Council (RJC) has developed Chain-of-Custody (CoC) Certification to support businesses which wish to provide their customers and stakeholders with independent assurance about conflict-free, responsible sourcing.

A 'Chain-of-Custody' is a documented sequence of custody of material as it is transferred along the supply chain. Chain-of-Custody systems can provide an important point of differentiation and confidence in the business practices involved in production. Certification of those systems provides recognisable assurance to customers, consumers and stakeholders against a known standard. This can add value to jewellery products and help protect and enhance jewellery brands.

Depending on the type of business, CoC Certification may be of interest to:

- Support responsible mining practices
- Source legitimate recycled materials
- Identify the provenance of jewellery materials
- Avoid 'conflict' resources implicated in human rights abuses, illegal or criminal practices
- Enhance reputation through responsible sourcing
- Carry out due diligence of the supply chain
- Respond to the requests of customers, both business to business and retail.

CoC Certification is **voluntary** for RJC Members. While RJC Member Certification against the Code of Practices is compulsory for businesses which choose to join the RJC, CoC Certification is optional for RJC Members because of the need for compliance with [anti-trust](#) laws.

b. Key elements of the CoC Standard

The CoC Standard establishes requirements for the Chain-of-Custody of Materials, and for confirming that CoC Materials are only from known sources that are responsible and Conflict-Free. The key elements of the CoC Standard therefore include systems for: material segregation, material transfers, document controls, and controls for responsible and -conflict-sensitive sourcing. Requirements for each of these elements are found in different Provisions of the Standard, as shown in the following table.

Box 1: At a Glance

CoC Certification:

- *Voluntary*
- *Requires RJC Membership to support responsible business practices in the supply chain*
- *Requires independent, third party auditing*
- *Controls for responsible sources of gold and platinum group metals (platinum, palladium, rhodium)*
- *Supports implementation of Dodd-Frank Conflict Minerals legislation*

Table 1 – CoC Standard Provisions, by key element

	CoC Standard Provisions	Material Segregation	Material Transfers	Document Controls	Responsible, Conflict-Sensitive Sourcing
Chain-of-Custody Management	1. Management Systems			●	●
	2. Internal Material Controls	●	●	●	
	3. Outsourcing Contractors	●	●	●	
Systems to Confirm Eligibility of Material	4. Eligible Mined Materials	●		●	●
	5. Eligible Recycled Materials	●		●	●
	6. Eligible Grandfathered Materials	●		●	●
Issuing Chain-of-Custody Documentation	7. Eligible Materials Declarations		●	●	
	8. CoC Transfer Documents		●	●	
	9. Consumer Claims and IP	●	●	●	●
Conflict-Sensitive Sourcing	10.1, 10.2 Supply chain policy			●	●
	10.3 Complaints Mechanism			●	●
	10.4 Gold Refiners			●	●

c. Eligibility of Material for Chain-of-Custody

The CoC Standard sets out the management systems required to confirm that Material (Gold and Platinum Group Metals) can be declared as Eligible Material. Once Material is declared as Eligible Material, it can be processed and transferred as CoC Material.

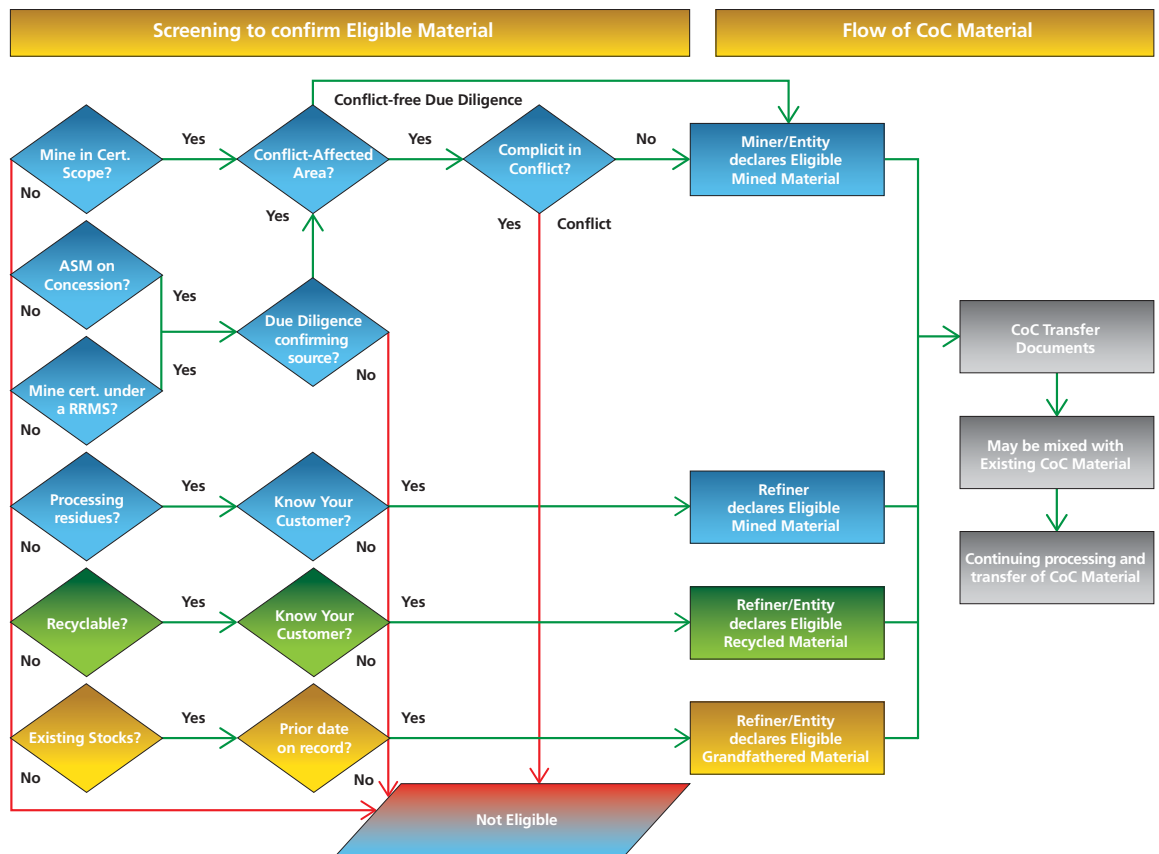


Figure 1 – Screening and Flow of CoC Material

d. Application of Provisions to different types of businesses

The following table provides a breakdown of the required, optional (where applicable) and non-applicable provisions of the CoC Standard according to the type of business. This breakdown is not definitive, and exceptions may occur. The Entity's Certification Scope will define which provisions shall apply to the Entity seeking Certification.

Table 2 – Application of CoC Standard Provisions by Sector

	CoC Standard Provisions	Miners	Refiners	Retailers Traders Manufacturers
Chain-of-Custody Management	1. Management Systems	Required		
	2. Internal Material Controls	Required		
	3. Outsourcing Contractors	If applicable		
Systems to Confirm Eligibility of Material	4. Eligible Mined Materials	Required	Not applicable	
	5. Eligible Recycled Materials	Not applicable	Required	If applicable
	6. Eligible Grandfathered Materials	Not applicable	If applicable	
Issuing Chain-of-Custody Documentation	7. Eligible Materials Declarations	Required		If applicable
	8. CoC Transfer Documents	Required		
	9. Consumer Claims and IP	If applicable		
Conflict-Sensitive Sourcing	10.1. Supply chain policy	Required		
	10.2. Policy non-compliance	If applicable	Required	
	10.3. Complaints Mechanism	Required		
	10.4. Gold Refiners	Not applicable	Required	Not applicable

Standards Guidance

This Guidance

The *RJC CoC Standard* outlines the requirements for CoC Certification. This *CoC Standards Guidance* has been developed as a resource to assist RJC Members seeking CoC Certification, and for Auditors carrying out independent third party audits. It is also available to businesses in the jewellery supply chain and stakeholders who wish to learn more about establishing Chain-of-Custody systems and the RJC's standards.

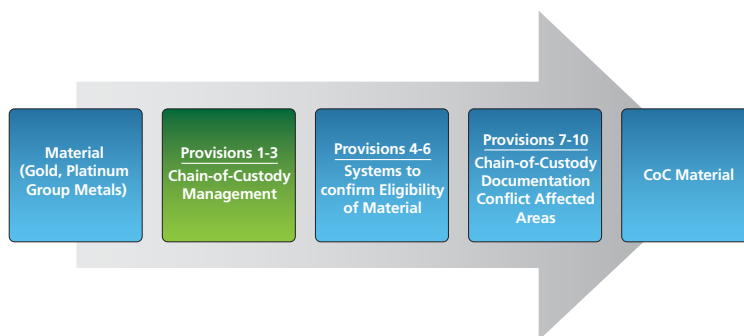
The *RJC CoC Standard* is structured into four sections. The first three set the basic framework for managing robust Chain-of-Custody systems, while the fourth addresses additional conditions to support Conflict-Sensitive sourcing.

- A. Provisions 1– 3. Chain-of-Custody Management:** Management system and responsibilities; Internal material controls; Outsourcing contractors and service companies.
- B. Provisions 4 – 6. Systems to Confirm Eligibility of Material:** Eligible Mined Material; Eligible Recycled Material; Eligible Grandfathered Material.
- C. Provisions 7 – 9. Issuing Chain-of-Custody Documentation:** Eligible Material Declarations; CoC Transfer Documents; Consumer claims.
- D. Provision 10. Conflict-Sensitive Sourcing:** Supply chain policy; Complaints Mechanism; Gold Refiners.

The *CoC Standards Guidance* is similarly organised to address each of the above sections, providing general guidance to businesses wishing to implement systems and procedures that can comply with the *RJC CoC Standard*.

Like the RJC's Code of Practices, the CoC Standard sets out requirements for what a business must be able to do, but does not generally prescribe how systems and procedures are designed. The *CoC Standards Guidance* therefore offers general guidance only and is non-prescriptive. The *RJC CoC Standard* is the final point of reference.

A. Chain-of-Custody Management



1. Management system and responsibilities

Background

The CoC Standard begins with the requirement that a Member/Entity must have a Management System in place to address all applicable parts of the Standard, in all Facilities which have Custody of CoC Material. A Management System is defined as:

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.

In basic terms, a Management System is made up of three elements – people, process, and paperwork - that interact with each other, as shown in the following diagram:

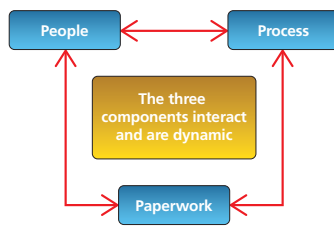


Figure 2 – Management systems components

For a Management System to work effectively: people must be trained, competent, and understand their responsibilities; processes must be established to define what tasks and work activities need to be carried; and paperwork is required to ensure consistency, measure results, and maintain records.

Implementation

Management Systems can take many different forms, depending on the nature and scale of the business, the level of automation and use of information technology, the types of Materials handled, the points where Material could become mixed, etc. For example, a Management System necessary for segregation of CoC Material from non-CoC Material will look very different at a mine site from that for a small retail business. However, in each case an auditor will look to verify that the Management System – in the form of people, processes and relevant paperwork – can fulfil the requirements of the Standard.

To recommend CoC Certification, an auditor would typically look for the following general types of objective evidence of conformance:

- Efforts to identify and control risks of non-conformance (1.1)
- Adequate resources (financial, human, equipment, information technology, etc.) to carry out the relevant tasks and activities (1.1)
- Policies and procedures (which may or may not be documented) that are understood and consistently followed (1.1)
- An internal process that regularly monitors the design and effectiveness of controls (1.1)
- Clear designation of a responsible manager (1.2)
- Training of relevant staff and communication processes to ensure critical information reaches relevant customers and suppliers (1.3)
- CoC records and documentation to support all applicable parts of the Standard and retained for at least 5 years (1.4)
- Systems to verify CoC Transfer Documents the business has issued (1.5)
- RJC Membership status (1.6).

Getting started

Where possible, consider embedding the management requirements of the CoC Standard into the business' existing management systems as this will be more efficient and help implementation. More specific guidance on sections 2-10 of the CoC Standard can be found in the subsequent sections.

Box 2: Managing CoC Gold

A jewellery manufacturing Facility that sources a range of inputs for its products is likely to source both CoC and non-CoC Gold. To achieve CoC Certification, the Facility's management system will need to be able support a chain-of-custody approach. To put this in place, the Facility could take the following general steps:

- Designate a responsible manager to oversee CoC systems and the responsibilities of relevant staff
- Establish or adapt internal systems so that they can track all CoC Materials in Custody
- Identify all points in the Facility where there is a risk of Eligible and/or CoC Gold becoming mixed with non-Eligible and/or non-CoC Gold and put controls in place to ensure segregation
- Consider other risks of mixing and take steps to address them
- Put procedures in place and communicate them to all relevant staff
- Keep records that can verify CoC claims and that can show that the controls are effective.

Review:

- Entities seeking CoC Certification must ensure an effective Management System is in place to meet each of the applicable requirements of the CoC Standard.
- How each Entity's management system is designed will be different, depending on the nature of their business.
- The three main dimensions of management systems are people, processes and paperwork.

Check:

- ✓ Who has overall responsibility for implementing and maintaining CoC systems?
- ✓ Are all relevant staff trained and aware of what they need to do with CoC Material? RJC training on the CoC Standard is available to Members; tailored training will probably be required for business-specific procedures.
- ✓ Is there a record-keeping system that will enable the business to respond to requests for more information on CoC Material it has transferred?

2. Internal Material Controls**Background**

The CoC Standard supports the "Bulk Commodity" Chain-of-Custody model, which prevents the mixing of Eligible Material with non-eligible Material but does not require tracing to origin. The CoC Standard can also support a "Track and Trace" model, which does trace to origin.¹ Businesses can decide how they wish to use the CoC Standard to support either or both of these models.

Both models are underpinned by internal Material controls that provide for the segregation of material that is eligible for inclusion in the Chain-of-Custody, from Material that is not Eligible. This is the essence of a "Bulk Commodity" model. However the same controls could also be applied, if desired, to prevent the mixing of Eligible/CoC Material with certain characteristics, such as origin, with Eligible/CoC Material that does not have those characteristics. This represents a "Track and Trace" model.

A Chain-of-Custody is managed through a business' internal control of the material it sources and supplies. Where a business has both CoC and non-CoC Material, the key internal controls involve tracking individual, physically separated lots of CoC Material that are assigned unique identification numbers. Many businesses in the jewellery supply chain already have systems in place that record most or all of this information. These are used to facilitate effective inventory management and work flow, and support the business's financial accounting system. In many cases, such inventory systems can be readily adapted for CoC Material controls.

Implementation

The simplest situation for a business is to source and/or supply only CoC Material. This would not be unusual for mines, for example, where CoC Certified mines could sell all of their Eligible production as CoC Material. However, businesses further downstream in the supply chain frequently have multiple suppliers and complex supply chains. Therefore most businesses in the Jewellery supply chain seeking to transition to CoC Materials will need to manage both CoC and non-CoC Material in their custody. The CoC Standard requires CoC and non-CoC Material to be kept segregated, if any CoC claims are to be passed onto another Entity or consumer.

¹ See RJC CoC Discussion Paper 1 for more discussion of these models, and examples of their use: http://www.responsiblejewellery.com/files/RJC_Chain_custody_discn_paper_19_04_2010.pdf

Internal controls to prevent any mixing of CoC Material with non-CoC Material (provision 2.1) may be provided through:

- physical measures, such as separate processing lines, identification and inventory storage, to differentiate CoC and non-CoC Materials handled in the same Facility at the same time.
- temporal measures, such as batch processing on the same process line or workspace, to allow CoC Material to be separately handled and processed at certain periods of time.

Note that components of a Jewellery Product can include CoC and non-CoC Material, as long as the CoC components are separately identifiable. Any non-CoC Material must be recorded and accurately described in the CoC Transfer Document for the Jewellery Products. For example, a Gold chain with a Gold pendant, could be comprised of a CoC Gold chain with a non-CoC Gold pendant. In this case, the separate components are physically identifiable. However if CoC and non-CoC Gold were mixed to cast a ring, for example, the gold is no longer considered CoC as the two sources can no longer be differentiated.

In addition to physical and/or temporal controls, tracking of CoC Material in the Custody of an Entity should be supported by record-keeping or inventory management. Inventory records should be maintained that can uniquely identify discrete physical lots, batches, or components, with an accurate weight recorded for each lot. For businesses using continuous processing, lots comprised of physical inputs and outputs over given time periods defined by the Entity could be used to measure material flow for record-keeping. A business' inventory system should be designed to:

- Show the location, status and weight of each lot or component at all times.
- Record changes in weight due to processing, with checks in place to ensure they are within normal tolerances. For example, refining and manufacturing processes usually result in process losses or scrap. Alloying and manufacturing may result in weight increases of a whole item as additional materials are incorporated with the CoC Material. If CoC Material is in the form of Jewellery Products, an item count could be used rather than, or in addition to, the weight of the lot.

Box 3: Segregation in refineries

Industrial scale gold and platinum group metals refining use complex production lines and metallurgical processes to produce high purity metal. Refiners will play a key role in the supply of CoC precious metals to the jewellery supply chain. Under the RJC CoC Standard, refiners must implement conflict-sensitive sourcing practices for all sources of gold, such as is outlined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas (see CoC provision 10).

