

CRAFT

CRAFT 2.0

Volume 4

Guidance book

Draft for 2nd public consultation round

CRAFT v1.0 published on July 31st, 2018

Official version: English¹

Period for stakeholders' comments and enquiries:

March 30th – May 30th, 2020

Contact for comments:

standards@responsiblemines.org

This document was developed by the ARM Standards Team as part of the CAPAZ Project (funded by EPRM and implemented by ARM and RESOLVE) and the CRAFT Standard Committee convened by ARM, with support by the CRAFT Advisory Group convened by RESOLVE.



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The Code maintainer is the Alliance for Responsible Mining (ARM)

Contact: standards@responsiblemines.org

¹ In the case of inconsistency between versions, reference defaults to the official language version: English, version number 2.0, which will be approved at the close of the consultation period.

Objective for 2nd round Consultation

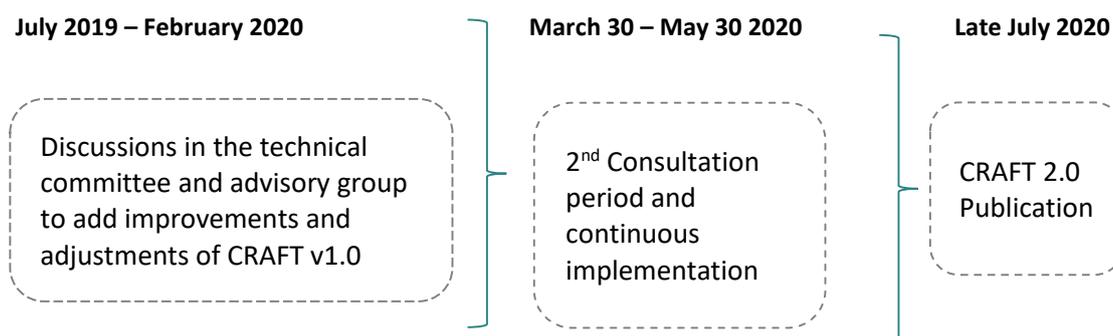
The launch of the CRAFT Code version 1.0 that was published on July 31st, 2018, after a [two-month consultation](#) period. Then, different stakeholders raise the need for the development of CRAFT Version 2.0, whose objectives are to 1) follow standards setting best practice in support of CRAFT's credibility and legitimacy as a tool, 2) expand the scope of CRAFT to maximize its utility to the artisanal minerals sector and its constituencies, and 3) enable progressive improvement and integrate lessons learned from implementing version 1.

The second round of consultation seeks to collect comments to the adjusted proposal of the CRAFT 1.0 in order to generate greater impacts to the sector and facilitate the connection with the industry.

Stakeholder participation

All interested parties can become a part of building and refining the CRAFT, as it is an open and public process. Everyone from miners to BUYERS and points in between in the gold supply chain, as well as government officials, civil servants, civil society, standard-setting organizations, Artisanal and Small-Scale Mining support networks, and others may partake in the various forms of this consultation process.

We welcome your comments at any time during the consultation process from **March 30 to May 30, 2020**.



How to Comment on the CRAFT Code

Step 1) Review Background and CRAFT v1.0

- The code is available for review on [the project website](#).
- For further background, including [the objectives of the CRAFT code, the general structure and the CRAFT v1.0](#).

Step 2) Comment

There are three possibilities to provide your inputs on the CRAFT:

1. Incorporate your comments and suggested revisions directly into one of the draft documents of the version 2.0 (please use track changes), and send it back to us at standards@responsiblemines.org along with the submission form below.

The new proposed structure is:

Volumes 1 to 3 constitute the CRAFT Code, containing all binding text.

- **Volume 1:** CRAFT Code - Introduction and General Characteristics
- **Volume 2:** CRAFT Code - Requirements for ASM Mineral Producers
 - Volume 2A: Commodity-independent Requirements
 - Volume 2B: Commodity-specific Requirements

- **Volume 3:** CRAFT Code - Guiding Principles for CRAFT Schemes

Volume 4 is a Guidance Book, which contains all guidance and explanatory notes, as well as further background information and suggested tools where available and applicable. All text in Volume 4 is non-binding.

2. A second option is to complete [the relevant online form outlining priority questions for feedback by type of actors or thematic interests](#).
3. Additionally, you are always welcome to offer further comments simply by email.

Comment Submission Form

Please, fill out the following form before commenting on the draft document or sending comments by email:

Name:	
Email address:	
Name of the Organization that you represent:	
Country:	
Please tick here if you would like your comments to be kept anonymous? <input type="checkbox"/>	
Please tick here if you would like to receive information about the development of the CRAFT Code? <input type="checkbox"/>	

Additionally, if you need more information before commenting on this document do not hesitate to contact standards@responsiblemines.org

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INTRODUCTION

This Guidance Book seeks to explain the content of the CRAFT and its purpose in a simple, non-technical, “human readable” manner for all audiences. Therefore, the writing style of many parts is that *we* explain it to *you*. “*We*” are those who developed the standard², and “*you*” are the one who uses the CRAFT Code or wants to know more about it.

We know that the CRAFT Code may be difficult to read. The way many requirements are worded often looks like a legal text. This is for a good reason: A standard text must avoid possible misinterpretations, just like a law, a regulation or a contract. In some places it must be very strict, so that the exact wording can be followed, while in other places, it needs to provide enough flexibility so that it becomes applicable under all circumstances. We hope that this Guidance Book compensates for these difficulties.

Additionally, we want to provide examples that help to better convey the intent of some requirements. Obviously, “examples” do not mean that something has to be done in exactly this same way. All text in this Guidance Book is therefore **non-binding**. All binding text is in the Code Volumes 1 to 3.

At the same time, there are also some topics on which we wanted to provide further in-depth information. Some of these topics are complex and require more technical explanations. We try to put all such text into annexes, as additional reading material.

