



Saturday 13 April 2024

### **Open letter to the:**

- International Organization for Standardization (ISO) – Mr. Sung Hwan Cho
- London Bullion Market Association (LBMA) – Ms. Ruth Crowell
- Responsible Jewellery Council (RJC) – Ms. Melanie Grant
- Responsible Minerals Initiative (RMI) – Ms. Jennifer Peyser

### **Old jewellery is not waste!**

#### **The necessity to clearly define “recycled” gold to avoid greenwashing.**

For more than a decade, the jewellery and gold industries have been using “recycled” gold as the silver bullet to claim responsible, eco-friendly, zero carbon, conflict-free sourcing and even ethical practices. “Recycled” gold accounts for more than half of the gold refined each year<sup>1</sup> by accredited refiners on the London market and a quarter of the annual gold supply<sup>2</sup>. In 2022, it was the most common eligible material origin<sup>3</sup> made by the world's leading industry standard setting organisation for the jewellery and watch industry, the Responsible Jewellery Council.

Companies using “recycled” gold make claims such as 'reduced pressure on mining', 'peace of mind that no additional harm is being done to the environment', 'additional progress in reducing climate impact, specifically in reducing greenhouse gas emissions', as reprocessed jewellery requires a fraction of the energy of the production of newly mined gold or e-waste recycling. Children learn from an early age that recycling is good for the planet, reduces the mountains of landfill waste, and means less use of resource.

But is this so called “recycled” gold really recycled? Does it really have a positive impact on the environment?

The term *recycled* as used today by many companies falsely implies to consumers that using such gold has a decisive positive social and environmental impact, and deserves to be called eco-friendly, ethical and responsible. Well, it is not that simple for gold, and this is why:

- **The term ‘recycled’ as currently used is not consistent with the legal and normative definitions of a recycled material.** EU countries<sup>4</sup>, the UK<sup>5</sup> and Switzerland<sup>6 7</sup>, where most gold is traded or refined, define recycling as the reprocessing of waste material and then define waste as discarded material. The US<sup>8</sup> defines recycling as the processing of materials that would otherwise be thrown away as trash. The UNEP Basel Convention<sup>9</sup> has the same definition of ‘waste’ as the EU directive on waste and 191 countries have explicitly agreed to be bound by it. On the norms side, the International Organization for Standardization (ISO) 14021<sup>10</sup> norm on self-declared environmental claims, defines recycled material and waste in line with the above references. The future norm ISO 59014<sup>11</sup> on environmental management and circular economy, sustainability and traceability of secondary materials defines a waste as ‘a resource that is considered to no longer be an asset as it, at the time, provides no value to the holder’.
- **The substitution effect of mined resource for recycled material in the supply to justify a green and carbon-free advantage simply does not work for gold.** Gold is mined for its value and plays a role as a currency, which, unlike other metals or materials, does not prevent the pressure on mining from being reduced by increased “recycled” supply. This lack of correlation between the use of “recycled” gold and the amount mined is attested by the available figures. The volume of “recycled” gold refined by accredited LBMA refineries increased by 34% between 2018 and 2021 from 2,139t to 2,872t<sup>12</sup> (+733t) while mine production source remained stable over these four years, falling by just 2% from 3,656t to 3,576t<sup>2</sup> (-79t).
- **The misused “recycled” qualifier for non-waste reprocessed gold is used by companies and brands to claim a near zero-carbon input** (0,036t CO<sub>2</sub>-eq footprint per kilogram<sup>13</sup>) disregarding historic carbon emissions opposed to an industrial mining one that generates 32,689t CO<sub>2</sub>-eq footprint per kilogram<sup>14</sup> on average, a reduction ratio of 1 to 908. As a result, this approach discourages e-waste recycling as one kilogram of recycled gold from e-waste generates 1,496t CO<sub>2</sub>-eq<sup>15</sup>, or 40 times more than the misnamed « recycled » gold from the reprocessing of high-grade gold-bearing products, such as an old jewel.