Refiners regularly source and mix mined, recyclable and grandfathered metals. Working with CoC and non-CoC sources may thus present unique challenges in segregation. One way to minimize these challenges is to segregate by batch, using the same equipment for CoC and non-CoC materials, but at different times. This can reduce segregation costs, as long as the changeover from non-CoC to CoC is not unreasonably difficult.

To facilitate that changeover, the RJC will allow minor mixing that might occur between separate batches, such as of process residues in crucibles or intermediate process fluids. *For example, electrolytic gold refining is used to produce 999.9 fineness. Anodes cast from impure gold are immersed in a gold-bearing electrolyte in an electrolytic cell, usually for several days. The anodes dissolve into the electrolyte and high-purity gold is deposited on cathodes, which are then pulled from the cell and their gold recovered at the end of the process. The electrolyte can be re-used, but will contain some gold from the past batch. A complete change of reusable electrolyte between non-CoC and CoC material would be time-consuming, expensive and wasteful, and the RJC believes that this minimum amount of mixing does not defeat the goals or purposes of the CoC Standard. Accordingly the RJC will permit the same electrolyte to be used for both CoC and non-CoC batch refining. This aims to minimise unnecessary refining costs in the production of CoC gold.*

Box 4: Segregation in manufacturing

Jewellery manufacturers are also likely to find themselves working with both CoC and non-CoC sources. Manufacturing steps such as alloying, casting, machining, setting, polishing and engraving usually involve machines or workstations that handle a series of product lines and work flows.

Machines and workstations are usually cleaned on a regular basis to recapture small amounts of jewellery material scrap, particularly precious metals, that can be recycled. However the RJC does not require that machine cleaning take place between CoC and non-CoC batches.

- Enable the total weight of Eligible and/or CoC Material in Custody to be reconciled with movements in and out of the CoC Material held in Custody at a Facility over a given time period (2.2).
- Accurately record any additional Provenance information for CoC Material if it is being used to support a 'Track and Trace' claim (2.3), and support any additional segregation from other types of CoC Material. For example, if a business wishes to track CoC Gold from a particular mine or country, it will need to be kept segregated from CoC Gold that has a different Provenance. However the CoC Standard does not require that CoC Materials need to be segregated by Provenance.

Box 5: Reconciling weight of Eligible Material (2.2)

At the mining and refining stage, the weight of Eligible Material 'in' to inventory may be imprecisely known until processed to output form (doré, refined metal etc). Assays, samples and other analyses indicate the likely average concentration of metals in ore and byproduct processing residues, but weight may not be known or recorded until processing is complete and Eligible Material can be declared as an output. In these cases, inventory records should monitor inputs and outputs and checks should be in place to ensure that results are within normal tolerances.

The internal control system will need to include procedures for the verification of incoming and outgoing shipments of CoC Material, all of which must be accompanied by accurate CoC Transfer Documents, and accurate entry of information onto the Entity's record keeping system (2.4). It is recommended that the approval procedures for shipments be documented, and include a requirement for the contents of each shipment of CoC Material to be signed off by a responsible employee. For more information on CoC Transfer Documents, see section 8.

It should be noted that for smaller businesses, internal control systems do not need to involve expensive and sophisticated equipment or information technology. Smaller businesses using simple systems can readily conform to the Standard. Nevertheless, systems that make extensive use of manual data entry are much more prone to error and should be minimised where they are inefficient or not in proportion to the scale of the business.

Getting started

Businesses should review the relevant equipment, facilities, procedures and information technology they already have in place to segregate, measure, track and reconcile Material in their custody and see how they could be adapted. Effective training of employees about internal systems to support conformance with the CoC Standard will be important, particularly if there are any significant adaptations of existing systems.

Review:

- CoC Material must be kept segregated and identified. All points where mixing could occur must be identified and steps taken to prevent any mixing.
- CoC Material should be physically separated and recorded by lots with a weight (or item count) and unique identification numbers, stored on a central database.
- Internal systems must be able to show all CoC Material in the business' Custody and reconcile changes over time.
- Procedures should be in place to ensure the accuracy of all shipments entering and leaving the business' Custody.
- Most businesses should already have the basic requirements in place, but they may need adjustments to meet the Standard.

Check:

- ✓ Have all points of possible mixing been identified?
- ✓ How is mixing prevented?
- ✓ Are there data available on the weight or item count for all CoC Materials in the business' Custody?
- ✓ How is data entry controlled to prevent human error?
- ✓ Are systems able to show the location and status of all lots of CoC Material in the business' Custody?

3. Outsourcing Contractors and Service Companies

Background

Many businesses, particularly smaller businesses and those engaged in the middle of the supply chain, rely on Outsourcing Contractors and Service Companies to perform work on Materials. The Standard accommodates these practices and includes several conditions to ensure the integrity of Custody is maintained.

Outsourcing Contractors include companies that take Custody of CoC Material for the purpose of processing or manufacturing, whereas a Service Company maintains segregation on behalf of their clients as an essential part of their service, and does not physically change Material. Examples of Service Companies include assayers, appraisers, security and transportation companies. Service providers that do not take Custody of CoC Material are not considered Service Companies under the CoC Standard.

Implementation

Service Companies used by the Entity to handle CoC Material do not need to be audited because, by definition, they should support their clients' ownership and identification of Material. While risks in this sector are low, they should still be assessed and documented. This process should be relatively straightforward. For common processes, such as assaying and transport, it needs only brief information maintained as part of a register of all Service Companies which handle CoC Material.

Outsourcing Contractors cover a wide range of businesses, from small workshops to large volume manufacturers. They may process material or manufacture products for a number of customers, without differentiating sources of material. Outsourcing Contractors that handle an Entity's CoC Material are encouraged to be CoC Certified in their own right. Alternatively, non-CoC Certified Outsourcing Contractors can be included in the Entity's Certification Scope for audit purposes. Note that the identity of Outsourcing Contractors audited as part of an Entity's Certification Scope can be withheld from the Entity's Certification Status published on the RJC website, at the Entity's or the Contractor's request.

Non-CoC Certified Outsourcing Contractors that will handle CoC Material can be included in an Entity's Certification Scope, if:

- Ownership of the Materials being outsourced is retained by the Entity (3.1a).
- The risks of potential non-conformance with the CoC Standard resulting from the engagement of each Outsourcing Contractor have been assessed, and determined acceptable (3.1b). A finding of acceptable risk should be authorised by a responsible person and recorded.
- The Outsourcing Contractor has systems in place to conform with provision 2 of the CoC Standard (Internal Material Control) – i.e. to maintain segregation of CoC from non-CoC Material (3.1c).
- The Outsourcing Contractor does not further outsource any processing of CoC Material to another contractor (3.1d).
- The Outsourcing Contractor can be audited for compliance as part of the Entity's Certification Audit. Descriptions and evidence of Outsourcing Contractors' internal material controls should be included in the Self Assessment to improve the efficiency of the assessment process and assist auditors to assess risks.

The Entity also needs to oversee the transfer and return of CoC Material to and from Outsourcing Contractors, to monitor for any inconsistencies (3.2a). Information required in the CoC Transfer Document should be recorded by the Entity at the time of the transfer of CoC Material to the Outsourcing Contractor. When the CoC Material is returned, relevant information about any weight or material changes as a result of processing should also be advised by the Outsourcing Contractor and recorded by the Entity. This information should be used by the Entity to issue a CoC Transfer Document to accompany the next transfer of the CoC Material. If there are unreasonable inconsistencies between the transfer and return of CoC Material – such as unexplained weight changes or substitution of Materials – then segregation has not been maintained by the Contractor. In this case, the Material or products are no longer CoC Material (3.2b).

The risk assessment (3.1b) should be based on a reasonable level of familiarity with each Outsourcing Contractor, which may require site visits. To ensure that conformance to this requirement can be verified by the auditor, and to support a strong overall management system, the risk assessment and the determination of acceptable risk should be documented. The risk assessment should be approved by the Entity's responsible manager and updated each 12-18 months (in preparation for Certification and Surveillance Audits). If the risks of one or more Outsourcing Contractors are determined to be not acceptable, the Entity can investigate options for mitigating the risks. These could include capacity building with the Outsourcing Contractor, investigating alternative suppliers, or a staged approach to building CoC supply chains. See Appendix 1 – Introduction to Risk Assessment and Appendix 3 – Business Partners Risk Assessment Template in the RJC Standards Guidance for more information.

Getting started

Entities seeking CoC Certification to cover Outsourcing Contractors should:

- Identify Outsourcing Contractors and Service Companies who handle the Entity's CoC Material that is to be later transferred with a CoC claim.
- Assess the risks of non-conformance with the CoC standard and determine where it is acceptable: these Outsourcing Contractors can be included in the Entity's Certification Scope.
- Work with the Outsourcing Contractor to complete the relevant sections of the CoC Assessment Toolkit.

Box 7: Complex supply chains

Businesses with complex supply chains that work with multiple suppliers and sub-contractors are more likely to need time to adapt. Factors to be assessed in a shift towards a chain-of-custody approach include the costs of changes to supply chain logistics, such as new approaches to segregation, financing and physical supply; relationships and influence with suppliers and contractors; and the potential restriction of supply choices to those who can handle CoC Material. Depending on these factors, businesses may decide to:

- *Start with only a small part of production as a trial;*
- *Seek to source CoC Material to help build supply, but not maintain segregation internally or with Outsourcing Contractors until volumes and/or systems are ready. This approach does not require CoC Certification, but supports upstream efforts for responsible sourcing.*

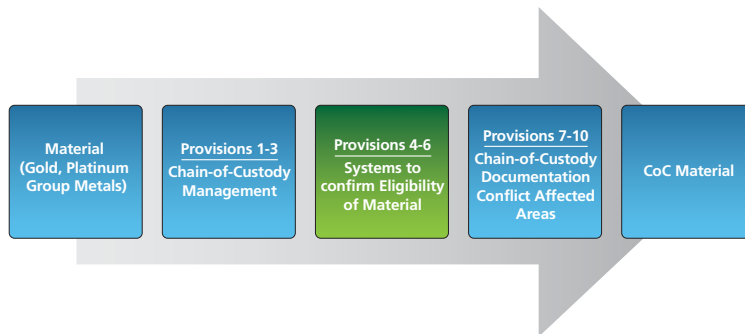
Review:

- Entities may use Outsourcing Contractors, providing they are included in the Entity's Certification Scope and are audited to ensure compliance with the Internal Material Controls provision.
- The risks of engaging the Outsourcing Contractor must be assessed and determined to be acceptable.
- Service Companies do not need to be included in the Entity's Certification Scope. However they should be included in the risk assessment if they handle CoC Material.

Check:

- ✓ Identify any Outsourcing Contractors intended to be used to process or manufacture CoC Material. If they are not CoC Certified, include them in the Entity's Certification Scope.
- ✓ Assess risks for potential non-conformances by all Outsourcing Contractors and Service Companies.
- ✓ Ensure controls are in place for all transfers of CoC Material between the Entity and Outsourcing Contractors or Service Companies.

B. Systems to Confirm Eligibility of Material



CoC Material can only be created through Eligible Material Declarations contained in CoC Transfer Documents issued by CoC Certified Entities.

Provisions 4 – 6 set out the systems requirements that Entities must have in place to issue Eligible Material Declarations.

The guidance for Provisions 4 – 6 should be read in conjunction with the guidance for Provisions 7 – 9, which address the management of Eligible Material Declarations and CoC Transfer Documents.

4. Eligible Mined Materials

Background

The RJC CoC Standard aims to promote responsible mining practices. To achieve this, the CoC Standard defines Eligible Mined Materials as Materials produced from one or more of the following:

- Mining Facilities that are within a CoC Entity’s Certification Scope (4.1a): this requires RJC Membership and hence the RJC Code of Practices, including mining-specific standards, will apply to those Mining Facilities.
- Mining Facilities in which the Entity holds a legal interest and are within the CoC Certification Scope of another CoC Certified Entity (4.1b): this accommodates joint venture situations, with the RJC Code of Practices still applicable to the Mining Facility.
- Non-RJC mines or producers that have been certified under a Recognised Responsible Mining Standard (4.1c): this provides scope for the RJC to formally recognise comparable mining standards, particularly aimed at the artisanal mining sector.
- Artisanal or small-scale mining (ASM) producers operating on the Entity’s mining concessions (4.1d): this aims to support provision 2.14 of the RJC Code of Practices, which calls for RJC Members with Mining Facilities, where appropriate, to enable the professionalisation and formalisation of ASM where it occurs within their areas of operation.
- Processing residues that contain trace Precious Metals from which Mining Byproduct can be extracted (4.1e): an Eligible Material Declaration for Mining Byproduct may only be issued by the Refiner of the Mining Byproduct.

In all cases, Due Diligence must be carried out to confirm that Eligible Mined Materials are Conflict-Free. For RJC Members with Mining Facilities, the RJC Code of Practices already controls for a number of issues that are relevant to Conflict, such as human rights, appropriate security, and extractive transparency. Implementing the RJC Code of Practices thus provides a valuable foundation for the necessary Due Diligence.

Implementation – Mining Facilities within the CoC Certification Scope of an Entity (4.1a, 4.1b)

In most cases, the physical location of mines means that the extraction and processing of a supply of Mined Material could only come from certain known Facilities. Where a mine sells or transfers all of its production without mixing it with non-Eligible Material, CoC Certification should be very straightforward. In these cases, a CoC Certified mine can make Eligible Material Declarations for 100% of Mined Material it produces.

However for some operations, there may be points where Eligible Mined Material from Facilities within the Certification Scope could be mixed with Mined Material from Facilities that are not Eligible – for example through the transportation and/or processing of mine concentrates from other mines to the Entity's on-site processing facilities. In this situation, to achieve CoC Certification the Entity must ensure all such mixing points are identified and steps taken to ensure segregation of Eligible from non-Eligible Material, in accordance with provision 2.1. The guidance outlined above for Internal Material Controls would therefore apply if these conditions are present.

Entities interested in declaring Eligible Material produced at a Mining Facility in which they hold a legal interest and are within the CoC Certification Scope of another Entity should:

- Determine whether there is any risk of mixing the Eligible Material with non-Eligible Material (e.g. Precious Metals produced by a non CoC-Certified Mining Facility);
- If there is a risk of mixing, put in place Internal Material Controls as per section 2 of the CoC Standard.

Implementation – Recognised Responsible Mining Standard (4.1c)

The RJC CoC Standard aims to support RJC Members wishing to source Materials that are the product of responsible mining. While the RJC Code of Practices is open to application by ASM producers, there are several development-focused standards that have been designed by other organisations to support the particular challenges of the ASM sector.

Provision 4.1c of the CoC Standard thus provides scope for the RJC to formally recognise comparable mining standards. The RJC would undertake a formal, technical review, in cooperation with the other standard setting organisations to the extent possible, to identify the comparability of the other standard with the RJC Code of Practices. 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 public 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 as a 'Recognised Responsible Mining Standard'.

Entities interested in declaring Eligible Material produced under a Recognised Responsible Mining Standard will need to:

- Check whether the standard is a Recognised Responsible Mining Standard on the RJC website. Reviews of candidate standards can be requested at any time via standards@responsiblejewellery.com;
- Ensure there is documentary evidence that the Material is a product of the Recognised Responsible Mining Standard – this forms part of the Due Diligence process described below.

Box 8: Eligible Mined Material from CoC Certified Mines

Mining Facilities under the control of an RJC Member can build on the assurance provided by the RJC Code of Practices. If there is no mixing with non-Eligible Material, Mining Facilities, once CoC Certified, can declare that 100% of their production is Eligible Material.

Because the CoC Certification Scope does not need to cover all of an RJC Member's Facilities, CoC Certification could be trialled at selected mines first, if appropriate.

Members with Mining Facilities could also consider combining the RJC Member Certification audit with CoC Certification audits at some or all of their Mining Facilities. This would increase efficiencies and directly leverage the value of RJC Member Certification.

Implementation – ASM on Mining Facility concessions (4.1d)

The increasing international focus on Conflict-Sensitive due diligence is leading to more stringent risk management by supply chain participants. This has raised concerns that downstream supply chain participants may avoid ASM sourcing, driving ASM producers towards more informal or even illegal supply chains. RJC aims to mitigate those impacts where possible in its own standards and still advance responsible practices as per its mission. Thus provision 4.1d has been included in the CoC Standard to provide another avenue for ASM-produced Materials to enter the legitimate supply chain, while ensuring a certain threshold of practices.

Such sourcing by a CoC Certified Entity would take place under the ASM provision (COP 2.14) in the RJC Code of Practices, and hence be audited via the RJC Member. Guidance on professionalisation and formalisation strategies for ASM can be found in the RJC Standards Guidance for the Code of Practices (G002_2009, or a subsequent version).

Note that where ASM is active on a large-scale mining (LSM) concession, the LSM Entity **is not required** to source or purchase the ASM Mined Material – this is at the LSM Entity’s discretion. There will be situations where an Entity determines that sourcing ASM production under the CoC Standard is not currently appropriate, in which case other types of support for professionalisation and formalisation (as per COP 2.14) could help create enabling frameworks for responsible ASM. This support may in turn foster the conditions necessary for the ASM production to be sourced by the LSM Entity.

For the purposes of the CoC Standard, Entities interested in declaring Eligible Material produced by ASM operating on their concessions will need to:

- Ensure the sourcing takes place within the context of provision 2.14 of the RJC Code of Practices;
- Put in place controls designed to ensure that the Mined Material is a product of ASM operating on site and not elsewhere.

Both points should be documented as part of the Due Diligence process described in the section below on Due Diligence (4.2).