² The Alliance for Responsible Mining (ARM) as Code maintainer, the CRAFT Standard Committee, the CRAFT Advisory Committee any all people who contributed

1. Guidance on Volume 1 (Introduction and General Characteristics)

1.1 Explanation of the terms used in Volume 1

1.1.1 Type of standard

The term “voluntary sustainability standard” means that

- a) CRAFT is **voluntary**. You may or may not decide to follow it. It is not “mandatory” like a law. But if you decide to work according to it, then this should be a firm commitment.
- b) We developed CRAFT to promote **sustainable** development of the Artisanal and Small-scale Mining (ASM) sector. More than 40 million people worldwide depend on this activity for their livelihood; approximately half of them in Artisanal and Small-scale Gold Mining (ASGM). To that extent, the CRAFT Code is also a tool that enable mineral supply chains actors to contribute to the 17 sustainable development goals focusing simultaneously on economic, environmental and social issues.
- c) We called CRAFT a “Code”, not a “**standard**”. In principle, it is very much the same. Many standards, particularly ISO-Standards or National Standards, are mandatory. To better express that CRAFT is voluntary, we call it a “Code”. Notwithstanding, expressions like “standard setting” or “voluntary sustainability standards” are very commonly used, and we did not want to create confusion by inventing our own terms. Please don’t get confused: we simply call CRAFT a **Code** because we feel it is more convenient for us and everybody.

The term “**performance** standard” means that a certain performance (way to do things) is expected. By following the CRAFT Code, it is expected that ASM is carried in a responsible way.

CRAFT is a **progressive** standard, because it is obvious that the way to do things cannot be changed overnight. Some improvements can be achieved within a short timeframe, others are more difficult and take longer. Step by step, ASM can improve progressively. Improvement by itself is progressive, because you can never improve enough or too much. There is always something that you can do better if you want.

The chapter also says that “CRAFT is not a product standard”. It is a performance standard. That means that you should never use the term CRAFT to describe or characterize the minerals or metals which you produce. Simply **don’t use** terms like “CRAFT mineral” (e.g. CRAFT Gold, CRAFT Cobalt, CRAFT gemstone or similar) and you are fine. Rather, you can say that a mine is in conformance with the CRAFT Code, or that production takes place using the CRAFT Code (assuming these things are true).

1.1.2 Organizational Scope

The technical term “organizational scope” is commonly used to answer the question, “to whom does a standard apply?”. The answer to this is that CRAFT is applicable to “ASM mineral producers” or simply ASM.

Why do we use this complicated term “ASM mineral producer” and describe apparently confusing things like “main organizational scope” and “extended scope”?

This description is necessary, because ASM can be so different, widely varying between countries and even more between continents. African ASM is not like Asian ASM, and both are different from South American ASM. For decades, scientist and practitioners have discussed the topic of a universal ASM

definition and came to no conclusion. The quoted OECD definition is the best currently available “definition”, although it is more of a description. In its full text, it therefore gives examples such as “... For example, it is common for work groups of 4-10 individuals, sometimes in family units, to share tasks at one single point of mineral extraction (e.g. excavating one tunnel). At the organizational level, groups of 30-300 miners are common, extracting jointly one mineral deposit (e.g. working in different tunnels), and sometimes sharing processing facilities.” (OECD 2016b)

One of the main objectives of the CRAFT is to enable ASM to sell their product into formal markets. Nowadays, buyers of formal markets have (by law) quite demanding requirements to follow. They have to make sure that the minerals or metals which they buy are produced in a responsible way, and foremost that the minerals or metals were not produced by committing serious human rights abuses, supporting armed conflicts or money laundering. It is the responsibility of the buyers to check this, and this checking is called “due diligence”. Due diligence consists of asking a lot of questions and evaluating risks. If there is someone who can respond these questions and provide information about how risks are being managed, buyers are likely to buy. If not, then responsible buyers will not purchase the minerals.

The “organizational scope” refers therefore to all those who work together to sell the mineral or metal to a formal buyer.

Who is included in the organizational scope therefore depends on who sells the minerals or metals to a formal buyer:

- If the miners are sufficiently organized so that a formal buyer can buy directly from them, then the miners are the organizational scope.
- If the mineral needs to be processed and the processing plants sells the mineral to a formal buyer, then the plant (Processor) and all miners having their mineral processed there are within the organizational scope.
- If miners sell their product in small quantities to a local trader (“Aggregator” e.g. in case of gold a gold shop), and this trader sells it to a formal buyer, then this local trader and all his mineral suppliers are the organizational scope.
- If it is a combination of Miners, Processors, and Aggregators, then the organizational scope can be the entire internal supply chain of them.

That means, that the entire internal supply chain, from the miner down to the point where the mineral or metal is sold to a formal buyer, can be the organizational scope.

Side note: It is anticipated that in most cases local or regional BUYERS will participate as Aggregators in AMPs. However, valid AMP scenarios of supply-chain based groups also exist, where LSM mines aggregate the product of ASM miners operating on their concession, or where refiners source directly from ASM mines. In such cases, and even if such entities are linked to foreign entities, the organizational scope is limited to the nationally operating agents of such entities.

The Code says that Membership must be **functional**. By this, we mean that for CRAFT, it only matters that this internal supply chain is functioning (sales are taking place) and that everyone (all members) in this supply chain follows the rules.

For CRAFT, it does not matter what type of specific formally established organizational structure is established (i.e. whether it is an individual, an association, cooperative, company, joint venture or nothing of all but agreements between the members) or even if there is a formal structure. This is what we mean when the Code says that Membership is **not administrative**.

Example: if an individual miner, female or male, is part of a group that sells its mineral to an association affiliated with a processing plant which sells the concentrate or metal to a local trader, then this individual miner is - as part of the organizational scope - a “Member”, potentially even without knowing it. It does not require a membership application.

The Figure 1 in Volume 1 of the Code text illustrates this. Everyone left of the red dot, whoever that is, is covered by the organizational scope of CRAFT. All of them together are the ASM Mineral Producer (AMP). If the AMP decides to adhere to the CRAFT, then all of the Members have to follow the requirements of the CRAFT.

Related to the topic of organizational scope is the “**internal supply chain**”. The internal supply chain describes the flow of the mined product in any form (as mineral, concentrate or metal) from the individual miner who extracts it, down to the member(s) of the AMP who sell(s) it to BUYERS.