According to legal and regulatory definitions, an old piece of jewellery, a coin or bar, a manufacturing by-product or, more generally, any unwanted product with a high gold content cannot be considered waste, because it is not something that is destined to be discarded or trashed (we have yet to see a landfill full of gold jewellery). However, under today’s definitions, once a piece of old jewellery or manufacturing scrap has been reprocessed into fine gold, a business-as-usual practice as old as the world, it benefits from a green image and a zero-carbon footprint, just like recycling plastic bottles or aluminium cans that would have ended up as polluting rubbish.

In addition, due diligence requirements of the different industry schemes for sourcing so-called “recycled” gold are too weak. This creates loopholes that are exploited to introduce problematic gold into legitimate supply chains. This includes gold linked to conflict, organised crime, money laundering, tax evasion and child labour, or to sanctioned Russian individuals or companies. Research has shown that refineries certified to best practice standards have carried out their due diligence for "recycled" gold only until the first supplier, without knowing where this gold re-enters the market and the risk associated. This is contrary to the OCDE Guidance requirements.

Finally, sourcing only “recycled” gold means disengaging from artisanal and small-scale mining (ASM), contrary to the OECD guidance recommendations<sup>16</sup>. Mining is vital to the livelihoods of around 100 million people worldwide. As gold prices have risen in recent decades, the ASM sector has also expanded, and as long as the prices remain high, there is no indication that gold mining by local communities will cease. Cutting off ASM supply chains or making them invisible under the guise of “recycled” gold perpetuates mining communities informality. Not engaging with ASM is likely the biggest missed opportunity for gold supply chains to have a real positive social and environmental impact contributing to a range of Sustainable Development Goals, ensuring that local communities benefit from their mineral wealth.

**For all these reasons, we urge:**

- Industry and normative organisations to adopt a definition of “recycled” gold that is consistent with existing international, legal and normative definitions of recycling, and that is transparent about the real positive and negative impacts of reusing the gold. This has already been done by consensus by the Precious Metal Impact Forum in 2022, which restricted the term ‘*recycled gold*’ to waste material calling ‘reprocessed gold’ all other non-waste and non-mining sources. This PMIF definition<sup>17</sup> was proposed by the RJC for revision of its CoC standards. Focusing recycling efforts on tackling the real problems the world is facing, will certainly help to improve the rate of proper e-waste recycling, which remains below 25%<sup>18</sup>.
- OECD to clarify the scope of its Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas definition of recycled gold. The OECD definition of recyclable gold is often used as a reference to justify the inclusion of non-waste materials as a source of 'recycled' gold, which is incompatible with the waste legislation of most of its member states, and in particular its EU member states that have implemented Directive 2008/98/EC, which defines recycling.
- Involve civil society, NGOs and consumer organisations as active contributors to the groups defining “recycled” gold in the standards and norms committees.
- All companies and consumer-facing brands to disclose the methodology used to calculate their gold carbon footprint and align it with independent scientific research

that considers gold's unique supply and demand characteristics, which differ from those of industrial metals.

- Industry schemes must strengthen their due diligence requirements for reprocessed and recycled gold. All companies must rigorously verify the origin of their “recycled” gold.
- Engage with all sources of gold including ASM, to drive continuous progress in mining's environmental and social performance and contribute to local development.

Thank you for your attention.

- Alliance for Responsible Mining
- Artisanal Gold Council
- Ethical Metalsmith
- Fair Luxury
- Fairtrade Max Havelaar Switzerland
- Impact
- Pact
- Solidaridad
- Society for Threatened Peoples, Switzerland
- Swissaid
- The Impact Facility

Cc:

- Organisation for Economic Co-operation and Development (OECD) – Mr. Allan Jorgensen

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<sup>1</sup> *Gold Country of Origin and Country of Destination Matrix– Sustainability and Responsible Sourcing Report 2023*– Page 32 – LBMA : <https://cdn.lbma.org.uk/downloads/Publications/2023/Sustainability-and-Responsible-Sourcing-Report-2023-1310.pdf>

<sup>2</sup> *Supply and demand statistics* - World Gold Council: <https://www.gold.org/goldhub/data/gold-demand-by-country>