Initiatives to support professionalisation and formalisation for ASM take place within a development framework. This involves early and ongoing engagement with affected ASM communities to prioritise key issues and develop a program plan that addresses priorities as part of a long-term process. Initiatives would normally start with a baseline assessment of current ASM activity, followed by consultation and involvement of ASM in program decision-making. Under the RJC Code of Practices (COP 2.14.2), RJC Members with Mining Facilities should be engaging directly with ASM operating on or around their Facilities as part of development impact assessment processes and ongoing community engagement.

Box 9: Sourcing from on-concession ASM mining

The RJC Code of Practices aims to encourage co-operation between large-scale mining (LSM) and artisanal and small-scale mining (ASM). COP 2.14 encourages RJC Members with Mining Facilities to participate, as appropriate, in initiatives that enable the professionalisation and formalisation of ASM where it occurs within their areas of operation. Under the RJC CoC Standard, an Entity may purchase ASM gold or platinum metals produced on its exploration or mining concessions and declare it as Eligible Material as part of such an initiative. If the ASM material has met the CoC Standard’s eligibility criteria, it may be mixed with the Mining Facility’s CoC-eligible production before sale or transfer.

*Note that RJC’s CoC Standard does not place performance or audit requirements on the ASM themselves. The CoC audit would be focused on the RJC Member/Entity, and review the supporting initiatives in place for formalisation and professionalisation of ASM, the on-the-ground impact of those initiatives, and the associated Due Diligence carried out by the Member/Entity. While the ASM may not meet the RJC Code of Practices or another Recognised Responsible Practices, the key is whether the **initiatives** to support formalisation and professionalisation provide incentives to the ASM to improve performance in priority areas. Assessment of this is likely to require specific competence on the audit team, which may be accessed through the involvement of appropriately knowledgeable auditors or consultants if required.*

Formalisation: Formalization is a process that seeks to integrate ASM into the formal economy and is central to improving practices on the ground.² While legalization is just one dimension of the process of formalization, it is seen as a critical enabling condition. Worldwide, mining tends to be regulated through delineation and protection of property and access rights for land on which mining takes place. However ASM activities are often not incorporated into formal legal and institutional structures. Even where recognized, institutions and law are typically not well adapted for ASM.

The CoC Standard requires that Eligible ASM production must not be from Illegitimate Sources, which is defined to include illegal mining. Where there **is** a legal framework for ASM in a regional and/or national context, then the CoC Standard should be used in support of the conformance of ASM with that legal framework. Where ASM are in clear violation of that legal framework, their production cannot be considered Eligible Material under the CoC Standard.

However where there is a **lack** of legal framework for ASM, means to encourage ASM into a legal environment via formalisation could be considered. For example, LSM could consider supporting ASM formalisation efforts via contracting the ASM as workers, if done under fair terms and with the right support, or engaging in exploitation agreements with an ASM unit to work particular areas of land. Such efforts could be used to support a CoC sourcing relationship under the CoC Standard. RJC Members can also seek to work with governments on approaches to formalising ASM. However it is recognised that this may not always be appropriate. In the case of a lack of legal framework, expert input should be sought during the decision to source CoC Material from ASM and as part of the audit process.

Professionalisation: Professionalisation is a process whereby technical support can lead to improved practices, incomes, health and security for ASM. Building on formalisation, professionalisation of ASM provides a strong link to the RJC's mission to support and promote responsible business practices in the jewellery supply chain. In the context of implementing the CoC Standard, the RJC Member/Entity should source CoC Material as part of an ASM initiative that supports one or more of the following:

- Managing social and environmental liabilities associated with ASM practices and the provision of ancillary services to ASM, for example through:
 - more responsible mining and processing practices (eg controlling mercury use in gold extraction);
 - tailings management;
 - water management;
 - rehabilitation and post-mining land use;
 - improvements in safety and labour conditions (eg limiting pregnant women or children to non-hazardous work, prohibiting excessive working hours, etc.),
 - managing impacts of ancillary services (e.g. bushmeat and biodiversity management, sexually transmitted diseases etc.)
- Broader economic/social development (eg access to markets, community development, alternative livelihoods, financial management and business skills, literacy programmes, etc.).

Further guidance on professionalisation and formalisation of ASM may be obtained from:

- RJC Standards Guidance – COP 2.14 Artisanal and Small-scale Mining (www.responsiblejewellery.com/certification)
- Alliance for Responsible Mining (<http://www.communitymining.org/index.php/en/arm-publications>)
- Diamond Development Initiative (<http://www.ddiglobal.org/>)
- International Council on Mining and Metals (<http://www.icmm.com/page/37364/artisanal-and-small-scale-mining>)
- Property Rights and Artisanal Diamond Development (PRADD) (<http://usaidlandtenure.net/>)
 - See also Hinton and Levin (2011) - <http://usaidlandtenure.net/library/country-level-reports/propoerty-rights-and-artisanal-diamond-development-pradd-project-comparative-study-legal-and-fiscal-regimes-for-artisanal-diamond-mining/view>
- United Nations Environment Program (UNEP) – Artisanal and Small-Scale Gold Mining – Reports and publications. Includes an analysis of formalisation approaches. (<http://new.unep.org/hazardoussubstances/Mercury/PrioritiesforAction/ArtisanalandSmallScaleGoldMining/Reports/tabid/4489/language/en-US/Default.aspx>)

² Alliance for Responsible Mining, Analysis of formalization approaches in the artisanal and small-scale gold mining sector based on experiences in Latin America, Africa and Asia, SUMMARY FOR POLICYMAKERS, Consultation Paper, UNEP Global Mercury Partnership, 26 October 2011.

Implementation – Mining Byproduct (4.1e)

Gold is often produced at a Mining Facility in the form of doré, a semi-pure alloy of gold, and then shipped to Refiners for further refining to commercial purity levels. Where a CoC Certified Entity owns or controls the Mining Facilities producing the Gold or Platinum Group Metals, then it is considered to be a Gold or Platinum Group Metals Producer. In this case, the Gold or Platinum Group Metals are considered to be Eligible Mined Material under provision 4.1a of the CoC Standard, and its production will be subject to the RJC Code of Practices.

However multi-metal mines can also produce a metals concentrate which contains low concentrations of precious metals, often less than 1%. For example, at copper-gold mines, copper concentrate is often produced that is sent to copper smelters, smelted as copper and refined in a copper electrolytic process. The processing residues, in this case residue cell slimes, are thereafter processed by a Refiner for recovery of the gold. As copper is not part of the RJC scope, copper supply chain participants are unlikely to apply the RJC Code of Practices or the CoC Standard unless they directly extract Precious Metals.

Under provision 4.1e of the CoC Standard, these processing residues (such as slimes) arising from metallurgical processing of other metals not within the RJC's scope such as copper, lead or zinc can be used to recover Eligible Gold and Platinum Group Metals in the form of Mining Byproduct. Application of 4.1e is restricted to CoC Certified Refiners. The Refiner makes the Eligible Material Declaration and starts the Chain-of-Custody for Mining Byproduct, as it is the first point at which the Precious Metals are separated. This aims to align with the *OECD Due Diligence Guidance – Supplement on Gold* on the issue of mining byproduct gold, where for the purposes of due diligence, the origin is considered to be the point where gold is separated, i.e. the Refiner. For more information on the required Due Diligence, see 4.2 below.

Note: Multi-commodity Mining Facilities that produce Eligible Precious Metals along with other metals not covered by the CoC Standard can choose to apply the CoC Standard directly by seeking CoC Certification covering those relevant Mining Facilities. Provision 4 should be applied as follows:

- For Mined Precious Metals produced onsite at Mining Facilities within the Entity's CoC Certification Scope: Provision 4.1a should be applied;
- For Mined Material produced at Mining Facilities in which it holds a legal interest and are within the CoC Certification Scope of another CoC Certified Entity: Provision 4.1b should be applied;
- For ASM-produced Precious Metals sourced by the Entity: Provision 4.1c or 4.1d should be applied;
- For Mining Byproduct extracted from processing residues by on-site refining capabilities: Provision 4.1e should be applied. The processing residues may be sourced from CoC and non-CoC Certified Entities.

Since all of the above are Eligible Material, they can be mixed by the Entity, however check whether provision 7.3 may apply, requiring internal records to be kept.

Review:

- Mined Material can only become CoC Material through Eligible Material Declarations contained in CoC Transfer Documents issued by CoC Certified Entities.
- Eligible Mined Material must be Conflict-free, confirmed through Due Diligence – see 4.2 below.

Implementation – Due Diligence (4.2)

Due Diligence involves inquiry and analysis necessary to make a reliable and verifiable determination about the relevant conditions applying to the production and transportation of Mined Materials from Mining Facilities. The term relates directly to the *OECD Due Diligence Guidance for Minerals from Conflict-Affected and High-Risk Areas* publication. In addition to supporting responsible mining practices, the RJC CoC Standard also requires Eligible Mined Material to be Conflict-Free.

Guidance concerning whether Conflict is prevalent in an area may be obtained from:

- UN Security Council Resolutions. Note if any international sanctions apply, it may not be possible to operate in accordance with applicable law.
- UN Peacekeeping Operations (see www.un.org/en/peacekeeping/operations/current.shtml)
- US State Department “Conflict Minerals Map” and associated reports required by the Dodd-Frank Act.
- US State Department Country Reports on Human Rights Practices.
- Heidelberg Institute Conflict Barometer.
- Uppsala Conflict Data Program.
- International Alert.
- International Crisis Group.
- The Entity’s site-based / in-country risk assessments, impact assessments, community relations programs, grievance mechanism and incident monitoring and reporting.

Box 10: Definition

Conflict-Affected Areas, for the purpose of the CoC Standard, means areas where armed aggression, widespread violence, and/or widespread human rights abuses are prevalent, and may include a region, a country, an area within a country, or an area which crosses one or more country boundary. Section 1502 of the United States’ Dodd-Frank Wall Street Reform and Consumer Protection Act has deemed the DRC and Adjoining Countries a Conflict Affected Area.

The level of detail in the Due Diligence should be commensurate with the level of risk that Conflict could occur, based on current social or political conditions and/or proximity to existing or recent Conflict. As a minimum, the Due Diligence should document the following.

Table 3 – Risk-based Due Diligence

Conflict-Affected?	Include in Due Diligence documentation	Update
1. Where the mine/s and transportation routes for the Mined Material are not located in Conflict-Affected Areas.	<ul style="list-style-type: none"> • Information relied upon to make the determination • Methods used to acquire it • Any significant issues • The responsible person 	Every 3 years, or if conditions change.
2. Where mine/s and transportation routes for the Mined Material are determined not to be Conflict-Affected at the present time, but have been, or are likely to have been Conflict-Affected within the past five years , or if conditions otherwise suggest that the area is <u>at risk</u> of Conflict.	<ul style="list-style-type: none"> • Above, plus: • An assessment of the current level of security and political stability. 	At least annually for the first 3 years of CoC Certification or as conditions change. If conditions did not change in this time, and it is more than 5 years since the area was at risk of conflict, the area can be considered to be not Conflict-Affected as per (1) above.
3. Where mine/s and/or transportation routes are located in a Conflict-Affected Area.	<ul style="list-style-type: none"> • Above, plus: • Determination that the production, processing and transportation of the Eligible Mined Material did not directly or indirectly finance or benefit Illegal Armed Groups through the provision of payments, logistical assistance or equipment. 	At least annually or as conditions change.
4. For Mining Byproduct (4.2c), the origin is considered to be where the Precious Metals are separated i.e. the Refiner. Suppliers of processing residues must be screened by the Refiner according to the Know Your Customer requirements described in Provision 5.1 and 5.2. Refiners’ Due Diligence should ensure these suppliers do not make false representations to hide the origin of newly mined gold through Mining Byproducts.	<ul style="list-style-type: none"> • Information relied upon to make the determination • Methods used to acquire it • Any significant issues • The responsible person 	Every 3 years or if conditions change.

Mining Facilities located in a Conflict-Affected Area are not necessarily complicit in Conflict, and can provide important economic and other social development benefits to local communities. Furthermore, by operating in and monitoring the situation on the ground, Mining Facilities are best-placed to identify risks, put in place controls, and document the required Due Diligence. Assessors carrying out Due Diligence should be competent to do so, with knowledge of the mining area and supply chain, local language and culture, and conflict-related risks. Assessors should be independent from the activity being assessed and free from conflicts of interest. Entities operating in Conflict-Affected Areas may wish to consider establishing or supporting the creation, where appropriate, of community-monitoring networks and/or multi-stakeholder information units to feed information into Due Diligence assessments. [Reference: *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*].

The Due Diligence for Mining Facilities and/or transportation routes in Conflict-Affected Areas could use the following approaches:

- Identification of all Illegal Armed Groups and their affiliates in the Conflict Affected Area, and determination if direct or indirect payments, logistical assistance or equipment have been provided to them; and/or
- Identification and screening of all recipients of payments, logistical assistance or equipment based on Know Your Customer principles, and determination that none are or have been directly or indirectly associated with Illegal Armed Groups or their affiliates.

Systems should also be in place to prevent possible future payments, logistical assistance or equipment being provided to such Illegal Armed Groups or their affiliates. These systems should include:

- controls over the approval of suppliers;
- monitoring and approvals of payments, particularly payments to government officials and for any security contractors;
- minimisation of cash payments;
- controls over the use of equipment, particularly any equipment not used at the mine site;
- controls over the use of mine-related transportation systems, particularly aircraft;
- monitoring of conduct of employees and contractors;
- security arrangements to protect mine property, product and people, conforming with provision 2.12 of the RJC Code of Practices, with controls to prevent involvement of security personnel in Illegal Armed Groups or their affiliates;
- consultation with local and central governments, local civil society organizations, community networks, UN peacekeeping units, and local suppliers, as appropriate;
- a complaints mechanism, as required in provision 10.1 of the CoC Standard, which could assist in the early identification of possible risks of Conflict or inadvertent complicity in Conflict.

For Eligible Material sourced under a recognised standard, or from on-concession ASM, the Entity will similarly need to ensure that there is documented Due Diligence that the Material is Conflict-Free. This can be provided directly via the Recognised Responsible Mining Standard. If not, additional assurance will need to be carried out by the Entity towards those producers. Due Diligence directed towards other producers in Conflict-Affected areas may be very complex. The Entity must nonetheless satisfy itself that Illegal Armed Groups are not financed or benefited through the Mined Material. If this cannot be determined, such Material cannot be subject to an Eligible

Box 11: How the RJC Code of Practices supports Due Diligence by Mining Companies

The RJC Code of Practices, applicable to all RJC Members, addresses many issues and conditions involving human rights, business ethics and social performance that would be relevant to a Due Diligence process. Therefore an RJC Certified Member can readily provide third-party verified evidence of the conformance of its Mining Facilities to the Code of Practices, which includes:

- *the Voluntary Principles on Security and Human Rights (COP 2.12)*
- *the Extractive Industries Transparency Initiative (COP 1.5)*
- *requirements to prohibit bribery and manage risks of corruption (COP 1.1)*
- *financial practices to combat money laundering and finance of terrorism (COP 1.2)*
- *requirements for the respect of human rights (COP 2.1) and community engagement and development (COP 2.11), including with artisanal and small-scale mining in the areas of operation (COP 2.14) and Indigenous Peoples (COP 2.13)*
- *complaints and grievance mechanisms at the operational level (2.11.4) which could be extended to cover 10.1 of the CoC Standard*
- *impact assessments for new mines and significant changes to operations at existing mines, including assessment of human rights, gender and conflict (4.4)*
- *assessing risks relating to business practices of significant business partners, and promoting responsible business practices commensurate with the ability to influence (COP 4.3)*
- *externally assured sustainability reporting using the Global Reporting Initiative framework (COP 4.6).*

Material Declaration under the CoC Standard. However it could still be sourced as non-CoC Material, with controls in place by the Entity to maintain segregation between CoC and non-CoC. See also section 10.1 and 10.2 of the CoC Standard, which applies in the case of sourcing from other producers.

Further guidance for conducting Due Diligence in Conflict-Affected Areas may be obtained from:

- The OECD's *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (2010)*, and *Supplement on Gold (forthcoming)*. See also OECD Preliminary List of Useful Resources for Due Diligence in the Mining Sector (www.oecd.org/dataoecd/4/29/44581414.pdf)
- International Alert *Conflict Sensitive Business Practice: Guidance for Extractive Industries (2005)* – (see www.international-alert.org/resources/publications/conflict-sensitive-business-practice-guidance-extractive-industries)
- EICC-GeSi Smelter Validation program (www.eicc.info/extractives.htm).
- World Gold Council (WGC) Standard – Conflict-Free Gold (see www.gold.org).

The CoC Certification Handbook provides information on harmonisation between the RJC CoC Standard and different initiatives. Auditors will be instructed to give high weight to evidence of conformance with such initiatives.

For Eligible Material produced as Mining Byproduct (4.2c), see the Guidance for 5.1 and 5.2 below. Refiners' Due Diligence should ensure the suppliers of processing residues are not mixing in semi-pure or refined gold in order to hide its origin and/or Illegitimate Sources. This should be incorporated into the criteria for acceptable sources as per 5.2a, and overseen as per supplier approvals (5.2b) and monitoring (5.2c). Mining Byproduct sourced under these requirements is considered to be Conflict-Free.