Depending on the mineral mined and on the preferences of BUYERS, different ways of ensuring **traceability** of the product within the internal supply chain will need to be implemented. Notwithstanding, as there are many ways to ensure traceability, CRAFT does not prescribe any of them.

1.1.3 Geographic Scope

There are no geographic limitations, other than that the AMP must be operating in one single country.

Why is CRAFT limited to one single country?

First of all, because ASM is usually not a multinational enterprise. Only in exceptional cases does one ASM operation expand beyond one local community.

However, there exist exceptional cases of transboundary ASM operations, where mineral deposits are crossing border areas or where due to infrastructure or other constraints there are no buyers nearby in the country where the mineral is extracted.

We decided to exclude such cases from the scope (applicability) of CRAFT – and they are therefore ineligible – because:

- If minerals are sold in another country, this requires by law to follow formal export procedures. Consequently, the importer in the other country” needs to be a formal buyer. The miners in the producing/exporting country are consequently the AMP, which sells to a formal buyer.
- Although CRAFT is worded to be globally applicable, implementation needs to follow national legislation in order to achieve the objective of facilitating formal trade. If an ASM area spreads across a national border, then it is probably much easier to treat the miners on each side as separate AMPs, than as one AMP within which different miners follow different laws. In any case, mineral rights and national permits do never extend to the neighbor country.

If you see any other way to address such cases, then Volume 3 of the Code describes how to adapt CRAFT for such purposes. Alternatively, we are available to work jointly on solutions for such cases and cover them in future versions if needed.

1.1.4 Commodity Scope

The “commodity scope” indicates for which minerals and metals CRAFT is applicable.

The previous version, CRAFT 1.0, was developed for gold and applicable only for gold. Based on various comments which indicated that mostly all requirements also apply for other minerals, we decided to formally include the requested minerals and metals. We only did so after research and a public consultation if any other mineral-specific requirements apply for them.

As the Code indicates, this does not preclude the possibility to evaluate and test the applicability of the CRAFT for other commodities produced by ASM. Based on feedback to the code maintainer from piloting CRAFT for other commodities, the Commodity Scope of future versions of CRAFT may be further broadened.

1.1.5 CRAFT Report

The CRAFT report is one of the main outcome of the CRAFT Code implementation process. It can be seen as an ID of an AMP that has carried out a risk management process following the OECD Due Diligence Guidance framework.

As mentioned in Vol 1 (part 4.1), taking into account confidentiality reasons, the CRAFT report disclosed by an AMP can be the:

- Full text CRAFT reports
- Public summary CRAFT Reports

In both of them, the core of the report may include verification requirements for AMPs based on **first-party verification** in the case of production-based groups, or first- and **second-party verification** in the case of supply-chain based groups. They can also include **third-party verification**.

In other words, claims in the CRAFT Report are a “first-party claim” if they are made by miners themselves (they declare how they operate). They are “second-party claim” if the AMP is composed of miners and aggregators and the aggregator declares how he/she or they operate and how its providers operate. They are “third-party claims” if an external entity, that does not work with the AMP is here to reviews miners’ activities (as auditing firms for example).

It is important to emphasize that every full text CRAFT report shall include public summary CRAFT report. Therefore, in both of them CRAFT report could be structured this way:

- I. Basic information of the AMP
- II. Detailed information and supporting evidence (where applicable) about the requirements of the CRAFT Code
- III. Detailed information about the number and type of mitigation or improvement achievements in the past reporting period, and

Detailed information about the number and type of mitigation or improvement commitments for the next reporting period. On the [CRAFT website](#), you will be able to see a template of a CRAFT Report. Don’t hesitate to visit it!

1.2 Structure of the CRAFT and its requirements

1.2.1 Why looks Version 2.0 completely different from Version 1.0?

Version 1.1 had Code requirements, explanatory text and background information all in one single document, which made it almost 80 pages. Different types of context were marked with different formatting. We received many comments that this structure made the CRAFT a document very difficult to read. And only by its length the document was said to be “intimidating” for miners.

Taking into account this constructive criticism, we entirely rewrote this version 2.0. For that, we considered that in reality we have two different main audiences:

1. The miners (i.e. the AMP)
2. CRAFT Schemes (i.e. all kind of sourcing initiatives)

We therefore restructured the **Code** into smaller and more target-oriented Volumes:

1. **Volume 1**, which contains the general description and is needed for **all audiences**.
2. **Volume 2** is targeted at **AMPs**, explaining what you have to comply with, if you are a miner.

Additionally, we split the Volume 2 into sub-volumes, where the requirements in **Volume 2A** apply to all miners, and where the requirements that only apply for certain commodities are contained in **Volume 2B**.

We identified really commodity-specific requirements only for gold, where the reduction of mercury emissions and the elimination of mercury is a global priority within the Minamata Convention.

For other commodities, the requirements are mostly all the same, except that mercury related requirements do not apply. No mineral-specific International Conventions are in place for them and no mineral-specific high-risk hazards were identified.

3. **Volume 3** is targeted mainly at CRAFT **Schemes**, explaining what is expected from Schemes and how you may use CRAFT if you are a Scheme Owner.

Separated from these “Code Volumes,” we decided to put all explanatory text of the former version into a separate Volume, in style of a **Guidance Book**. This is **this Volume 4**.

Initially we wanted to make it a Guidance Book just for Miners, but then we realized that there are many other audiences that might benefit from a more descriptive version. Additionally, by stripping all explanatory text from the Code Volumes (1-3) a lot of background text, which we like to explain, would either be lost or would require other explanatory volumes. Separate explanatory volumes for each of the Code Volumes would have been counterproductive as explanation would have become too scattered, and therefore again difficult to find.

1.2.2 Structure of Requirements for AMPs

Modular structure of Volume 2

In Volume 2, the Version 2.0 maintains the progressivity of the modular structure from version 1.0.

- MODULES 1 to 3 are required for initial engagement of AMPs with BUYERS.

- When MODULE 4 is passed, AMPs can definitely engage in commercial relation with formal markets, because BUYERS can source from them in conformance with the OECD DDG.
- MODULE 5 goes beyond the OECD DDG and addresses other Non-OECD High Risks, which many BUYERS expect to be addressed.