<sup>3</sup> *Progress Report 2023* – page 60 - RJC: [https://www.responsiblejewellery.com/wp-content/uploads/RJC\\_Annual-Report\\_2023.pdf](https://www.responsiblejewellery.com/wp-content/uploads/RJC_Annual-Report_2023.pdf)

<sup>4</sup> Directive 2008/98/EC on waste of the European Parliament and of the council of 19 November 2008: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32008L0098>

<sup>5</sup> The EU directive 2008/98/EC has now been transposed throughout the UK in 2011

<sup>6</sup> Federal law on the Protection of the Environment of October 7, 1983: [https://www.fedlex.admin.ch/eli/cc/1984/1122\\_1122\\_1122/en](https://www.fedlex.admin.ch/eli/cc/1984/1122_1122_1122/en)

<sup>7</sup> <https://www.bafu.admin.ch/bafu/fr/home/themes/dechets/glossaire-dechets/verwertung-stoffliche.html>

<sup>8</sup> ‘Recycling Basics and Benefits’ – United States Environmental Protection Agency web site - [www.epa.gov/recycle/recycling-basics-and-benefits](http://www.epa.gov/recycle/recycling-basics-and-benefits)

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- <sup>9</sup> ‘Basel Convention’ – United Nations Environmental Program – 2019 edition: <https://www.basel.int/TheConvention/Overview/TextoftheConvention/tabid/1275/Default.aspx>
- <sup>10</sup> ‘Environmental labels and declarations: self-declared environmental labels’ – 3.1.19 - 2016 – ISO : <https://www.iso.org/standard/66652.html>
- <sup>11</sup> ‘ISO/DIS 59014 Environmental management and circular economy – 3.28 - 2024 – ISO : <https://www.iso.org/standard/80694.html>
- <sup>12</sup> LBMA Responsible Sourcing Reports 2023, 2022, 2021 and 2020: <https://www.lbma.org.uk/responsible-sourcing>
- <sup>13</sup> ‘Developing a Model for Determining the Life Cycle Assessment and the Carbon Footprint of Precious Metals’ – p 6 - 2022 – Pforzheim University of Applied Sciences: [https://www.c-hafner.de/fileadmin/user\\_upload/pdf/Life\\_Cycle\\_Assessment\\_and\\_Carbon\\_Footprint\\_of\\_precious\\_metal\\_recycling\\_by\\_C.HANFER\\_-\\_Summary\\_INEC\\_treeze\\_en.pdf](https://www.c-hafner.de/fileadmin/user_upload/pdf/Life_Cycle_Assessment_and_Carbon_Footprint_of_precious_metal_recycling_by_C.HANFER_-_Summary_INEC_treeze_en.pdf)
- <sup>14</sup> ‘Gold and Climate Change’ – p 8 - 2019 – World Gold Council: <https://www.gold.org/goldhub/research/gold-and-climate-change-current-and-future-impacts>
- <sup>15</sup> ‘Developing a Model for Determining the Life Cycle Assessment and the Carbon Footprint of Precious Metals’ – p 6 - 2022 – Pforzheim University of Applied Sciences: [https://www.c-hafner.de/fileadmin/user\\_upload/pdf/Life\\_Cycle\\_Assessment\\_and\\_Carbon\\_Footprint\\_of\\_precious\\_metal\\_recycling\\_by\\_C.HANFER\\_-\\_Summary\\_INEC\\_treeze\\_en.pdf](https://www.c-hafner.de/fileadmin/user_upload/pdf/Life_Cycle_Assessment_and_Carbon_Footprint_of_precious_metal_recycling_by_C.HANFER_-_Summary_INEC_treeze_en.pdf)
- <sup>16</sup> OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas Third Edition – Appendix - <https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>
- <sup>17</sup> ‘Definition of recycled gold and reprocessed gold’ – PMIF, version 1, December 2022: <https://pmimpactforum.com/projects/>
- <sup>18</sup> ‘The Global E-waste Monitor 2024’ - 2024 - Collaborative publication of the Global E-waste Statistics Partnership (GESP): <https://ewastemonitor.info/the-global-e-waste-monitor-2024/>