Getting Started

Entities carrying out Due Diligence for Eligible Mined Material should:

- Ensure that they have, or can access, the skills, resources and systems to identify whether Conflict is prevalent in the area where a Mining Facility is located.
- Consider whether an assessment by qualified persons should also be undertaken to ensure that no Conflict is prevalent in the areas through which the Mined Material is transported.
- To avoid duplication, look to use or build on Due Diligence or assurance that has already been carried out for other initiatives.

Review:

- A mining company is required to document its Due Diligence to confirm that Mined Material is Conflict-Free before issuing any Eligible Material Declarations.
- The level of detail of the Due Diligence will depend on the location of the relevant Facilities and will be assisted by a Mining Facility's conformance with the RJC Code of Practices.
- If the relevant Facilities are located in a Conflict-Affected Area, the Due Diligence will be more complex and must determine that no benefit is provided to Illegal Armed Groups.
- CoC Transfer Documents providing Eligible Material Declarations for Mined Material will include information about the determinations made from the Due Diligence.
- Refiners can issue Eligible Material Declarations for Mining Byproduct, subject to Due Diligence directed to suppliers. Suppliers of processing residues must be screened according to Know Your Customer systems and procedures in provisions 5.1a,b,c,d and 5.2a,b,c.

Check:

- ✓ Due Diligence has confirmed whether the mining operations are located in a Conflict-Affected Area.
- ✓ Mining Facilities have the systems in place to identify whether Conflict is prevalent in the area of operation.
- ✓ Third party guidance has been sought to address any uncertainties about whether an area is affected by Conflict.
- ✓ For any Facilities located in Conflict-Affected Areas, Due Diligence has determined no benefit is provided to Illegal Armed Groups, and systems are in place to prevent any such support.

5. Eligible Recycled Material

Background

Recycling provides a significant contribution to the world supply of Gold and Platinum Group Metals, and is supported by the RJC as a responsible practice. Recyclable Materials, as defined under the CoC Standard, are no longer connected to the conditions of their original production, and recycling them in a CoC Certified refinery cannot benefit Illegal Armed Groups. The point of origin for Recyclable Materials is thus considered as the point at which they are collected.

Material from Illegitimate Sources is known to enter formal channels, for example through smuggling, criminal activity, and in the case of Gold, informal, small-scale refineries producing crude Gold bars. Risks of Illegitimate Sources could also arise through fraudulent activity and bribery. The RJC CoC Standard therefore requires that Entities seeking CoC Certification must have systems in place to prevent Illegitimate Sources from being accepted, including the anti-bribery and anti-money-laundering systems required under the RJC Code of Practices.

Implementation

Provision 5 on Eligible Recycled Material requires that any Materials used for recycling by CoC Certified Refiners meet the definition (see Box 12) for Recyclable Materials, and only come from legitimate sources, through the application of Know Your Customer (KYC) principles. 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. Provisions 5.1 and 5.2 also apply to Refiners when sourcing processing residues for the production on Mining Byproduct.

Many Refiners and dealers in precious gems already apply KYC principles in accordance with applicable anti-money laundering legislation. As RJC Members, all CoC Entities would also have to conform to the provision on Anti-Money Laundering and Financing of Terrorism in the RJC Code of Practices (COP 1.2). See the RJC CoP Standards Guidance document for additional background and guidance.

Box 12: Definitions

Recyclable Gold and Platinum Group Metals must be in the form of end-user, post-consumer and investment products, and scrap and waste metals and materials arising during refining and product manufacturing. Refining by-products can include furnace flue dust, spent crucibles and floor sweepings.

Under the OECD Due Diligence Guidance – Supplement for Gold, the origin of Recyclable Gold is the point at which it becomes recyclable (i.e. when the gold is collected for return into the gold industry to reclaim its metal value), such as when it is first sold back to a gold recycler/refiner. The point at which the gold becomes Recyclable should be reviewed by a Refiner's Due Diligence, to exclude false representations made to hide the origin of newly mined gold. Implementation of provisions 5.1 and 5.2 of the CoC Standard, along with the RJC Code of Practices 1.2 on Money Laundering and Finance of Terrorism, will underpin the Due Diligence practices of CoC Certified Refiners.

The CoC Standard (5.1) requires all Entities which source Recyclable Materials to:

- Have a written KYC policy and procedures,
- Nominate a compliance officer,
- Review the policy and procedures regularly to ensure up to date and appropriate, and
- Monitor relevant transactions for suspicious activity and file reports to the relevant authorities.

The above should be supported by training for the relevant employees.

If the Entity sources Recyclable Precious Metals from commercial suppliers (5.2a), it must have a documented description of criteria for the sources or types of Eligible Precious Metals that it will accept. To support compliance and promote transparency, the documented criteria must be made available to prospective suppliers and CoC Certified Entities which purchase CoC Material from the Entity. Entities should consider requiring commercial suppliers of Recyclable Materials to have their own KYC policy and procedures and a conflict-free sourcing policy, depending on risk.

Entities sourcing Precious Metals from commercial suppliers must also have documented procedures for approving new suppliers (5.2b), including procedures for:

- establishing the supplier's identity including beneficial ownership, principals, nature of business, finances and source(s) of Precious Metals;
- establishing knowledge of the supplier's business, which includes verification that the supplier is engaged in the described business. This could include on-site inspections, depending on the risk. On-site inspection should be carried out for any red-flagged or high-risk suppliers, as recommended by the OECD Due Diligence Guidance;
- excluding suppliers and/or Recyclable Materials from suppliers who, upon investigation, cannot be cleared of suspicion.

Monitoring procedures should aim to identify unusual or suspicious transactions (5.2c). To support conformance with these requirements, Entities should consider developing and maintaining contacts with the appropriate law enforcement agencies, where this is possible and appropriate. Third party service providers may also be utilised to verify company information, credit reporting, and screening names of persons and companies against negative lists.

If the Entity sources Recyclable Materials in the form of Jewellery or other products containing Precious Metals directly from individuals or estates (5.3), it must ensure it has a record proving their identity, and undertake reasonable steps and inquiry to ensure the Recyclable Materials are not from an Illegitimate Source. These steps may include questioning the persons selling the items to determine their legitimacy, and maintaining a photographic record of the items.

Box 13: Assessing Risks for Recyclable Precious Metals

A risk based approach should be based upon the following factors:

- *The origin of the material*
- *The supplier*
- *The type of material*
- *The value of the transaction*
- *Unusual circumstances*

[OECD Due Diligence Guidance – Supplement on Gold]

Risks relating to origin and suppliers of the Material can vary significantly. For Recyclable Materials, the origin of the Gold is considered to be the country in which unprocessed recyclable/scrap pieces are generated, e.g., machine turnings, or are first given up to be recycled, e.g., post-consumer jewellery. Supplier information and risks will be established through a robust KYC process. Transaction value should also be considered.

The type of Material is also an important factor in the risk determination. The UN Group of Experts notes that small and portable, high concentration, high value sources of Gold present higher risks for financing of conflict. For example, gold-bearing electronic scrap and processing residues are high volume, low-grade and low value materials, making them an unlikely route for money laundering or smuggling of gold by illegal groups. However in all cases, unusual circumstances should be monitored and investigated.

Relevant provisions in the RJC Code of Practices that will assist Entities to prevent supplies from Illegitimate Sources include:

- Bribery and Corruption (COP 1.1), which requires Members to prohibit bribery, identify areas of the organisation that pose high risks, and develop methods to monitor employee conduct; and
- Anti- Money Laundering and Financing of Terrorism (COP 1.2) which requires Members to handle cash transactions in accordance with applicable law in this area, or the Financial Action Task Force recommendations where no law exists, and to apply 'Know Your Customer' principles; and
- Business Partners (COP 4.3), which requires Members to consider risks of business partners which have the potential to impact the Member's own practices.

Guidance on these provisions is also provided in the RJC Code of Practices Standards Guidance document (www.responsiblejewellery.com/certification).

Getting Started:

Entities seeking CoC Certification to cover Eligible Recycled Materials should:

- Identify sources of Recyclable Materials that could be declared Eligible Recycled Material.
- Review existing, or establish, KYC policy and procedures to meet the CoC Standard, and communicate to all relevant staff and suppliers.

Review:

- Recycling provides an important, responsible source of Precious Metals.
- Recyclable Materials must be legitimate post-consumer and scrap, which can readily be distinguished from mining Material.
- Prevention of Illegitimate Sources of Recyclable Materials requires the application of Know Your Customer (KYC) principles, which are already applied by most Refiners.
- The RJC Code of Practices provides additional requirements that will prevent Illegitimate Sources from supplying any Material, including Recyclable Material.

Check:

- ✓ Criteria for screening acceptable sources of Recyclable Material have been documented and made available to prospective suppliers and to CoC Certified customers.
- ✓ KYC procedures are in place and include ongoing monitoring of suppliers and transactions.
- ✓ A KYC compliance officer has been designated.
- ✓ Relevant employees have received training.
- ✓ Relationships have been established with the relevant law enforcement agencies, where appropriate.
- ✓ Risks of employees' involvement in bribery have been considered and methods to monitor conduct are in place.

6. Eligible Grandfathered Material

Background

The RJC considers the use of Grandfathered Material to be consistent with responsible practices, as the use of the Material, if it is supplied by a legitimate source, can provide no incremental negative impact. Eligible Grandfathered Material may be sourced from existing stocks of bullion, such as Precious Metals stocks held in bullion banks, providing the item of Material can be linked to a date prior to 1 January 2012.

Implementation

Any CoC Certified Entity may issue Eligible Material Declarations for Grandfathered Materials, providing Eligible Material Declarations for the applicable Grandfathered Material was included in their Certification Scope. In making Eligible Material Declarations for Grandfathered Material (6.1), it will be essential to maintain a record of the items declared, including the data that was relied on to make the declaration. This record should be linked to any CoC Transfer Document issued, so that the 'Grandfathered' status can be verified on request.

Eligible Grandfathered Gold and Platinum Group Metals (6.2) must be refined, and the refining or minting must have occurred prior to 1 January 2012. If the refining date is not permanently marked on the item, the Entity will need documented evidence of the year the item was produced or minted. This can be sourced from records, such as inventory or depository lists, matched to a serial number or Refiner's Mark or some other permanent mark or physical characteristic stamped on the item.

Getting Started:

Any Entity in the jewellery supply chain can declare Eligible Grandfathered Materials, where the materials meet the requirements of the CoC Standard. For Entities seeking CoC Certification that wish to declare Eligible Grandfathered Materials:

- To find Eligible Grandfathered Materials in your current inventory, check that your records have the necessary date evidence.
- To start a Chain-of-Custody with historically produced stocks of fine Gold or Platinum Group Metals, speak to suppliers about providing bullion, grain or similar that can be shown to have been refined before 1 January 2012.

Review:

- Use of legitimate, existing supplies of Materials that were produced prior to 1 January 2012 has no incremental negative impact.
- Eligible Grandfathered Material may be sourced from existing stocks providing records demonstrate the item of Material was produced prior to 1 January 2012.

Check:

- ✓ If the Entity intends to issue Eligible Material Declarations for Grandfathered Material, include this in the Certification Scope.
- ✓ Records and/or marks or inscriptions are available to prove the Eligible Grandfathered Material was produced in its current form prior to 1 January 2012.
- ✓ Systems are in place to ensure records of the data used to make Eligible Material Declarations for Grandfathered Material are maintained.

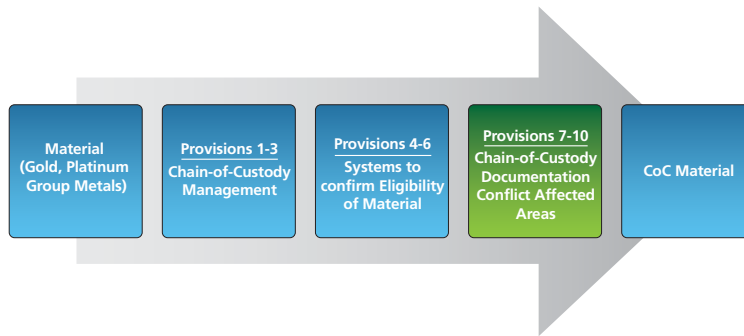
Box 14: Definition: Eligible Grandfathered Precious Metals

Eligible Grandfathered Gold may be in the form of bars, ingots, coins, or similar, or within a sealed container (e.g. grain, powder or sponge), with the refining date permanently shown with the Mark of a Refiner or Government Mint, or verified by the Refiner in accordance with a serial number or to some other permanent mark or physical characteristic, or determined through bank depository or inventory records.

In the case of Refiners on the LBMA "Former Melters and Assayers of Good Delivery Gold Bars" list which ceased operating before [xx], if the refining date is not permanently shown, it may be inferred from that Refiner's Mark on the Gold.

Eligible Platinum Group Metals may be in the form of bars, ingots, coins, plates or similar, or within a sealed container (e.g. grain, powder or sponge), bearing the Mark of a Refiner or Government Mint, with the refining date permanently shown with the Mark or verified by the Refiner in accordance with a serial number or to some other permanent mark or physical characteristic, or determined through bank depository or inventory records.

C. Issuing Chain-of-Custody Documentation



CoC Material is controlled through documentation recorded by the issuing Entity and provided to the purchaser. This section defines the requirements for CoC Transfer Documents under the CoC Standard.

7. Eligible Material Declarations

Background

Eligible Material Declarations initiate a Chain-of-Custody. CoC Material, as defined under the CoC Standard, gains this status when it is declared as Eligible Material by a CoC Certified Entity, through an Eligible Material Declaration in a CoC Transfer Document.

Eligible Materials may only be:

- Conflict-free Mined Material produced by a CoC Certified Entity, by ASM on its concessions, or under a Recognised Responsible Mining Standard, or Mining Byproduct declared by a Refiner (see Provision 4); and/or
- Recycled Material sourced from Eligible Recyclable sources (see Provision 5); and/or
- Grandfathered Materials in existence in their current form prior 1 January 2012 (see Provision 6); or
- A mix of the above, each meeting the above eligibility criteria

The Eligible Material Declaration provides a representation to the recipient that the Material meets the requirements of the Standard. The recipient will rely on this representation in making its own CoC representation to subsequent Entities in the supply chain. It is therefore essential that the CoC Certified Entity has systems in place to ensure that any Eligible Material Declarations apply only to Eligible Material.

Box 15: Platinum Group Metals in Alloys

Platinum Group Metals are a common minor component of many Gold alloys but are not described as such to consumers. For alloys or jewellery products that are described as 'Gold', irrespective of fineness, the inclusion of any Platinum Group Metals in the gold alloy does not need to be identified in the CoC Transfer Document. However for alloys or jewellery products that are described as 'Platinum', or 'Palladium', the CoC status of that primary metal does need to be identified.

Also see:

- Guidance for confirming eligibility for the Mined, Recycled and Grandfathered categories of Eligible Material is provided in Section B (Provisions 4– 6) of this document.
- General guidance on Management Systems to support the CoC Standard is provided in Section A (Provisions 1-3) of this document.
- The CoC Transfer Document template is in Appendix 1 of the CoC Standard. This template provides the structure for Eligible Material Declarations. It can be used in its current form as a stand-alone document or the required information integrated into internal systems.
- Section 8 on CoC Transfer Documents for instructions on completing the rest of the documentation requirements.

Implementation – Mined Material (7.1a, 7.2)

Eligible Mined Material requires a Conflict-Free Declaration. The table below sets out the information required in a CoC Transfer Document to make an Eligible Material Declaration for Mined Material. The required information can also be recorded and generated in a more streamlined form via internal systems.