In Version 1.0, we announced that we might develop further MODULES beyond 5, addressing Medium-Risky and Low-Risks. Notwithstanding, results of the pre-consultation indicated currently limited demand as most AMPs and Schemes using CRAFT consider MODULE 5 already quite demanding. We decided therefore to postpone development of MODULE 6 and 7, which would for now be “dead text” and only bloat the Code.

The sequence of requirements within Modules follows the “Consolidated Framework of Sustainability Issues for Mining” (Kickler & Franken 2017). It is described in more detail in **Annex 1**, for those interested to understand it.

The practical advantage of this framework is that it helps to clearly structure the Code requirements into sustainability topics, which makes the CRAFT Code scalable. Every requirement has its clear place in a structure of Sustainability–Categories, –Issues and –Sub-issues”. This way, new requirements can be added, without affecting the numbering of all other requirements, and all requirements on one topic are in the same category, regardless of the Module to which they belong.

The colored tabs at the top right of each requirement indicates the position of a requirement in this framework. Derived from this position is the numbering of requirements:

Example: **M.3/1.1.1/R.1** means:

M.3	1.1.1	R.1
The Module, where the requirement belongs, in this case Module 3	The Category (in this case, 1. Human Rights), sub-category (Serious Abuses) and issue (child labor) which the requirement addresses	Sequential number of Requirements in this Module on this issue; in this case: Requirement #1.

This numbering also makes clear that the requirements for a specific category (1.1.1) are linked to the same category in other modules. So **M.5/1.1.1/R.1** and **M.5/1.1.1/R.2** in MODULE 5 address the same topic of Child labour. All three requirements are related, but in the progressive sequence, M.3 has to be met before M.5.

If you consider this confusing, *just ignore it* and focus on meeting Module 3 requirements, before progressing to Module 4 requirements, before progressing to Module 5 requirements.

2. Guidance on Volume 2 (Requirements for AMPs)

Volume 2 consists of 2 Sub-Volumes:

- Volume 2A covers all commodity-independent requirements, which means: requirements that apply to all ASM, regardless of the mineral or metal mined.
- Volume 2B covers commodity-specific requirements that apply only for certain minerals or metal.

Most commodity-specific requirements are needed for gold, where mercury usage is a huge issue. As mercury is not used for other commodities than gold, mercury-related requirements are not placed in Volume 2A.

For all other commodities currently covered by CRAFT (tin, tantalum, tungsten, cobalt and colored gemstones), no specific requirements have been identified. We still include a chapter on them in Volume 2B, mainly to take a systematic approach and to be explicit about this point.

The only other mineral for which CRAFT 1.0 was reportedly tested and where specific requirements would be needed is ASM coal mining. The specific risks for this commodity are coal seam fires, methane- and coal dust explosions, leading to mine disasters. Notwithstanding as there was no explicit demand to include coal in the commodity scope, coal was not included in the scope.

2A Commodity independent Requirements for all AMPs

2.1 Guidance on Requirements of MODULE 1 (adopting a management system)

CRAFT is closely aligned with the OECD Due Diligence Guidance (OECD DDG), which proposes a sequential approach, called the “five-step framework”. The first step is to implement a management system”.

For most ASM miners, a “management system” is probably an extremely abstract term and intimidating by itself.

In the Code text of CRAFT, we use this term (“management system”) to make explicitly clear that CRAFT closely follows the terms of the OECD DDG. In essence, a management system is just a set of rules on how things have to be done properly. CRAFT provides such a set of rules for ASM and therefore CRAFT is a management system for ASM. If you are a miner and decide to use CRAFT, then you are “adopting a management system”. It is as simple as that!

MODULE 1 has four requirements for AMPs.

M.1/5.2.3/R1

The organizational structure and the geographic location of the AMP and the minerals or metals produced by the AMP are aligned with the organizational-, geographic- and commodity scope of CRAFT.

This requirement has the purpose that you – if you are a miner – are clear about how you fit into the scopes (organizational, geographic, commodity) of the CRAFT. You should be able to describe who you (the AMP) are, how you organize internally, where your mine (and eventual processing plants) is located and what you mine. Unless anything does not match the scope of the CRAFT, you can use it immediately, as it is, as a “management system”.

If you are affiliated to a CRAFT Scheme, they will probably provide you with a template like this:

✚ Basic information of the AMP	
Name of the Mine Site(s)	
Filing date of this form	
Location (village, municipality, department, country)	
Tax Identification Number	
Number of people (partners, workers (including the mining site, people working in the processing plant and aggregators))	Partners Men Women Other
Type of employee contract (if applicable)	
Legal representative (Name, surname, nationality, date of birth, address)	
CRAFT manager contact information (name, phone, mail)	
Does the organization have any political party affiliations?	YES ____ NO ____
Type of organization	
Description of the organizational structure	
Mineral extracted	
Number of extraction sites	
Number of processing plants	
Brief description of the operation with focus on the flowchart (internal control system/traceability)	
Method of extraction	
Processing method (if applicable)	
Processing plant capacity per day (if applicable)	
Estimated production (monthly)	
Shape of the metal to be sent	
Kind of transport at all stages	

M.1/5.2.3/R.2

The AMP declares that it is committed to responsible production of minerals and metals in alignment with the OECD Due Diligence Guidance and to further progress towards good and best ASM practice. For this purpose, the AMP adopts the CRAFT Code as its Management System for risk mitigation and commits to progressively fulfil all requirements of the CRAFT Code.

Such a declaration should indicate that you (the AMP) are able and committed to:

- a) making verifiable first or second party claims in the form of a “CRAFT Report” about the circumstances under which the product is produced (mined, processed and internally traded), and
- b) identify risks and mitigate the risks.

Through these declarations the AMP demonstrates a basic understanding of the main characteristics of the CRAFT. These declarations are not verifiable claims.

The CRAFT instrument through which the AMP will make verifiable first or second party claims is the “CRAFT Report”. The claims in the CRAFT Report are a “first-party claim” if the AMP is only composed of miners (they declare how they operate), and a “second-party claim” if the AMP is composed of miners and aggregators and the aggregator declares how he/she operates and how its providers operate.

M.1/5.2.3/R.3

If the AMP seeks support for implementing the CRAFT Code by joining a CRAFT Scheme, the AMP must follow the affiliation requirements of the CRAFT Scheme.

If you are an AMP, don’t worry too much about this requirement. The CRAFT Scheme will tell you what they expect from you and what they offer you in exchange.

CRAFT Schemes are usually interested to engage with AMPs, in order to source from the AMP. The main incentive for you as an AMP is that CRAFT Schemed will support you in the process of achieving conformance with CRAFT and to improve your operation towards responsible mining practices. Some CRAFT Schemes may offer additional incentives, such as predictable commercial terms for selling your minerals or metals, which are more favorable than the black market, or training or even access to finance. CRAFT is not prescriptive on what incentives CRAFT Schemes have to provide.

M.1/5.2.11/R.1

The AMP must nominate a Responsible Person for the implementation of CRAFT.

The responsible person will usually be the member who interacts commercially with BUYERS. If several members interact commercially with BUYERS, they will usually elect a representative.

The role of the responsible person may be delegated to or assumed by an ASM producer support scheme (e.g., a public, private, or civil society ASM program or project).

The responsible person makes the verifiable first- or second-party claims (prepares and signs the CRAFT Report) as or in representation of the AMP supply chain actor(s) that “sell(s)” the minerals or metals to BUYERS.

2.2 Guidance on Requirements of MODULE 2 (Legitimacy of the AMP)

Due to its global scope, the CRAFT is generic and guided by the definition of legitimacy of the OECD DDG.

“Legitimate artisanal and small-scale mining: The legitimacy of artisanal and small-scale mining is a difficult concept to define because it involves a number of situation-specific factors. For the purposes of the OECD Guidance, legitimate refers, among others, to artisanal and small-scale mining that is consistent with applicable laws. When the applicable legal framework is not enforced, or in the absence of such a framework, the assessment of the legitimacy of artisanal and small-scale mining will take into account the good faith efforts of artisanal and small-scale miners and enterprises to operate within the applicable legal framework (where it exists) as well as their engagement in opportunities for formalization as they become available (bearing in mind that in most cases, artisanal and small-scale miners have very limited or no capacity, technical ability or sufficient financial resources to do so)...” (OECD 2016b)

In consequence “legitimacy” does not necessarily warrant that AMPs fulfilling the CRAFT criteria will obtain free access to formal markets under national legislation. “Legitimacy” denotes that BUYERS seeking to source from a legitimate AMP could do so in conformance with the OECD DDG if Annex II risks are found absent or with satisfactory mitigation progress (see MODULES 3 and 4).

Applying adequate national standard setting procedures (involvement and consultation with relevant stakeholder groups), the Open Source characteristic of the CRAFT allows – if needed – to develop localized CRAFT versions that may warrant that CRAFT conformant mines will gain free access to formal markets under national legislation. How to localize CRAFT is explained in more detail in Volume 3.

The final part of the legitimacy definition: *“...In either case, artisanal and small-scale mining, as with all mining, cannot be considered legitimate when it contributes to conflict and serious abuses associated with the extraction, transport or trade of minerals as defined in Annex II of the Guidance”* is then addressed in MODULE 3 (see below)

MODULE 2 has only 1 requirement:

M.2/5.2.1/R.1

The AMP must be legitimate.

Given the complexity of the concept of legitimacy, CRAFT distinguishes 4 scenarios according to the context of the country where the AMP is hosted.

- Country Context **Case 1:** A legal framework for ASM exists, is actively implemented, and is enforced by the competent authorities.
- Country Context **Case 2:** A legal framework for ASM exists, but it is neither actively implemented nor enforced.
- Country Context **Case 3:** A specific legal framework for ASM does not exist.
- Country Context **Case 4:** State-approved commercialization channels for informally produced ASM commodities are in place.

For each context the criteria under which the criteria of legitimacy are fulfilled, in progress or failed are different.

The attempt to outline and classify different scenarios leads to the next question: Which case applies?

In countries or regions where a CRAFT Scheme operates, it is expected that scheme operators or potential BUYERS provide guidance to AMPs that wish to join the scheme.

Where no CRAFT Scheme operates (i.e. AMPs seek to convince BUYERS to engage), and as considered appropriate by the AMP through trust relations, the AMP might ask staff of governmental, non-governmental, academic or multilateral institutions, private companies, or experts on how they evaluate the country context, or AMPs may judge according to their own best knowledge. As a rough guidance:

- Several to many ASM operations in the country have managed to legalize their operation: Case 1 is likely.
- Some few ASM operations in the country have managed to legalize their operation: Case 2 or 3 is likely.
 - If it is practically impossible to legalize an ASM operation without extensive support from a lawyer and/or engineer, then it is likely Case 3; otherwise, it is likely Case 2.
- Very few or no ASM operations in the country have managed to legalize their operation: Case 3 is likely.
- ASM miners can sell their minerals or metals to a state-authorized agency or to banks (including national banks), regardless of their legal status: Case 4 is likely.

From a statistical viewpoint, the threshold of significance between Case 1 and Case 2 is seen at a formalization rate in the range of 5-10%. If more than 90-95% of the ASM sector operates in the informal economy, Case 2 can be assumed. Reliable statistical data are, however, rarely available.

2.3 Guidance on Requirements of MODULE 3 (“Annex II Risks” requiring Immediate Disengagement)

Annex II of the OECD DDG provides a “*Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas*”, intended to provide a common reference for all actors throughout the entire mineral supply chain. OECD DDG Annex II further provides a list of serious human rights abuses that cannot be tolerated in Responsible Supply Chains of Minerals, commonly referred to as “**Annex II risks**” requiring immediate disengagement.

If any such risk is present, BUYERS are required to disengage immediately. This implicates from the outset that if any such risks exist in an AMP, BUYERS cannot establish commercial relations with them.

The wording of requirements in MODULE 3 might sound a little bit strange, when you read them the first time. It might be useful to explain the reason for this:

The risks in this Module address the most gross human rights violations, as well as risks related to Conflict and High Risk Areas (CAHRAs). Particularly in CAHRAs, buyers will require additional certainty and there is high likelihood that the CRAFT Report will be independently audited for third party assurance.