Table 4 – Eligible Material Declarations for Mined Material

Step	CoC Transfer Document – Example																																																												
<p>Identify (7.1a):</p> <ul style="list-style-type: none"> the Type of Transfer (Eligible Material Declaration for Mined Material) and Type of Material (Mined – in this example, Gold) 	<table border="1"> <thead> <tr> <th colspan="5" data-bbox="807 465 1484 488">Type of Transfer (Check one)</th> </tr> </thead> <tbody> <tr> <td data-bbox="807 488 884 521"></td> <td colspan="4" data-bbox="884 488 1484 521">Eligible Material Declaration Initiating the Chain-of-Custody</td> </tr> <tr> <td data-bbox="807 521 884 568">✓</td> <td colspan="4" data-bbox="884 521 1484 568">Eligible Material Declaration Initiating the Chain-of-Custody for Mined Material Conflict Free Declaration provided</td> </tr> <tr> <td data-bbox="807 568 884 602"></td> <td colspan="4" data-bbox="884 568 1484 602">Subsequent Chain-of-Custody Transfer, single type of CoC Material</td> </tr> <tr> <td data-bbox="807 602 884 647"></td> <td colspan="4" data-bbox="884 602 1484 647">Subsequent Chain-of-Custody Transfer, Jewellery Products containing more than one type of CoC Material</td> </tr> <tr> <th colspan="5" data-bbox="807 647 1484 674">Type of Material contained in Transfer (check all that apply)</th> </tr> <tr> <td data-bbox="807 674 884 707">✓</td> <td data-bbox="884 674 960 707">Gold</td> <td data-bbox="960 674 1037 707">Platinum</td> <td data-bbox="1037 674 1114 707">Palladium</td> <td data-bbox="1114 674 1484 707">Rhodium</td> </tr> <tr> <td data-bbox="807 707 884 741"></td> <td data-bbox="884 707 960 741"></td> <td data-bbox="960 707 1037 741"></td> <td data-bbox="1037 707 1114 741"></td> <td data-bbox="1114 707 1484 741">Mined</td> </tr> <tr> <td data-bbox="807 741 884 775"></td> <td data-bbox="884 741 960 775"></td> <td data-bbox="960 741 1037 775"></td> <td data-bbox="1037 741 1114 775"></td> <td data-bbox="1114 741 1484 775">Mining Byproduct</td> </tr> <tr> <td data-bbox="807 775 884 808"></td> <td data-bbox="884 775 960 808"></td> <td data-bbox="960 775 1037 808"></td> <td data-bbox="1037 775 1114 808"></td> <td data-bbox="1114 775 1484 808">Recycled</td> </tr> <tr> <td data-bbox="807 808 884 842"></td> <td data-bbox="884 808 960 842"></td> <td data-bbox="960 808 1037 842"></td> <td data-bbox="1037 808 1114 842"></td> <td data-bbox="1114 808 1484 842">Grandfathered</td> </tr> <tr> <td data-bbox="807 842 884 860"></td> <td data-bbox="884 842 960 860"></td> <td data-bbox="960 842 1037 860"></td> <td data-bbox="1037 842 1114 860"></td> <td data-bbox="1114 842 1484 860">Mix of Mined, Recycled and/or Grandfathered</td> </tr> </tbody> </table>	Type of Transfer (Check one)						Eligible Material Declaration Initiating the Chain-of-Custody				✓	Eligible Material Declaration Initiating the Chain-of-Custody for Mined Material Conflict Free Declaration provided					Subsequent Chain-of-Custody Transfer, single type of CoC Material					Subsequent Chain-of-Custody Transfer, Jewellery Products containing more than one type of CoC Material				Type of Material contained in Transfer (check all that apply)					✓	Gold	Platinum	Palladium	Rhodium					Mined					Mining Byproduct					Recycled					Grandfathered					Mix of Mined, Recycled and/or Grandfathered
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				Mix of Mined, Recycled and/or Grandfathered																																																									
<p>Complete the Conflict-Free Declaration.</p> <ul style="list-style-type: none"> Identify whether the Due Diligence shows one of the following only (7.2a): <ul style="list-style-type: none"> 4.2a The mine/s and/or transportation routes <u>are not</u> located in Conflict Affected Areas; or 4.2b While the mine/s and/or transportation routes <u>are</u> located in Conflict Affected Areas, the production, processing and transportation of the Material did not directly or indirectly finance or benefit Illegal Armed Groups. 4.2c The Mined Material is Mining Byproduct and determined to be Conflict-Free by the Refiner's Due Diligence. <p>If 4.2a applies (see example at right):</p> <ul style="list-style-type: none"> Identify the country/ies of extraction (7.2b). 	<p>Complete section A or B below for all Transfers of Mined Material:</p> <table border="1"> <thead> <tr> <th data-bbox="807 902 884 947">A Check one</th> <th data-bbox="884 902 1484 947">Conflict-Free Declaration for Mined Material (To be completed by CoC Certified Mining Company)</th> </tr> </thead> <tbody> <tr> <td data-bbox="807 947 884 1104">✓</td> <td data-bbox="884 947 1484 1104"> <p>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.</p> <p>Country/ies where Mined Material was extracted: <i>Australia</i></p> </td> </tr> <tr> <td data-bbox="807 1104 884 1305"></td> <td data-bbox="884 1104 1484 1305"> <p>The mine from which the Mined Material was produced, the processing facility and/or the transportation routes for the Mined Material is located in a Conflict-Affected Area.</p> <p>The CoC Certified Mining company has conducted Due Diligence, a summary of which is attached, to confirm the production and transportation of the Mined Material did not finance or benefit any Illegal Armed Groups.</p> <p>Country/ies where Mined Material was extracted:</p> </td> </tr> <tr> <td data-bbox="807 1305 884 1440"></td> <td data-bbox="884 1305 1484 1440"> <p>The Mined Material is Mining Byproduct and determined to be Conflict-Free by the Refiner's Due Diligence (To be Completed by Refiner).</p> <p>Country/ies where Mining Byproduct was refined:</p> </td> </tr> </tbody> </table>	A Check one	Conflict-Free Declaration for Mined Material (To be completed by CoC Certified Mining Company)	✓	<p>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.</p> <p>Country/ies where Mined Material was extracted: <i>Australia</i></p>		<p>The mine from which the Mined Material was produced, the processing facility and/or the transportation routes for the Mined Material is located in a Conflict-Affected Area.</p> <p>The CoC Certified Mining company has conducted Due Diligence, a summary of which is attached, to confirm the production and transportation of the Mined Material did not finance or benefit any Illegal Armed Groups.</p> <p>Country/ies where Mined Material was extracted:</p>		<p>The Mined Material is Mining Byproduct and determined to be Conflict-Free by the Refiner's Due Diligence (To be Completed by Refiner).</p> <p>Country/ies where Mining Byproduct was refined:</p>																																																				
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<p>If 4.2b applies (see example at right):</p> <ul style="list-style-type: none"> Identify the country/ies of extraction (7.2b); and Attach a summary of the Due Diligence for the Mined Material (7.2d). <p>Note: This provision is included to support implementation of the OECD Due Diligence Guidance and Section 1502 of the Dodd-Frank Act relating to the DRC and Adjoining Countries. To further support downstream implementation of due diligence, CoC Certified Entities are required to include relevant information in Section B of any subsequent CoC Transfer Documents containing that Material. See section 8 for more Guidance on CoC Transfer Documents.</p>	<p>Complete section A or B below for all Transfers of Mined Material:</p> <table border="1"> <thead> <tr> <th data-bbox="807 1507 884 1552">A Check one</th> <th data-bbox="884 1507 1484 1552">Conflict-Free Declaration for Mined Material (To be completed by CoC Certified Mining Company)</th> </tr> </thead> <tbody> <tr> <td data-bbox="807 1552 884 1709"></td> <td data-bbox="884 1552 1484 1709"> <p>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.</p> <p>Country/ies where Mined Material was extracted:</p> </td> </tr> <tr> <td data-bbox="807 1709 884 1888">✓</td> <td data-bbox="884 1709 1484 1888"> <p>The mine from which the Mined Material was produced, the processing facility and/or the transportation routes for the Mined Material is located in a Conflict-Affected Area.</p> <p>The CoC Certified Mining company has conducted Due Diligence, a summary of which is attached, to confirm the production and transportation of the Mined Material did not finance or benefit any Illegal Armed Groups.</p> <p>Country/ies where Mined Material was extracted: <i>Tanzania</i></p> </td> </tr> <tr> <td data-bbox="807 1888 884 2022"></td> <td data-bbox="884 1888 1484 2022"> <p>The Mined Material is Mining Byproduct and determined to be Conflict-Free by the Refiner's Due Diligence (To be Completed by Refiner).</p> <p>Country/ies where Mining Byproduct was refined:</p> </td> </tr> </tbody> </table>	A Check one	Conflict-Free Declaration for Mined Material (To be completed by CoC Certified Mining Company)		<p>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.</p> <p>Country/ies where Mined Material was extracted:</p>	✓	<p>The mine from which the Mined Material was produced, the processing facility and/or the transportation routes for the Mined Material is located in a Conflict-Affected Area.</p> <p>The CoC Certified Mining company has conducted Due Diligence, a summary of which is attached, to confirm the production and transportation of the Mined Material did not finance or benefit any Illegal Armed Groups.</p> <p>Country/ies where Mined Material was extracted: <i>Tanzania</i></p>		<p>The Mined Material is Mining Byproduct and determined to be Conflict-Free by the Refiner's Due Diligence (To be Completed by Refiner).</p> <p>Country/ies where Mining Byproduct was refined:</p>																																																				
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Step	CoC Transfer Document – Example								
<p>If 4.2c applies (see example at right):</p> <ul style="list-style-type: none"> Identify the country/ies of refining (7.2c). <p>For Mining Byproduct, this section should be completed by the Refiner.</p>	<p>Complete section A or B below for all Transfers of Mined Material:</p> <table border="1"> <thead> <tr> <th>A Check one</th> <th>Conflict-Free Declaration for Mined Material (To be completed by CoC Certified Mining Company)</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td> <p>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.</p> <p>Country/ies where Mined Material was extracted:</p> </td> </tr> <tr> <td><input type="checkbox"/></td> <td> <p>The mine from which the Mined Material was produced, the processing facility and/or the transportation routes for the Mined Material is located in a Conflict-Affected Area.</p> <p>The CoC Certified Mining company has conducted Due Diligence, a summary of which is attached, to confirm the production and transportation of the Mined Material did not finance or benefit any Illegal Armed Groups.</p> <p>Country/ies where Mined Material was extracted:</p> </td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td> <p>The Mined Material is Mining Byproduct and determined to be Conflict-Free by the Refiner's Due Diligence (To be Completed by Refiner).</p> <p>Country/ies where Mining Byproduct was refined: <i>Switzerland</i></p> </td> </tr> </tbody> </table>	A Check one	Conflict-Free Declaration for Mined Material (To be completed by CoC Certified Mining Company)	<input type="checkbox"/>	<p>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.</p> <p>Country/ies where Mined Material was extracted:</p>	<input type="checkbox"/>	<p>The mine from which the Mined Material was produced, the processing facility and/or the transportation routes for the Mined Material is located in a Conflict-Affected Area.</p> <p>The CoC Certified Mining company has conducted Due Diligence, a summary of which is attached, to confirm the production and transportation of the Mined Material did not finance or benefit any Illegal Armed Groups.</p> <p>Country/ies where Mined Material was extracted:</p>	<input checked="" type="checkbox"/>	<p>The Mined Material is Mining Byproduct and determined to be Conflict-Free by the Refiner's Due Diligence (To be Completed by Refiner).</p> <p>Country/ies where Mining Byproduct was refined: <i>Switzerland</i></p>
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<p>If neither 4.2a, 4.2b or 4.2c apply, the Material is not Conflict-Free and would not qualify as Eligible Mined Material.</p>	<p>! No CoC Transfer Documents can be issued.</p>								

Implementation – Recycled Material (7.1b)

The table below sets out the information required in a CoC Transfer Document to make an Eligible Material Declaration for Recycled Material. The required information can also be recorded and generated in a more streamlined form via internal systems.

Table 5 – Eligible Material Declarations for Recycled Material

Step	CoC Transfer Document - Example																																																				
<p>Identify (7.1b):</p> <ul style="list-style-type: none"> the Type of Transfer (Eligible Material Declaration) and Type of Material (Recycled – in this example, Platinum) 	<table border="1"> <thead> <tr> <th colspan="4">Type of Transfer (Check one)</th> </tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td> <td>Eligible Material Declaration</td> <td colspan="2">Initiating the Chain-of-Custody</td> </tr> <tr> <td><input type="checkbox"/></td> <td></td> <td colspan="2">Eligible Material Declaration Initiating the Chain-of-Custody for Mined Material Conflict Free Declaration provided</td> </tr> <tr> <td><input type="checkbox"/></td> <td></td> <td colspan="2">Subsequent Chain-of-Custody Transfer, single type of CoC Material</td> </tr> <tr> <td><input type="checkbox"/></td> <td></td> <td colspan="2">Subsequent Chain-of-Custody Transfer, Jewellery Products containing more than one type of CoC Material</td> </tr> <tr> <th colspan="4">Type of Material contained in Transfer (check all that apply)</th> </tr> <tr> <td>Gold</td> <td>Platinum</td> <td>Palladium</td> <td>Rhodium</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Mined</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Mining Byproduct</td> </tr> <tr> <td></td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Recycled</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Grandfathered</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Mix of Mined, Recycled and/or Grandfathered</td> </tr> </tbody> </table>	Type of Transfer (Check one)				<input checked="" type="checkbox"/>	Eligible Material Declaration	Initiating the Chain-of-Custody		<input type="checkbox"/>		Eligible Material Declaration Initiating the Chain-of-Custody for Mined Material Conflict Free Declaration provided		<input type="checkbox"/>		Subsequent Chain-of-Custody Transfer, single type of CoC Material		<input type="checkbox"/>		Subsequent Chain-of-Custody Transfer, Jewellery Products containing more than one type of CoC Material		Type of Material contained in Transfer (check all that apply)				Gold	Platinum	Palladium	Rhodium	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Mined				Mining Byproduct		<input checked="" type="checkbox"/>		Recycled				Grandfathered				Mix of Mined, Recycled and/or Grandfathered
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	<input checked="" type="checkbox"/>		Recycled																																																		
			Grandfathered																																																		
			Mix of Mined, Recycled and/or Grandfathered																																																		

Implementation – Grandfathered Material (7.1c)

The table below sets out the information required in a CoC Transfer Document to make an Eligible Material Declaration for Grandfathered Material. The required information can also be recorded and generated in a more streamlined form via internal systems.

Table 6 – Eligible Material Declarations for Grandfathered Material

Step	CoC Transfer Document - Example																																																												
<p>Identify (7.1c):</p> <ul style="list-style-type: none"> the Type of Transfer (Eligible Material Declaration) and Type of Material (Grandfathered – in this example, Gold) 	<table border="1"> <thead> <tr> <th colspan="5">Type of Transfer (Check one)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">✓</td> <td colspan="4">Eligible Material Declaration Initiating the Chain-of-Custody</td> </tr> <tr> <td></td> <td colspan="4">Eligible Material Declaration Initiating the Chain-of-Custody for Mined Material Conflict Free Declaration provided</td> </tr> <tr> <td></td> <td colspan="4">Subsequent Chain-of-Custody Transfer, single type of CoC Material</td> </tr> <tr> <td></td> <td colspan="4">Subsequent Chain-of-Custody Transfer, Jewellery Products containing more than one type of CoC Material</td> </tr> <tr> <th colspan="5">Type of Material contained in Transfer (check all that apply)</th> </tr> <tr> <td style="text-align: center;">✓</td> <td>Gold</td> <td>Platinum</td> <td>Palladium</td> <td>Rhodium</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Mined</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Mining Byproduct</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Recycled</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Grandfathered</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Mix of Mined, Recycled and/or Grandfathered</td> </tr> </tbody> </table>	Type of Transfer (Check one)					✓	Eligible Material Declaration Initiating the Chain-of-Custody					Eligible Material Declaration Initiating the Chain-of-Custody for Mined Material Conflict Free Declaration provided					Subsequent Chain-of-Custody Transfer, single type of CoC Material					Subsequent Chain-of-Custody Transfer, Jewellery Products containing more than one type of CoC Material				Type of Material contained in Transfer (check all that apply)					✓	Gold	Platinum	Palladium	Rhodium					Mined					Mining Byproduct					Recycled					Grandfathered					Mix of Mined, Recycled and/or Grandfathered
Type of Transfer (Check one)																																																													
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Implementation – Mix of Mined, Recycled and/or Grandfathered (7.1d)

The table below sets out the information required in a CoC Transfer Document to make an Eligible Material Declaration for Mixed Material. The required information can also be recorded and generated in a more streamlined form via internal systems.

In the event that Eligible Material, for which an Eligible Material Declaration is to be issued, is to be mixed with existing CoC Material prior to a transfer to another Entity, the Entity will need to make an Eligible Material Declaration in an Internal CoC Transfer Document, which must be kept on record (provision 7.3). The CoC Transfer Document therefore allows for either an Eligible Material Declaration, or a Subsequent Chain-of-Custody Transfer. Only one type of transfer may apply, not both.

Table 7 – Eligible Material Declarations for Mixed Material

Step	CoC Transfer Document - Example																																																												
<p>Identify (7.1d):</p> <ul style="list-style-type: none"> the Type of Transfer (Eligible Material Declaration) and Type of Material (Mix of Mined, Recycled and/or Grandfathered – in this example, Gold) 	<table border="1"> <thead> <tr> <th colspan="5">Type of Transfer (Check one)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">✓</td> <td colspan="4">Eligible Material Declaration Initiating the Chain-of-Custody</td> </tr> <tr> <td></td> <td colspan="4">Eligible Material Declaration Initiating the Chain-of-Custody for Mined Material Conflict Free Declaration provided</td> </tr> <tr> <td></td> <td colspan="4">Subsequent Chain-of-Custody Transfer, single type of CoC Material</td> </tr> <tr> <td></td> <td colspan="4">Subsequent Chain-of-Custody Transfer, Jewellery Products containing more than one type of CoC Material</td> </tr> <tr> <th colspan="5">Type of Material contained in Transfer (check all that apply)</th> </tr> <tr> <td style="text-align: center;">✓</td> <td>Gold</td> <td>Platinum</td> <td>Palladium</td> <td>Rhodium</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Mined</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Mining Byproduct</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Recycled</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Grandfathered</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Mix of Mined, Recycled and/or Grandfathered</td> </tr> </tbody> </table>	Type of Transfer (Check one)					✓	Eligible Material Declaration Initiating the Chain-of-Custody					Eligible Material Declaration Initiating the Chain-of-Custody for Mined Material Conflict Free Declaration provided					Subsequent Chain-of-Custody Transfer, single type of CoC Material					Subsequent Chain-of-Custody Transfer, Jewellery Products containing more than one type of CoC Material				Type of Material contained in Transfer (check all that apply)					✓	Gold	Platinum	Palladium	Rhodium					Mined					Mining Byproduct					Recycled					Grandfathered					Mix of Mined, Recycled and/or Grandfathered
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				Recycled																																																									
				Grandfathered																																																									
				Mix of Mined, Recycled and/or Grandfathered																																																									
<p>If the Mix includes CoC Material from another Entity (7.3), an internal Eligible Material Declaration should be recorded for the other Eligible components of the mix first. This provides an internal record for the initiation of a Chain-of-Custody for all Eligible Material, which may be critical for future verification (for example against provision 1.5). See Steps at right.</p>	<ol style="list-style-type: none"> Record an Internal CoC Transfer Document that includes an Eligible Material Declaration for the Eligible Recycled and/or Grandfathered and/or Mined Materials for which a Chain-of-Custody is being initiated (Type of Transfer: Eligible Material Declaration – select which is applicable); Issue a CoC Transfer Document for Mixed Material to be transferred to another Entity (Type of Transfer: Subsequent Chain-of-Custody Transfer – select which is applicable). 																																																												

Getting Started

Entities who would like to make Eligible Material Declarations should:

- Identify the types of Eligible Material the Entity will issue Declarations for and include these in the CoC Certification Scope.
- Nominate the responsible person who will authorise CoC Transfer Documents.
- Where possible, integrate the recording and issuing of CoC Transfer Document information in existing systems. This should help make day-to-day implementation relatively straightforward.

Review:

- CoC Material can only be created through the issuance of an Eligible Material Declaration by a CoC Certified Entity in a CoC Transfer Document.
- Eligible Material Declarations may only be issued for Eligible Materials covered by the Entity's Certification Scope.

Check:

- ✓ Systems are in place to confirm Eligible Material Declarations are made only for Eligible Material, in accordance with Provisions 4 – 6.
- ✓ All required information is included in a standardised CoC Transfer Document used by the Entity – see also section 8 below.

8. Chain-of-Custody Transfer Documents

Background

A CoC Certified Entity must issue a CoC Transfer Document in order to initiate or continue a Chain-of-Custody with another business. The CoC Transfer Document effectively records the sequence of custody of material as it is transferred along the supply chain, to thus create a Chain-of-Custody.

Implementation

Provision 8.1 requires that where a Chain-of-Custody is to be maintained, a CoC Transfer Document needs to accompany each shipment or transfer of CoC Material. Ideally the CoC Transfer Document will be physically attached to the shipment, however there may be circumstances where this is not possible. In such cases, shipping identification or similar (such as a Refiner's Mark) will need to be linked to the CoC Transfer Document so that the receiving Entity can connect the information with the relevant CoC Material.

Box 16: Shipping Gold and Platinum via a Bullion Bank

Bullion Banks play a key role in the jewellery supply chain by physically supplying Gold and other Precious Metals to manufacturers in various countries. However the inventory management and market systems of Bullion Banks may not support CoC Transfer Documents being attached to shipments. Refiners may therefore issue the CoC Transfer Document for CoC Precious Metals bullion or product in a sealed container (e.g. grain) that bears their Mark after it has been received by a customer from the inventory of a Bullion Bank. The Refiner's Mark and any other identifying information will need to be linked to the refiner's original CoC Transfer Document records.

Box 17: Using CoC Transfer Documents for Dodd-Frank reporting

'Issuers', as defined under Section 1502 of the United States Dodd-Frank Act, will be required to prepare an annual Conflict Minerals Disclosure determining whether any Gold (or tin, tungsten or tantalum which are outside the RJC's scope) it uses originated in the DRC or an Adjoining Country. If any Gold did originate in the DRC or an Adjoining Country, or came from Recycled sources, the Issuer will need to prepare a Conflict Minerals Report.

CoC Certified Entities generate CoC Transfer Documents for CoC Gold that provide the following:

- *Upstream Due Diligence and 'DRC conflict-free' assurance for all CoC Gold via independent certification at each step of the supply chain.*
- *Identification of Mined, Recycled and/or Grandfathered Gold.*
- *Identification of any Gold from the DRC and Adjoining Countries, including country/ies of origin and refiner/s.*

Provision 8.2 points to the information required in all CoC Transfer Documents, and this is laid out in a template CoC Transfer Document provided in Appendix 1 of the CoC Standard. An Entity may use its own format rather than the template, providing it includes all of the required elements in accordance with the CoC Standard. The required information is:

- a. The date of transfer;
- b. A unique identification number for the transfer;
- c. The identity, address and CoC Certification number of the Entity issuing the CoC Transfer Document;
- d. The identity and address of the customer receiving the Material, and if another CoC Certified Entity, their certification number;
- e. The responsible employee of the Entity who can verify information in the CoC Transfer Document , if required;
- f. A statement confirming that the information provided in the CoC Transfer Document is in conformance with this Standard.
- g. The weight or quantities of the item/s of CoC Material;
- h. The type of transfer (Eligible Material Declaration or subsequent CoC Transfer);
- i. The type of Material contained in the Transfer: for subsequent CoC Transfers this information should be derived from the CoC Transfer Document/s supplying the Material;
- j. Description of any non-CoC Material which is part of a Jewellery Product containing CoC Material (if applicable);
- k. Conflict-Free Declaration for Mined Material (if applicable);
- l. DRC and Adjoining Country information for Dodd-Frank reporting for Mined Gold (if applicable).

The table below sets out all the required and optional information in a CoC Transfer Document. Businesses can also record and generate tailored CoC Transfer Documents in a more streamlined form via internal systems.

Table 9 – CoC Transfer Documents

Step	CoC Transfer Document - Example																																																							
<p>Record and document:</p> <ul style="list-style-type: none"> • Date and unique document number • Name and address of Entity (Issuer) and receiving customer • Include CoC Certification numbers of Entity and customer (where applicable) • Identify the responsible person at the Entity • The declaration that the information provided is in conformance with the RJC CoC Standard • The weight and/or item count of CoC Material 	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Date:</td> <td colspan="2">Document number:</td> </tr> <tr> <td colspan="2">Issuer:</td> <td colspan="2">Receiver:</td> </tr> <tr> <td>Name of Company:</td> <td></td> <td>Name of Company:</td> <td></td> </tr> <tr> <td>Address:</td> <td></td> <td>Address:</td> <td></td> </tr> <tr> <td>Certification number:</td> <td></td> <td>Certification number: <i>(if applicable)</i></td> <td></td> </tr> <tr> <td colspan="4">Responsible person:</td> </tr> <tr> <td colspan="4"><i>The information provided in this CoC Transfer Document is in conformance with the RJC CoC Standard.</i></td> </tr> <tr> <td colspan="4">CoC Material</td> </tr> <tr> <td colspan="2">Total weight</td> <td colspan="2"></td> </tr> <tr> <td colspan="2">Number of items <i>(if applicable)</i></td> <td colspan="2"></td> </tr> </table>	Date:		Document number:		Issuer:		Receiver:		Name of Company:		Name of Company:		Address:		Address:		Certification number:		Certification number: <i>(if applicable)</i>		Responsible person:				<i>The information provided in this CoC Transfer Document is in conformance with the RJC CoC Standard.</i>				CoC Material				Total weight				Number of items <i>(if applicable)</i>																		
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<p>Identify:</p> <ul style="list-style-type: none"> • the Type of Transfer (in this example, subsequent CoC Transfer for products containing more than one type of CoC Material). • and Type of Material (in this example, Recycled Platinum and Mixed Gold). For subsequent CoC Transfers this information should be derived from the CoC Transfer Document/s supplying the Material. <p>If the Entity is initiating a Chain-of-Custody for some or all of the Material, it will need to make an Eligible Material Declaration in the CoC Transfer Document. If any Eligible Material (i.e. not yet subject to a chain-of-custody) is to be mixed with CoC Material (i.e. already within a chain-of-custody), then an Eligible Material Declaration should be internally issued and recorded by the Entity first. For Guidance on Eligible Material Declarations, see section 7 above.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="5">Type of Transfer <i>(Check one)</i></td> </tr> <tr> <td><input type="checkbox"/></td> <td colspan="4">Eligible Material Declaration Initiating the Chain-of-Custody</td> </tr> <tr> <td><input type="checkbox"/></td> <td colspan="4">Eligible Material Declaration Initiating the Chain-of-Custody for Mined Material Conflict Free Declaration provided</td> </tr> <tr> <td><input type="checkbox"/></td> <td colspan="4">Subsequent Chain-of-Custody Transfer, single type of CoC Material</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td colspan="4">Subsequent Chain-of-Custody Transfer, Jewellery Products containing more than one type of CoC Material</td> </tr> <tr> <td colspan="5">Type of Material contained in Transfer <i>(check all that apply)</i></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td>Palladium</td> <td>Rhodium</td> <td>Mined</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Mining Byproduct</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Recycled</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Grandfathered</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Mix of Mined, Recycled and/or Grandfathered</td> </tr> </table>	Type of Transfer <i>(Check one)</i>					<input type="checkbox"/>	Eligible Material Declaration Initiating the Chain-of-Custody				<input type="checkbox"/>	Eligible Material Declaration Initiating the Chain-of-Custody for Mined Material Conflict Free Declaration provided				<input type="checkbox"/>	Subsequent Chain-of-Custody Transfer, single type of CoC Material				<input checked="" type="checkbox"/>	Subsequent Chain-of-Custody Transfer, Jewellery Products containing more than one type of CoC Material				Type of Material contained in Transfer <i>(check all that apply)</i>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Palladium	Rhodium	Mined	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mining Byproduct	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Recycled	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Grandfathered	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mix of Mined, Recycled and/or Grandfathered
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Step	CoC Transfer Document - Example														
<p>Include if desired/applicable (for examples, see below):</p> <ul style="list-style-type: none"> Any supplementary information The Material's previous CoC Transfer Document number(s) Description of any non-CoC Material 	<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">Supplementary Information (include at Issuer's discretion)</td> <td style="width: 30%;">Material's previous CoC Transfer Document number(s) (optional)</td> </tr> <tr> <td colspan="2">Description of any non-CoC Material which is part of Jewellery Products containing CoC Material (if applicable)</td> </tr> </table>	Supplementary Information (include at Issuer's discretion)	Material's previous CoC Transfer Document number(s) (optional)	Description of any non-CoC Material which is part of Jewellery Products containing CoC Material (if applicable)											
Supplementary Information (include at Issuer's discretion)	Material's previous CoC Transfer Document number(s) (optional)														
Description of any non-CoC Material which is part of Jewellery Products containing CoC Material (if applicable)															
<p>If the CoC Transfer Document relates to Mined Material:</p> <ul style="list-style-type: none"> For an Eligible Material Declaration, include the relevant Conflict-Free Declaration (part A in the template example). For Guidance on Eligible Material Declarations, see section 7 above. or For a subsequent CoC Transfer, include the relevant DRC and Adjoining Countries information (part B in the template example at right, and below). 	<p>Complete section A or B below for all Transfers of Mined Material:</p> <table border="1" style="width: 100%;"> <thead> <tr style="background-color: #4F7942; color: white;"> <th style="width: 10%;">A</th> <th style="width: 90%;">Conflict-Free Declaration for Mined Material (To be completed by CoC Certified Mining Company)</th> </tr> </thead> <tbody> <tr> <td style="font-size: small;">Check one</td> <td> <p>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.</p> <p>Country/ies where Mined Material was extracted:</p> </td> </tr> <tr> <td></td> <td> <p>The mine from which the Mined Material was produced, the processing facility and/or the transportation routes for the Mined Material is located in a Conflict-Affected Area. The CoC Certified Mining company has conducted Due Diligence, a summary of which is attached, to confirm the production and transportation of the Mined Material did not finance or benefit any Illegal Armed Groups.</p> <p>Country/ies where Mined Material was extracted:</p> </td> </tr> <tr> <td></td> <td> <p>The Mined Material is Mining Byproduct and determined to be Conflict-Free by the Refiner's Due Diligence (To be Completed by Refiner).</p> <p>Country/ies where Mining Byproduct was refined:</p> </td> </tr> <tr style="background-color: #4F7942; color: white;"> <th style="font-size: small;">B</th> <th style="font-size: small;">DRC and Adjoining Countries information for Dodd-Frank reporting (To be completed by all other CoC Certified Entities with custody of Mined or Mixed Gold)</th> </tr> <tr> <td style="font-size: small;">Check one</td> <td> <p>Transfer does not include Gold from the DRC and Adjoining Countries.</p> </td> </tr> <tr> <td></td> <td> <p>Transfer includes Gold from the DRC and Adjoining Countries and a summary of the required Due Diligence has been retained by the Refiner/s of the Gold.</p> <p>Country/ies where Mined Material was extracted:</p> <p>Refiner/s:</p> </td> </tr> </tbody> </table>	A	Conflict-Free Declaration for Mined Material (To be completed by CoC Certified Mining Company)	Check one	<p>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.</p> <p>Country/ies where Mined Material was extracted:</p>		<p>The mine from which the Mined Material was produced, the processing facility and/or the transportation routes for the Mined Material is located in a Conflict-Affected Area. The CoC Certified Mining company has conducted Due Diligence, a summary of which is attached, to confirm the production and transportation of the Mined Material did not finance or benefit any Illegal Armed Groups.</p> <p>Country/ies where Mined Material was extracted:</p>		<p>The Mined Material is Mining Byproduct and determined to be Conflict-Free by the Refiner's Due Diligence (To be Completed by Refiner).</p> <p>Country/ies where Mining Byproduct was refined:</p>	B	DRC and Adjoining Countries information for Dodd-Frank reporting (To be completed by all other CoC Certified Entities with custody of Mined or Mixed Gold)	Check one	<p>Transfer does not include Gold from the DRC and Adjoining Countries.</p>		<p>Transfer includes Gold from the DRC and Adjoining Countries and a summary of the required Due Diligence has been retained by the Refiner/s of the Gold.</p> <p>Country/ies where Mined Material was extracted:</p> <p>Refiner/s:</p>
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<p>If the CoC Transfer Document relates to Gold from the DRC or an Adjoining Country, all Entities must include information to that effect in any CoC Transfer Documents containing that Material.</p> <p>Identify:</p> <ul style="list-style-type: none"> The country/ies where the Mined Material was extracted, The Refiner/s. <p>In all other cases, the CoC Transfer Document should indicate in this section that 'Transfer does not include Gold from the DRC and Adjoining Countries'.</p>	<table border="1" style="width: 100%;"> <thead> <tr style="background-color: #4F7942; color: white;"> <th style="width: 10%;">B</th> <th style="width: 90%;">DRC and Adjoining Countries information for Dodd-Frank reporting (To be completed by all other CoC Certified Entities with custody of Mined or Mixed Gold)</th> </tr> </thead> <tbody> <tr> <td style="font-size: small;">Check one</td> <td> <p>Transfer does not include Gold from the DRC and Adjoining Countries.</p> </td> </tr> <tr> <td></td> <td> <p>Transfer includes Gold from the DRC and Adjoining Countries and a summary of the required Due Diligence has been retained by the Refiner/s of the Gold.</p> <p>Country/ies where Mined Material was extracted:</p> <p>Refiner/s:</p> </td> </tr> </tbody> </table> <p style="font-size: 2em; color: blue; margin-left: 20px;">✓ Tanzania</p> <p style="font-size: 1.2em; color: blue; margin-left: 20px;">Witwaters Refinery, South Africa'</p>	B	DRC and Adjoining Countries information for Dodd-Frank reporting (To be completed by all other CoC Certified Entities with custody of Mined or Mixed Gold)	Check one	<p>Transfer does not include Gold from the DRC and Adjoining Countries.</p>		<p>Transfer includes Gold from the DRC and Adjoining Countries and a summary of the required Due Diligence has been retained by the Refiner/s of the Gold.</p> <p>Country/ies where Mined Material was extracted:</p> <p>Refiner/s:</p>								
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Supplementary information (Provision 8.3) can be included in a CoC Transfer Document at the Entity's discretion.

This could be:

- Information about origin, such as country of origin of Mined Material, the name of the mine, or the country where Recycled or Grandfathered Materials were collected or processed. Any 'track-and-trace' type claims which track material to its origin will need to be supported by Provision 2.3 of the CoC Standard.
- Any additional certifications or accreditations applying to the production, conformance of the Eligible Material or Entity to a recognised national or international standard. The applicable standard should be identified and the Entity will need to record objective evidence of such conformance, e.g. the applicable certification documentation. For example, ISO certification or similar could be relevant to some customers.
- The Material's previous CoC Transfer Document number(s) to better support retrospective inquiries about the Chain-of-Custody. For example, a Refiner's CoC Transfer Document reference could be included to support any additional due diligence inquiries by a downstream business. This would enable downstream businesses to approach Refiners directly, rather than via each successive business in the Chain-of-Custody.

Note that Entities are not required to pass on information about their suppliers or other business partners in CoC Transfer Documents.

- Any other relevant information to the recipient of the CoC Transfer Document, for example website links to the Entity's supply chain policy for material from conflict affected areas (as for Provision 10.1), contact information for the Entity's complaint mechanism (as for Provision 10.3), publicly available reports (e.g. sustainability reports), or general information about the business.

All Supplementary information needs to be supported by objective evidence communicated or retained by the Entity and made available to an Auditor if required.

It is recommended that both the issuer and the recipient of the shipment have procedures in place for the verification of all required information prior to shipping, and when receiving and accepting the shipment, and verification that the information provided in the document is consistent with the physical contents of the shipment. For example, if resources are available, a two-person rule could apply to sign-off on outgoing and incoming shipments, supported by a record of shipments such as an initialled log book. Any errors found by the receiver should be promptly reported and remedied either by a return of the entire shipment, or by the parties agreeing to the steps taken to correct it. This may include the voiding of the initial document and replacement by a corrected document. A complete set of records covering any errors or anomalies must be maintained.

Box 18: Description of any non-CoC Material

Under the CoC Standard, Jewellery Products can contain non-CoC material, as long as this is clearly documented in the CoC Transfer Documents.