Most of the risks in Module 3 are quite difficult to assess, and auditors will never express their finding in terms of absolute certainty (e.g. “non-state armed forces do not control ...”), because even the day after the audit the situation could change. Any claim of an AMP in its CRAFT Report, if expressed with absolute certainty, would therefore almost automatically contradict the finding/statement of auditors. By wording the requirement and claim in terms

of “reasonable to believe”, the claim can be positively or negatively verified by auditors, depending on their findings: with a clear yes or no.

2.3.1 Human and Workers’ Rights

M.3/1.1.1/R.1

It is reasonable to believe that the AMP does not tolerate the worst forms of child labour in its production process.

ILO 182, the Worst Forms of Child Labour Convention (ILO 1999a) defines the worst forms of child labour. While the CRAFT ultimately aims to eliminate all forms of child labour, including in indirectly related activities³, and ensure that all children can enjoy their rights to the fullest extent, at the very entry level of the CRAFT the focus is on eradicating the worst forms of child labour in its main and extended organizational scope and internal supply chain (see MODULE 1).

This is not a “narrow” focus ignoring all other forms of child labour, but aligned with the progressive characteristics of the CRAFT Code. The AMP controls its production process, and therefore has the power to take immediate steps to eradicate worst forms of child labour there.

Obviously, CRAFT as a progressive performance standard does not stop here. If any child labour (beyond the worst forms specified in pass criterion 2) is observed, addressing the requirements M.5/1.1.1/R.1 and M.5/1.1.1/R.2 shall be assigned **high priority in MODULE 5**.

Pass Criterion 1 indicates a qualitative (but ideally a semi-quantitative) baseline assessment of child labour. This baseline assessment shall at least indicate:

- an estimate of the total number of children working;
- the type of work usually carried out by age groups (children under 15 and children between 15 and 18), gender groups (boys and girls), and if possible other eventually distinguishing characteristics potentially related to discrimination (e.g. ethnicity, etc.) to be addressed in MODULE 5;
- the prevailing terms of engagement of children (compulsory work, employment, self-employed work, work in the family context, hours of work, type of work, place of work, safety and hygiene conditions, other).

The results of the baseline assessment shall be disclosed in the CRAFT Report.

Pass Criterion 2 requires a credible affirmation of the AMP “that in its internal supply chain no persons under the age of 18 (children) perform any of the following work classified as the worst forms of child labour: ...”

- In implementing this requirement, the AMP shall be aware that this strict prohibition of production-related worst forms of child labour might create unintended consequences of driving affected children into even worse conditions. If such worst forms of child labour had been an issue prior to the adoption of the CRAFT, a risk mitigation plan to prevent such unintended consequences must be in place.

³ It’s important to bear in mind that because of its hazardous nature work in small scale mining might be considered outright a worst form of child labour. There are also local legislations that are stringent and totally prohibit children from doing any work in mine sites. This should be considered as this is the legal framework within which the mine operates.

- Moreover it should be taken into account the option of integrating qualitative as well as quantitative surveys not only for artisanal miners but also for miner's families (and even people from the internal supply chain (that is to say service providers that are formal and informal). Involving families in the mitigation of these risks can provide relevant inputs in the risks mitigation plan.

As the baseline assessment should integrate miners and also their families we could integrate in it parameters like:

- Socio-demographic description of the children and people who depend on miners (sometimes not only biologic children live with miners, and they should be taken into account)
- Number of workers
- Registration of miner's family members and people who depend on them
- Status of children and people depending on miners (age, sex, educational institution)
- Social security Registration (if applicable)

M.3/1.1.2/R.1

It is reasonable to believe that the AMP is not linked to any forms of forced or compulsory labour.

As per Annex II of the OECD DDG, "*any forms of forced or compulsory labour*" means any work or service which is exacted from any person under the menace of penalty and for which said person has not offered herself or himself voluntarily.

Regarding Pass Criterion 1: In its CRAFT Report, the AMP shall describe the conditions of engagement of miners, as well as their role in the internal supply chain and confirm conformance with the pass criteria, i.e. that work of any person, particularly of women, in the AMP is performed under voluntary terms.

Clarification of terms regarding Pass Criterion 2:

- "With due notice" refers to a reasonable timeframe which avoids exposing others to risks (e.g. not to abandon a workplace unexpectedly).
- "Respecting existing obligations" refers to honoring voluntarily and mutually agreed obligations (e.g. not to default on debts).
- "Without the menace of penalty" refers to the absence of disproportionate penalties (i.e. penalties other than usual in common verbal or written agreements).

In practice, there might be a fine line between what is considered respecting existing obligations and what may constitute cases of debt bondage. In case of doubt, adjustments of proportionate obligations and penalties shall be subject to risk mitigation as part of achieving the next levels of the CRAFT requirements.

In its CRAFT Report, the AMP shall make a statement about conditions of disengagement of miners and confirm conformance with the pass criteria.

M.3/1.1.5/R1

It is reasonable to believe that the AMP is not linked to committing any forms of torture or cruel, inhuman, and degrading treatment.

The emphasis of this requirement is on "committing". The intent of the requirement is to obtain reasonable certainty that the AMP produces its product without committing any of the

abovementioned human rights abuses of women or men, neither against miners nor against any other person (i.e. the community). It is not the intent of the requirement to exclude AMPs whose male and/or female miners are the victims of such human rights abuses by third parties.

Guidance on the Pass Criterion: In order to obtain testimonies about the existence of such serious human rights abuses, the AMP shall seek support of a locally operating independent human rights body (national human rights commission, national or international NGOs or multilateral agencies working on human rights issues, religious institution, or similar), where such human rights complaints can be filed (anonymously if needed for protection of victims) and collected.

The AMP shall analyze the obtained complaints (if existing) and exclude (if applicable) any actor linked to committing such human rights abuses from its supply chain.

In its CRAFT Report, the AMP shall describe the outcome of the analysis and mitigation/remediation measures undertaken (if applicable) and confirm that suspected perpetrators have been and will continue to be excluded from its supply chain.