For example, a white gold chain with a pendant could be comprised of a CoC Gold chain with a non-CoC white gold clasp, a non-CoC white gold pendant and a small diamond. Rhodium electroplating may have been used to surface the gold components. In the CoC Transfer Document, 8.2 requires the Entity to include a description of any non-CoC Gold or Platinum Group Metals in the product. In this example, the Entity could include information like:

"CoC Gold chains. Gold pendants and chain clasps made from non-CoC gold. Non-CoC rhodium plating."

What doesn't need to be included in the disclosure of non-CoC Materials:

- *Materials not in the RJC CoC Standard's scope, such as Diamonds, other metals in alloys, plating or coatings, leather, or other precious stones.*
- *The inclusion of any Platinum Group Metals in a Gold alloy of any fineness, unless the omission could lead to confusion.*

Box 19: Internal CoC Transfers

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 Document 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.

CoC Transfer Documents for Materials received from other CoC Certified Entities must be available and recorded 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 previously issued documents, could provide evidence of a major non-conformance and loss of certification.

Getting Started

To prepare to issue CoC Transfer Documents, businesses should:

- Review existing internal systems and where possible integrate the recording and issuing of CoC Transfer Document information.
- Nominate the responsible person who will oversee and authorise CoC Transfer Documents.

Review:

- CoC Material transferred to another business must be accompanied by a CoC Transfer Document for the Material to retain its Chain-of-Custody.
- The CoC Transfer Document allows for either an Eligible Material Declaration, or a Subsequent Chain-of-Custody Transfer, and not both.
- The CoC Transfer Document provides critical information to the recipient, who will rely on it when making their own CoC representation to subsequent Entities in the supply chain.
- Any transfer of Gold from the DRC Countries must be identified in all subsequent CoC Transfer Documents.

Check:

- ✓ All required information is included in a standardised CoC Transfer Document used by the Entity.
- ✓ A responsible person is designated for each CoC transfer.
- ✓ Systems are in place to avoid mixing of CoC Material with Eligible Material unless an Eligible Material Declaration is made in an Internal CoC Transfer Document.
- ✓ Procedures are in place for the verification of all required information prior to shipping, and when receiving and accepting shipments of CoC Material.

9. Consumer Claims

Background

CoC Certified Entities, including retailers and suppliers, may choose to make claims or representations to the final consumer about CoC Material. Any such claims must conform to the requirements in provision 9 of the CoC Standard. The purpose of this provision is to ensure that claims about CoC Material are consistent with the assurance provided by the RJC CoC Standard. Note: the CoC Standard **does not require** Entities to make claims to consumers about materials in Jewellery Products.

Implementation

Provision 9 requires that claims about CoC Material are made in written form and available to consumers at the point of sale, with no information provided that is inconsistent with the CoC Transfer Document supplying the CoC Material (9.1). Sales associates must not make verbal claims or representations to consumers about CoC Material that are inconsistent with the claims or representations described in written form (9.2). Conformance would be supported through management systems to screen and approve the content of consumer representations, and through appropriate employee training.

As CoC Material, including that contained within Jewellery Products, is made available for sale to consumers, sales associates should be specifically trained about appropriate and inappropriate verbal representations. A record of training materials used and individuals who have received the training should be maintained.

It should be emphasized that these controls apply to CoC Material to the extent the claims are about relevant matters pertaining to its Provenance and/or Chain-of-Custody, in accordance with the CoC Standard. Claims concerning quality or pricing for example would not be normally be relevant. However, if a representation uses Chain-of-Custody information to support a claim about other attributes, such as a country of manufacture to support a claim about quality or workmanship, then it is relevant and must be made in accordance with the Standard.

Under 9.3, CoC Certified businesses may use the RJC logo and/or CoC Certification stamps for general promotional purposes, and on or in conjunction with CoC Material, but must ensure that any such use is in accordance with RJC Rules for use of the logo and 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 RJC logo and/or CoC Certification stamps, but may use them on or in conjunction with CoC Material if the logo/CoC Certification stamp was already applied to CoC Material supplied by a CoC Certified business. For example, the RJC logo could be included in the packaging or labelling of the CoC Material. However use of the RJC logo in marketing or promotional materials is restricted to RJC Members.

Box 20: Consumer Claims

The circumstances for making claims to the consumer about CoC Material and its Provenance and/or chain of custody may vary considerably. Following are suggestions for general messages that could be used about CoC Certification and the CoC Standard:

- *Gold / Platinum Group Metals that are from RJC Chain-of-Custody Certified companies only come from responsible sources.*
- *Everyone in the supply chain for CoC Precious Metals has been independently audited for compliance with responsible practices and chain-of-custody.*
- *Responsible practices covers a wide range of issues, including business ethics, employment conditions, environmental performance, and human rights.*
- *Chain-of-custody makes sure that the Gold / Platinum Group Metals only come from responsible sources and can't be mixed with other Gold / Platinum Group Metals.*
- *All of the documentation about the RJC CoC Standard is available to the public.*

Box 21: Unacceptable Consumer Claims

The Entity must avoid confusing or misleading consumer claims about CoC Material.

Examples include:

- *Describing all of a jewellery product as CoC Material if only parts of it contain CoC Material.*
- *Claims about country of origin or manufacture that are not supported by information supplied in the CoC Transfer Document/s.*
- *Using the RJC logo CoC Certification in a manner that could cause confusion about the Materials that the representations apply to. For example, if a jewellery product contains both CoC Material and non-CoC Material, the use of the logo may only apply to the CoC Material, and not to the product as a whole.*

Getting Started

Entities that wish to make claims to consumers about CoC Materials should:

- access a copy of the current Rules for Use of Responsible Jewellery Council Logo, Trademarks and Intellectual Property (available from info@responsiblejewellery.com)
- nominate a responsible person for the approval of any written descriptions of CoC Material;
- review proposed representations about CoC Material to make sure they are supported by information contained in the CoC Transfer Documents supplying the CoC Material;
- develop training for relevant sales associates.

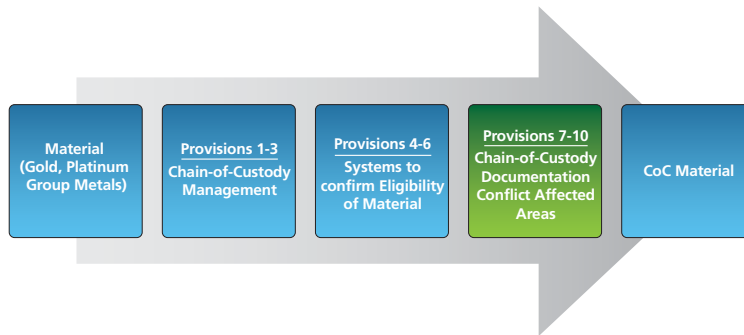
Review:

- Claims made about CoC Material must be available in written form at the point of sale and cannot be inconsistent with information provided in CoC Transfer Documents for the Material.
- Provision 8 applies to only to claims that are relevant to the Chain-of-Custody.

Check:

- ✓ Procedures are in place for the approval of the content of any representations about CoC Material to consumers.
- ✓ If applicable, sales associates have received appropriate training.

D. Conflict-Sensitive Sourcing



Background

Provision 10 sets out requirements on Conflict-Sensitive sourcing and supports implementation of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas*. The provision requires all Entities to establish strong management systems, including policies, risk assessment and mitigation, and complaints mechanisms directed towards Conflict issues. The provision also includes requirements for Gold Refiners to demonstrate that they have Conflict-Sensitive Due Diligence practices that can ensure that they do not themselves directly or indirectly finance or benefit Illegal Armed Groups. Provision 10 may therefore assist supply chain participants affected by Section 1502 of the United States' Dodd-Frank Wall Street Reform and Consumer Protection Act.

Implementation – Policy for the Supply Chain of Materials from Conflict Affected Areas (10.1, 10.2) and Complaints Mechanism (10.3)

Provision 10.1 requires all Entities to adopt a policy for the supply chain of Materials from Conflict-Affected Areas. The policy must be public (such as via a company website, or made available on request), and communicated to all suppliers of Materials, irrespective of CoC status. An effective policy may be quite simple and high level. An Example Policy is provided in Appendix 1 of this Guidance. It includes a summary version of the OECD Model Policy which refers specifically to Gold. Entities that include Platinum Group Metals in their CoC Certification Scope could amend as appropriate, or consider drafting their own, simpler policy statements. **Note: The CoC Standard, including but not limited to paragraph 10.1, does NOT require RJC Members or Entities to source CoC Material only from other RJC Members or Entities or at all. The individual sourcing and supplier decisions of each business are made according to their own judgments and in their sole discretion.**

For Entities that purchase Materials, 10.2 requires that they assess the risks of non-compliance by suppliers with the supply chain policy, and take action to prevent or mitigate the risks (see Box 22). RJC Members could consider incorporating this process into their risk assessment for business partners – contractors, customers, suppliers and partners – required for the RJC Code of Practices (COP 4.3). For Entities with Mining Facilities that source Eligible Material from ASM producers working on their concessions, risks should also be assessed in the context of COP 2.14 on engagement and initiatives with ASM.

Box 22: OECD Due Diligence Guidance

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas recommends companies establish a company-level, or industry-wide, grievance mechanism as an early-warning risk-awareness system.

Where risks are identified, the OECD advises companies to devise a strategy for risk management by either (i) continuing trade throughout the course of measurable risk mitigation efforts; (ii) temporarily suspending trade while pursuing ongoing measurable risk mitigation; or (iii) disengaging with a supplier after failed attempts at mitigation or where a company deems risk mitigation not feasible or unacceptable.

Note that concerns raised about any CoC Material should be drawn to the attention of the RJC so they can be investigated by the RJC Complaints Mechanism (see Box 23 below).

Box 23: RJC Complaints Mechanism

Appendix 2 contains a simple complaints mechanism suited to smaller businesses. For larger or more complex entities, the RJC's Complaints Mechanism can be considered. As well as providing a potential template, the RJC Complaints Mechanism will serve as a potential entry point for complaints or concerns about Eligible and/or CoC Material. As outlined in the RJC Complaints Mechanism document, these complaints will be first directed to the relevant Member. www.responsiblejewellery.com/certification.html#complaints

10.3 requires all Entities to establish a complaints or grievance mechanism to allow interested parties to voice concerns about circumstances in the supply chain involving Eligible and/or CoC Materials from Conflict-Affected Areas. The complaints mechanism should also be viewed as a part of a sound management system, by helping to identify risks that may not otherwise be known until a later stage. Entities with Mining Facilities are already required to have a complaints or grievance mechanism at the operational level accessible to affected communities (COP 2.11.4), which could be extended to cover conflict-sensitive sourcing issues.

The complaints mechanism should be documented and information about it should be publicly available, so that interested parties may be made aware that a formal mechanism is in place. The document should describe the types of complaints that are admissible and are not admissible, and the procedures followed in investigating and addressing complaints concerning sourcing from Conflict-Affected Areas. For companies without a website or similar, and that are not consumer-facing, a contact point for the complaints mechanism could be included in CoC Transfer Documents or similar, to enable customers and suppliers to raise concerns. This would enable interested parties to access information about the complaints mechanism on request. Smaller businesses need only a simple procedure documented, and could use the Example Complaints Mechanism in Appendix 2 as a starting point.

Further Guidance on supply chain policies and complaints/grievance mechanisms can be found in the OECD's *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and Supplement on Gold*. The OECD Guidance is available (in English or French) from www.responsiblejewellery.com/library.html

Getting Started

Entities should:

- Review the Example Policy in Appendix 1 and adapt to the business' circumstances.
- Communicate the policy to suppliers and make available on a website, where possible.
- Assess the risks of non-compliance by suppliers with your responsible supply chains policy.
- Work out how you will deal with complaints or grievances about conflict or human rights abuses in the supply chain. See the Example Complaints Procedure in Appendix 2.

Implementation - Conflict-Free Gold Refiners (10.4)

Gold Refiners play a key role in due diligence in the supply chain of Gold from Conflict-Affected Areas. While the CoC Standard deals primarily with CoC Material, Provision 10.4 extends the focus of Conflict-Sensitive sourcing practices to all Gold handled by a Gold Refiner. This leverages the value of CoC Certification for Gold Refiners by providing credible, independent assurance of their Due Diligence systems for Conflict-Sensitive sourcing. It also supports implementation of the OECD Due Diligence Guidance and provides relevant information under the Dodd-Frank Act for a range of businesses in the Jewellery supply chain, and other sectors and mechanisms which may request this type of independent third-party audit of Refiners. CoC Certification can be requested by Gold Refiners even where they do not intend to issue CoC Transfer Documents during the Certification Period. If Refiners later decide they wish to issue CoC Transfer Documents, then a new Certification Audit can be requested to cover the broadened Certification Scope.

In 10.4a of the CoC Standard, Gold Refiners are required to apply their internal Know Your Customer systems to all sources of Gold, not just Eligible and/or CoC Material. For each and all inputs of Mined Gold, 10.4b requires Gold Refiners to conduct Due Diligence to confirm that one of the following from 4.2 apply:

- a. The mine or mines from which the Mined Material is produced, and/or the transportation routes for the Mined Material, are not located in Conflict-Affected Areas; or
- b. The mine or mines from which the Mined Material is produced and/or the transportation routes for the Mined Material are located in Conflict-Affected Areas, and the production, processing and transportation of the Material did not directly or indirectly finance or benefit Illegal Armed Groups through the provision of payments, logistical assistance or equipment to such Illegal Armed Groups or their affiliates; or
- c. The Material is Mining Byproduct with suppliers screened according to the Know Your Customer requirements described in Provision 5.1 and 5.2.

In conducting the Due Diligence, the Refiner may, subject to provision 10.4a, rely on information provided by suppliers of Mined Gold. The relevant parts of the guidance outlined above on Conflict-Free Due Diligence (Provision 4) and Know Your Customer (Provision 5) should be followed to support compliance with these provisions. Refiners must retain records of all KYC and Due Diligence processes. Relevant Due Diligence for Conflict-Affected Areas may include:

- Information and any Due Diligence summaries provided with CoC Transfer Documents for CoC Material, as per the RJC CoC Standard;
- Due Diligence / Conflict-Free assurance provided by other initiatives, such as the World Gold Council Conflict-Free Standard;
- Assessments that Refiners may themselves undertake for non-CoC Gold from red-flagged or high-risk areas, such as on-the-ground assessments as per the OECD Due Diligence Guidance.

Where risks of contributing to conflict, human rights abuses, money laundering or terrorist financing are identified, Step 3 of the OECD Due Diligence Guidance should be referred to. A strategy for risk management should be developed that follows one or more of the following options:

- **Disengagement** from the risk: for example, if links with Illegitimate Sources are positively identified or the Refiner deems the risks too high.
- Mitigate the risk while **suspending** trade: for example, until the Refiner can obtain additional information/data confirming or refuting the identified risk.
- Mitigate the risk while **continuing** trade: for example, where the result of the due diligence is not fully satisfactory but the assessed supplier is using reasonable and good faith efforts. Under the CoC Standard, Refiners can continue to refine gold coming from this source, provided that the supplier adopts an improvement strategy stating clear performance objectives within a reasonable timeframe.

Where a Refiner undertakes a risk mitigation approach, it should document measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk, and regular reporting to designated senior management. Within not more than six months, an assessment should be performed in order to determine if the measures have been properly implemented and to decide whether to continue dealing with this supply chain.

Note: Risk mitigation is an acceptable Conflict-Sensitive sourcing practice for non-CoC Gold, in accordance with the OECD Due Diligence Guidance and an understanding of due diligence as an ongoing and reactive process which needs to take account of complex circumstances. However risk mitigation cannot be in process for CoC Gold to be issued by the Refiner under the CoC Standard. Where Eligible and/or CoC Gold has risks identified through the Due Diligence required under the CoC Standard, risk mitigation can be put in place but such Gold cannot be considered Eligible and/or CoC until the risks have been addressed and resolved.

Where Refiners have already successfully undertaken another independent third-party audit of these or comparable requirements in the past 3 years, this can be accepted as objective evidence by auditors of conformance with the requirements of 10.4. Examples of recognised audits of Refiner's KYC and due diligence practices are:

- EICC Smelter/Refiner Validation program (effective 2011): Refiners on the EICC list available on the EICC website: www.eicc.info/extractives.htm.
- LBMA Responsible Gold Guidance (effective 2012): Refiners who have provided the LBMA with an independent, third-party audit report meeting the LBMA criteria. Note that the RJC audit would also satisfy the requirements of the LBMA Responsible Gold Guidance.
- Other audit mechanisms that may be developed to implement the OECD Due Diligence Guidance recommendations for an independent, third-party audit of Refiners' due diligence systems and practices. A current list of recognised initiatives is contained in the RJC CoC Certification Handbook and will be maintained at www.responsiblejewellery.com/chain-of-custody/

Refiners can also consider combining an RJC CoC audit with the audit for RJC Member Certification. The RJC Code of Practices (COP) is a requirement for RJC Members and COP 1.2 on Money Laundering and Finance of Terrorism overlaps with a Refiner's KYC approach for conflict-sensitive sourcing.

Getting Started

To implement provision 10.4, Gold Refiners should:

- Identify opportunities to reduce duplication of audits relating to conflict-free sourcing;
- Check that KYC and Due Diligence systems are risk-based, robust and apply to all sources of Gold;
- Review the OECD Due Diligence Guidance for Conflict-Affected and High-Risk Areas.

Review:

- Provision 10 requires all Entities to establish a policy framework for conflict-sensitive sourcing practices and a complaints mechanism as a risk-awareness tool.
- CoC Certified Gold Refiners must apply Conflict-Sensitive due diligence practices to all of their sources of Gold.

Check:

- ✓ A complaints mechanism is in place covering the supply chain and Conflict Affected Areas.
- ✓ Entities have a policy in place for the supply chain of Materials from Conflict Affected Areas. Consider the Example Policy in Appendix 1 of this Guidance.
- ✓ Entities purchasing Materials have assessed the risks of non-compliance by its suppliers with its supply chain policy, and taken action to prevent or mitigate the risks.

Appendix 1 – Example Policy on Materials from Conflict-Affected Areas

The following draft can be modified or adapted to suit individual businesses.

[INSERT ENTITY NAME] is a [BRIEF DESCRIPTION OF THE COMPANY]. This policy confirms [ENTITY NAME's] commitment to to respect human rights, refrain from action which contributes to the finance of conflict, and to comply with relevant United Nations sanctions resolutions and laws implementing such resolutions.

[ENTITY NAME] is a Member of the Responsible Jewellery Council (RJC). The RJC is a standards-setting organisation that has been established to reinforce consumer confidence in the jewellery industry by promoting responsible ethical, human rights, social and environmental practices throughout the jewellery supply chain. The RJC and its Members are opposed to activities which directly or indirectly finance, benefit or facilitate armed conflict, extreme violence and human rights abuses.

The RJC supports the UN Global Compact and has two standards platforms which provide the mechanism for RJC Members to support these commitments:

- RJC Principles and Code of Practices: RJC Certified Member conforms with the RJC Code of Practices, the RJC's standard for responsible business practices.
- RJC Chain-of-Custody standard: CoC Certified Entity has verified systems in place for custody and/or supply of responsibly sourced Jewellery Materials.

As an RJC Certified Member/RJC Member seeking Certification, we commit to and have/are seeking independent third-party verification that we:

- Respect human rights according to the Universal Declaration of Human Rights and International Labour Organisation Fundamental Rights at Work.
- Do not engage in or tolerate bribery, corruption, money laundering or finance of terrorism.
- Support transparency of government payments and rights-compatible security forces in the extractives industry.
- Do not provide direct or indirect support to illegal armed groups.
- Establish processes through which stakeholder can raise concerns about the jewellery supply chain.

In addition to our own commitment, we use our influence to prevent abuses being committed by others. *[The Entity could include a description of how it will consider the risks of non-compliance by its suppliers with its supply chain policy, and how it could take action to prevent or mitigate the risks. Also consider including information about the complaints mechanism for interested parties to voice concerns about materials from conflict-affected areas. The OECD Due Diligence Guidance Model Policy could be used as a reference in developing your policy. The following is summarised from the OECD Model Policy and thus refers specifically to gold. Entities that include platinum group metals in their CoC Certification Scope can amend as appropriate, or develop simpler policy statements, as appropriate.]*

Regarding serious abuses associated with the extraction, transport or trade of gold:

1. We will neither tolerate nor profit from, contribute to, assist or facilitate the commission of:
 - torture, cruel, inhuman and degrading treatment;
 - forced or compulsory labor;
 - the worst forms of child labor;
 - human rights violations and abuses;
 - war crimes, violations of international humanitarian law, crimes against humanity or genocide.
2. We will not deal with, and will immediately discontinue engagement with, upstream suppliers where we identify a reasonable risk that they are committing, or are sourcing from or linked to any party committing, abuses described in paragraph 1.

Regarding direct or indirect support to non-state armed groups:

3. We will not tolerate direct or indirect support to non-state armed groups, including, but not limited to, procuring gold from, making payments to or otherwise providing assistance or equipment to, non-state armed groups or their affiliates who illegally:
 - control mine sites, transportation routes, points where gold is traded and upstream actors in the supply chain; and/or
 - tax or extort money or gold at mine sites, along transportation routes or at points where gold is traded, or from intermediaries, export companies or international traders.
4. We will not deal with, and will immediately discontinue engagement with, upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as described in paragraph 3.

Regarding public or private security forces:

5. We affirm that the role of public or private security forces is to provide security to workers, facilities, equipment and property in accordance with the rule of law, including law that guarantees human rights. We will not provide direct or indirect support to public or private security forces that commit abuses described in paragraph 1, or that act illegally as described in paragraph 3.

Regarding bribery and fraudulent misrepresentation of the origin of gold:

6. We will not offer, promise, give or demand bribes, and will resist the solicitation of bribes, to conceal or disguise the origin of gold, or to misrepresent taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export of gold.

Regarding money laundering:

7. We will support efforts and contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of gold.

Signed/endorsed: _____

Date of effect: ____ / ____ / ____

Appendix 2 – Example Complaints Mechanism – Simple Procedure for Small Businesses

The following draft can be modified or adapted to suit individual businesses.

[INSERT ENTITY NAME] has established this complaints procedure to hear concerns about circumstances in the supply chain involving gold and/or platinum group metals from conflict affected areas.

[NAME OF SENIOR MANAGER] is responsible for implementing and reviewing this procedure.

Concerns can be raised by interested parties via email or telephone to:

[NAME]

[TELEPHONE]

[EMAIL ADDRESS]

On receiving a complaint, we will aim to:

- get an accurate report of the complaint
- explain our complaint procedure
- find out how the complainant would like it handled
- decide who is the appropriate person internally to handle the complaint, or assist with redirecting the complaint to another entity, such as the relevant supplier, or an institution, such as a relevant industry body
- where the issue can be handled internally, seek further information where possible and appropriate
- identify any actions we should take, or monitor the situation
- advise the complainant of any decisions or outcomes
- keep records on complaints received and the internal process followed, for at least 5 years.

Signed/endorsed: _____

Date of effect: _____ / _____ / _____

Glossary

Accredited Auditor	An independent, third party person or organisation meeting the RJC's objective selection criteria and accredited to carry out RJC-related audits.
Adjoining Country	Defined with reference to Section 1502 of the United States' Dodd-Frank Wall Street Reform and Consumer Protection Act as a country that shares an internationally recognised border with the Democratic Republic of the Congo, and includes Angola, Burundi, Central African Republic, Kenya, Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia.
ASM	Artisanal and small-scale mining.
Bullion Bank	Investment banks that function as wholesale suppliers dealing in large quantities of refined gold.
Certification Audit	The CoC Certification Audit provides the independent, third party verification that Chain-of-Custody Management Systems have been implemented to meet applicable provisions in the CoC Standard.
Certification Scope	See CoC Certification Scope.
Chain-of-Custody	The documented sequence of Custody that occurs when CoC Material is created by an Eligible Material Declaration, and transferred from one Facility and/or Entity to another along the supply chain through the issuance of a CoC Transfer Document.
Chain-of-Custody (CoC) Certification Scope	The CoC Certification Scope is defined by the Member/Entity seeking CoC Certification. It must include: <ol style="list-style-type: none"> 1. All Facilities under the Control of the Member that the Member/Entity intends to use for the extraction, processing, manufacturing, storage, handling, shipping and receiving, and marketing of CoC Material; and 2. All Outsourcing Contractors that the Member/Entity intends to use for the processing and manufacturing of CoC Material; and 3. The types of CoC Material (Gold, and/or Platinum Group Metals) to be included in the Certification Scope; and 4. The types of Eligible Material, if any, for which the Member/Entity intends to issue Eligible Material Declarations.
Chain-of-Custody (CoC) Certified Entity	An Entity that is the whole or part of a Member that conforms with the applicable parts of the RJC CoC Standard, as verified by an RJC Accredited Auditor.
Chain-of-Custody (CoC) Material (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, or Grandfathered (see Eligible Material definitions).
Chain-of-Custody (CoC) Transfer Document	A document showing the information required for a transfer of CoC Material to another Entity, and issued by a CoC Certified Entity in accordance with the RJC CoC Standard.
Conflict	Armed aggression, widespread violence, and/or widespread human rights abuses.
Conflict-Affected Area	Area where Conflict is prevalent. The area may be a region, a country, an area within a country, or an area that crosses one or more country boundaries. Operations are not necessarily complicit in Conflict if they are located in a Conflict-Affected Area. The DRC and Adjoining Countries as defined under Section 1502 of the United States' Dodd-Frank Wall Street Reform and Consumer Protection Act are deemed a Conflict-Affected Area.
Conflict-Free	A description for Material that is determined by Due Diligence investigation not to have provided financial or other benefit to Illegal Armed Groups or their affiliates operating in a Conflict-Affected Area.

Conflict-Sensitive	Consideration of the spectrum of issues that may have, or may in the future, cause and trigger Conflict. [Reference: <i>International Alert, Conflict-Sensitive Business Practice: Guidance for Extractive Industries, March 2005, p3</i>]. In the context of the CoC Standard, Conflict-Sensitive sourcing encompasses strong management systems, including policies, risk assessment and mitigation, and complaints mechanisms, for Due Diligence directed towards Conflict issues. [Reference: <i>OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas</i>].
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: <ol style="list-style-type: none"> 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. 5. Although the above defines 'Control' in a corporate context, the same principles will apply by analogy to other organisational arrangements, including franchisees, licensees and Control by an individual or a family, where applicable.
Critical Breach	A finding or observation, supported by objective evidence, of deliberate falsification of information required to support a conformance rating.
Custody	The physical possession of CoC Material by an Entity or Outsourcing Contractor for the purposes of producing, processing, trading, manufacturing, packaging, labelling or retailing.
Diamond	A natural mineral consisting essentially of pure carbon crystallised with a cubic structure in the isometric system.
Dodd-Frank Act	Section 1502 of the United States' Dodd-Frank Wall Street Reform and Consumer Protection Act. The Act defines "conflict minerals" as columbite-tantalite (coltan), cassiterite, Gold, wolframite, or their derivatives (tantalum, tin, tungsten and Gold); or any other mineral or its derivatives determined by the US Secretary of State to be financing conflict in the DRC and Adjoining Countries. The Act requires issuers under the US Securities Exchange Act to disclose whether any "conflict minerals" used in their products originated in the DRC and Adjoining Countries.
DRC	The Democratic Republic of Congo (DRC).
Due Diligence	Process through which companies, acting reasonably and prudently under the circumstances, conduct inquiry and analysis necessary to make reliable and verifiable determinations about the relevant conditions applying to the production and transportation of Mined Materials from Mining Facilities. Due Diligence includes, where applicable, the application of Know Your Customer systems and procedures. The Due Diligence required under the RJC CoC Standard supports implementation of the <i>OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas</i> .

Eligible Material	<p>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:</p> <ul style="list-style-type: none"> • 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. • Eligible Recycled: Material recycled by a CoC Certified Entity from Recyclable Materials sourced from suppliers screened according to the CoC Standard’s Know Your Customer requirements to avoid Illegitimate Sources. Recyclable Gold and Platinum Group Metals are those that have been previously refined, such as end-user, post-consumer and investment products Gold and Platinum containing Group Metals, and scrap and waste metals and materials arising during refining and product manufacturing, which are returned to a Refiner or other downstream intermediate processor for recycling. • Eligible Grandfathered: Existing stocks of Material that existed before the CoC standard came into effect, with a reliable record demonstrating its date of ownership, extraction and/or manufacture. Gold: Refined Gold that was refined before 1 January, 2012. Grandfathered Gold may be in the form of bars, ingots, coins, or similar, or within a sealed container (e.g. grain, powder or sponge), with the refining date either permanently shown with the Mark of a Refiner or Government Mint, or verified by the Refiner in accordance with a serial number or other permanent physical mark or characteristic, or determined through bank depository or inventory records. In the case of Refiners on the LBMA “Former Melters and Assayers of Good Delivery Gold Bars” list that ceased operating before 1 January, 2012, if the refining date is not permanently shown, it may be inferred from that Refiner’s Mark on the Gold. Platinum Group Metals: Refined Platinum Group Metals minted before 1 January, 2012. Grandfathered Platinum Group Metals may be in the form of bars, ingots, coins, plates or similar, or within a sealed container (e.g. grain, powder or sponge), bearing the Mark of a Refiner or Government Mint, with the refining date permanently shown with the Mark or verified by the Refiner, or determined through bank depository or inventory records.
Eligible Material Declaration	Declaration of Eligible Material made by a CoC Entity in a CoC Transfer Document to initiate a Chain-of-Custody.
Entity	A business or similar responsible for implementation of the CoC Standard.
Facility	Premises or operations with Custody of Eligible or CoC Material.
Gold	A rare yellow metallic element with the chemical symbol ‘Au’ and the atomic number 79.
Government Mint	A government controlled facility where official currency and Precious Metals bars, ingots, coins or similar are minted.
Grandfathered Material	See Eligible Material definition.

Illegal Armed Group	Armed group, including a public or private security force, that illegally controls mine sites, transportation routes and/or points where minerals are traded, and/or illegally taxes or extorts money or minerals at mine sites, points of access to mine sites, along transportation routes, or at points where minerals are traded; and/or illegally taxes or extorts intermediaries, export companies or international traders; and/or is engaged or complicit in Conflict. Illegal activity means activity that violates a country's sovereignty, or its laws and regulations, or international law. "Direct or indirect support" for Illegal Armed Groups does not refer to legally required forms of support, including legal taxes, fees, and/or royalties that companies pay to the government of a country in which they operate. [References: <i>OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 2010</i> ; <i>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</i>].
Illegitimate Sources	Sources of Material that are contrary to applicable law, and/or involved with illegal mining, funding of conflict, money-laundering, funding of terrorism, or proceeds of crime.
Internal CoC Transfer Document	A CoC Transfer Document where the issuer and recipient are within the same Certification Scope. An Internal CoC Transfer Document shall be issued and recorded when making an Eligible Material Declaration for Material that will be mixed with existing CoC Material prior to the mixed Material being transferred to another Entity.
Jewellery	An adornment made of Precious Metals (including Gold and/or Platinum Group Metals) and/or set with gemstones. 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.
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. The Mark of a Refiner or Mint is often stamped into the surface of a Gold or Platinum Group Metals bar, ingot, coin or similar, or permanently affixed to a sealed container. A Mark is often accompanied by a serial number and/or date, which, in combination, can verify the year the Precious Metal was produced or minted.
Material	Gold and/or Platinum Group Metals. Materials currently outside the RJC's scope, such as other metals in alloys, plating or coatings, and other precious stones, are not covered under the RJC CoC Standard.

Member	<p>Any business that:</p> <ol style="list-style-type: none"> is actively involved for commercial reasons in the Diamond and/or Gold and/or Platinum Group Metals Jewellery supply chain; and is exempt from the role of consultant, advisor or any other similar entity; and commits to the prevailing RJC Principles and Code of Practices on business ethics, social, human rights and environmental performance and management systems; and commits to a Verification Assessment by an Accredited Auditor against the RJC Principles and Code of Practices in accordance with the requirements of the RJC; and undertakes the payment of the annual RJC commercial membership fee; <p>is eligible to become a RJC Commercial Member.</p> <p>The Member may consist of one or more Entities and/or Facilities. In RJC Standards, the term 'Member' refers specifically to RJC Commercial Members.</p>
Mined Material	Material that is produced by a Mining Facility. Also see Eligible Material definitions.
Mining Facility	A Facility that extracts Gold or Platinum Group Metals, or minerals containing saleable quantities of Gold or Platinum Group Metals, from the earth.
Mining Byproduct	Mined Gold or Platinum Group Metals that are produced from other metal mining, e.g., from copper sulphide ore, in which Precious Metals may be a trace constituent. When Mined Precious Metals are a byproduct, the other metal is processed and refined first, and the Precious Metal is then extracted and refined from the final residue of the first metal, such as a copper electrolytic cell slime. [Reference: <i>OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas – Supplement on Gold</i>].
Minor Non-Conformance	The Member's policies, systems, procedures and processes perform in a manner that is not wholly conformant with the Standard, due to an isolated lapse of either performance, discipline and control which does not lead to a Major Non-Conformance.
Outsourcing Contractor	An individual, company or other business that takes Custody of Material from an Entity for the purpose of processing or manufacturing the Material for that Entity. Outsourcing Contractors that are not themselves CoC Certified must be included in the Entity's CoC Certification Scope.
Platinum Group Metals	<p>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:</p> <ul style="list-style-type: none"> • 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
Recyclable Materials	Used Materials that have been collected for recycling. See Eligible Materials definitions for more information on criteria.
Recycled Material	See Eligible Material definition.
Refiner	An Entity engaged in separating and purifying Gold and/or Platinum Group Metals to a commercial market quality.

RJC	Responsible Jewellery Council.
Service Company	A company that takes Custody of, and provides services on Eligible and/or CoC Material owned by an Entity, maintaining segregation on behalf of their clients as an essential part of their service, and not physically changing Material in their Custody. Service Companies include grading labs, assayers, appraisers, security and transportation companies. Service Companies are not included in the Certification Scope of an Entity.
Standard	The RJC Chain-of-Custody Certification Standard.
Surveillance Audit	A CoC Surveillance Audit verifies that Chain-of-Custody Management Systems continue to conform with the CoC Standard. The CoC Surveillance Audit must be conducted within 12 - 18 months following granting of CoC Certification. The scope of the CoC Surveillance Audit must include a check of samples of CoC Transfer Documents, any claims being made to consumers, and associated records, and also verify progress or completion of any corrective actions for non-conformances found during the Certification Audit.