M.3/1.1.6/R.1

It is reasonable to believe that the AMP is not linked to any other gross human rights violations and abuses, such as widespread sexual violence.

As per Annex II of the OECD DDG (OECD 2016b), gross human rights violations such as “*widespread sexual violence*” are considered human rights abuses which require downstream supply chain actors to immediately suspend or discontinue engagement with upstream suppliers (AMPs). This topic is of a highly sensitive nature, and, particularly if such risks are present, the results of a self-assessment cannot be considered reliable.

Guidance on the Pass Criterion: In order to obtain such third-party testimonies, the AMP shall contact the following sources in the below order:

1. Governmental or non-governmental human rights bodies (national human rights commission, national or international NGOs or multilateral agencies working on human rights issues) are considered the most credible sources of third-party testimonies. The AMP shall request written statements on whether relevant cases of gross human rights violations and abuses are filed, known, or suspected.
2. In the absence of such human rights bodies working in the region of the AMP, the AMP shall attempt to obtain a statement from the court of justice of the corresponding jurisdiction on whether such cases have been filed.
3. If none of the above testimonies can be obtained, the AMP shall contact the local newspaper(s), requesting a summary of recent cases reported.

In its CRAFT Report, the AMP shall analyze and comment on the obtained testimonies (or reasons why no testimonies could be obtained), indicating whether the reported cases reflect isolated criminal cases or whether they must be considered widespread and systematic human rights violations and abuses.

2.3.2 Societal Welfare

M.3/2.1.7/R.1

The AMP makes efforts to obtain clarity on whether or not its operations are located in a Conflict-Affected and High-Risk Area (CAHRA).

AMPs may join to a CRAFT Scheme regardless of whether their operations are located in a CAHRA or not. This requirement has the purpose of assuring that the AMP is aware of the risks related with CAHRAs. Additionally, depending on the result of the analysis, CAHRA-related requirements may or may not apply.

Guidance on Pass Criterion 1: OECD definition of CAHRA: *Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure, and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.*

Documentation of CAHRA-relevant conditions does not need to disclose details which put the AMP or its responsible persons at risk of retaliation. In such cases, only the existence of the condition has to be documented.

Guidance on Pass Criterion 2: As considered appropriate by the AMP through trust relations, the AMP should ask staff of governmental, non-governmental, or multilateral institutions or private companies on whether they consider the area where the AMP operates to be a CAHRA. Typical institutions to consult are the national human rights commission, multilateral organizations for the protection of human rights, the Red Cross, national or international NGOs working on human rights issues or supporting ASM sector development, private sector companies involved in precious metals mining or trading, government bodies, or other AMPs that have already conducted such exercise and issued their CRAFT Report.

If the AMP obtains the information using official or reliable online resources, maps, etc., these may be used as evidence of its conformance with the requirement.

M.3/2.1.8/R.1

It is reasonable to believe that the AMP is not linked to committing war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide. (Applies only if the AMP is located in a CAHRA)

This requirement only applies if the AMP is located in a CAHRA (see requirement M.3/2.1.7/R.1).

As war crime investigations and trials are in most cases lengthy and complex processes (with presumed innocence until proved guilty), the intent of the requirement is to obtain “reasonable certainty” that the AMP is not controlled by any conflict party (state, non-state, military, paramilitary, insurgent, private, etc.) involved in committing war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide.

It is not the intent of the requirement to exclude AMPs whose miners are the victims of such armed conflicts. However, if the miners and their mine site are controlled by conflict parties suspected to be involved in war crimes or international humanitarian law violations, even against the will of the miners, it might be impossible to distinguish if the site is affected by conflict or not.

Guidance on the Pass Criterion: As a self-accusation of internal supply chain actors involved in such crimes and abuses cannot be reasonably expected, the pass criterion can only be met through an independent assessment:

- In geographical regions where credible programs or mechanisms for “green-flagging” conflict-free mine sites are in place, the AMP shall request a site assessment and include the results in the CRAFT Report.
- Where such programs or mechanisms are not in place, the AMP shall approach credible governmental or non-governmental human rights and international human rights bodies (national human rights commission, the Red Cross, national or international NGOs working on conflict or human rights issues) to request their statement or opinion on the subject.

The AMP shall annex all received documents to its CRAFT Report and indicate all institutions contacted, regardless of their responsiveness.

M.3/2.1.8/R.2

It is reasonable to believe that the AMP’s mine site and transportation routes are not illegally controlled by non-state armed groups. (Applies only if the AMP is located in a CAHRA.)

This requirement only applies if the AMP is located in a CAHRA (see requirement M.3/2.1.7/R.1).

The main difference from requirement M.3/2.1.8/R.1 on war crimes is that it applies to all security forces (state and non-state), whereas this requirement M.3/2.1.8/R.2 focuses specifically on illegal control⁴ by non-state armed groups in CAHRAs.

Control of mine sites and routes by state armed groups (e.g. police or military) or by legally operating non-state armed groups (e.g. security companies) is beyond the scope of requirement M.3/2.1.8/R.2 and will be covered in MODULE 4.

Guidance on the Pass Criterion: Similar to requirement M.3/2.1.8/R.1, if the AMP is illegally controlled, illegally controlling non-state groups cannot be reasonably expected to admit their illegal control. Consequently, conformity with the requirement can only be proven through an independent assessment, similar to requirement M.3/2.1.8/R.1:

- In geographical regions where credible programs or mechanisms for “green-flagging” conflict-free mine sites are in place, the AMP shall request a site assessment and include the results in the CRAFT Report.
- Where such programs or mechanisms are not in place, the AMP shall approach credible governmental or non-governmental human rights and international human rights bodies (national human rights commission, Red Cross, national or international NGOs working on conflict or human rights issues) to request their statement or opinion on the subject.

The AMP shall annex all received documents to its CRAFT Report and indicate all institutions contacted, regardless of their responsiveness.

⁴ “Control” of mines, transportation routes, points where minerals are traded and upstream actors in the supply chain means *i*) overseeing extraction, including by granting access to mine sites and/or coordinating downstream sales to intermediaries, export companies or international traders; *ii*) making recourse to any forms of forced or compulsory labour to mine, transport, trade or sell minerals; or *iii*) acting as a director or officer of, or holding beneficial or other ownership interests in, upstream companies or mines (OECD Guidance, 2016)

2.3.3 Company Governance

M.3/5.1.4/R.1

It is reasonable to believe that the AMP undertakes all reasonable efforts to avoid production at its mine site and its internal supply chain from being subjected to illegal taxation or extortion of money or minerals by non-state armed groups. (Applies only if the AMP is located in a CAHRA).

This requirement only applies if the AMP is located in a CAHRA (see requirement M.3/2.1.7/R.1). The intent of the requirement is to ensure that mineral production by the AMP does not provide any direct or indirect support to non-state armed groups.

“All reasonable efforts” means to the extent possible, without putting the physical integrity, safety or freedom of persons at imminent risk. Particularly in CAHRAs, it is a priority to avoid increasing the number of victims of the conflict.

The requirement can only be met if the AMP is not controlled by any non-state armed group (i.e. if the AMP is in conformance with requirement M.3/2.1.8/R.2 (security forces)).

This topic is of a highly sensitive nature, as nearly all businesses and mining operations, regardless if artisanal/industrial, small/large, formal/informal in CAHRAs face the dilemma of having a choice between either agree to pay "protection money" or refuse to do so and become another party of the conflict by defending their property. Furthermore, it is not uncommon that refusal to pay such bribes exposes the victims to a lack of "protection" and high risk to their physical integrity.

In case of Applicant AMPs with this risk present, CRAFT Schemes can play an important role, by engaging with governmental authorities and any other relevant stakeholder in support to the AMP.

Guidance on the Pass Criterion: In its CRAFT Report the AMP shall describe the policy and report on its implementation.

Although targeting a different audience than AMPs and focusing mainly on relations with public officials, guidance on drafting anti-extortion policies can be found in the final chapter of the publication *“Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and Related Documents”* (OECD 2011).

Guidance on the Fail Criterion: In order to obtain relevant information, the following sources shall be contacted in the below order:

1. The competent law enforcement bodies (police, court, etc.)
2. If no information can be obtained from law enforcement bodies, the AMP shall contact the local newspaper(s), requesting a summary of recent court cases reported.
3. Other sources considered knowledgeable and credible.

In the CRAFT Report, the AMP shall analyze and comment on the obtained responses.

Cases based on accusations raised by members of the AMP or cases resolved with members of the AMP acting as witnesses shall not be taken into account as fail criteria, because they demonstrate that the AMP already undertakes all reasonable efforts.

2.4 Guidance on Requirements of MODULE 4 (“Annex II Risks” requiring Disengagement after Unsuccessful Mitigation)

Annex II of the OECD DDG provides a “*Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas*”, intended to provide a common reference for all actors throughout the entire mineral supply chain. Supply chain risks explicitly mentioned in the OECD DDG Annex II are commonly referred to as “**Annex II risks**”.

This Module addresses Annex II risks for which the OECD DDG recommends to suspend or discontinue engagement with AMPs after failed attempts at mitigation. Accordingly, all requirements of this Module are either pass, progress, or fail requirements.

2.4.1 Societal Welfare

M.4/2.1.8/R.1

It is reasonable to believe that the AMP undertakes best possible efforts to eliminate direct or indirect support to public or private security forces that illegally tax, extort, or control its mine site, internal supply chain, or point(s) of sale.

Wording of the requirement is aligned with the Annex II risk, although from an AMP perspective the word “support” may not entirely reflect their perceived situation. In common language, the intent of the requirement is to express that the AMP defends itself as best as it can against illegal taxation, extortion, and control by security forces.

Situations of illegal taxation, extortion, or control by public or private security forces acting on behalf of public forces are particularly difficult for AMPs to manage without external support, as resistance against (even illegally operating) public forces is likely to trigger legal action against the “disobeying” person. It is therefore of vital importance that AMPs seek support on this topic from CRAFT Schemes and BUYERS.

“Best possible efforts” here means to the extent possible, without putting the physical integrity, safety or freedom of persons at imminent risk. Particularly in CAHRAs, it is a priority to avoid increasing the number of victims of the conflict.

It is not the intent of the CRAFT Code to incentivize disobedience against public or private security forces if an AMP has the subjective perception of being illegally taxed or controlled. Instead, AMPs are expected to seek advice and support from CRAFT Schemes and/or their downstream supply chain actors to implement a **risk management plan** coherent with the rule of law.

Guidance on Pass Criterion: The pass criterion applies if the risk of illegal taxation, extortion, or control is absent from the outset or has been mitigated to the extent of being considered absent.

This shall be expressed in the CRAFT Report.

Guidance on Progress Criterion: Risk mitigation efforts of AMPs against public or private security forces should always be accompanied by legal advice to follow the rule of law. It cannot be assumed that all AMPs can afford legal advice.

While it is possible in exceptional cases that AMPs contract a lawyer on their own, under typical scenarios they receive external support from supply chain schemes or legal downstream BUYERS. CRAFT Schemes may play a role here.

Seeking such support to implement a risk management plan, or implementing such a plan with measurable progress, are considered Pass Criteria for satisfactory progress.

The CRAFT Report shall

- describe measures undertaken during the past reporting period, and
- describe and commit to implementing the measures planned for the next reporting period.

Guidance on Fail Criterion: The fail criterion only applies if a downstream supply chain actor (or a CRAFT Scheme) has engaged with the AMP and a risk management plan has been set up.

The fail criterion is intended to reflect situations where the AMP could (without putting themselves at risk of persecution) but does not follow the mutually agreed risk management plan.

M.4/2.1.8/R.2

It is reasonable to believe that the AMP is supportive or seeks the support of public or private security forces if their presence is required to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment, and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.

It is the duty *public of security forces* (police, military, and other enforcement agencies) to maintain public order and the rule of law on behalf of the state. As any civil person, AMPs (as groups comprised by civil persons) have the right to seek the support of public forces and the obligation to collaborate with them in the framework of the law.

Private security forces require authorization to operate by the state but are directly contracted by the interested party. As any civil person, AMPs (as groups thereof) have the right to contract private security forces (although in practice this happens only in exceptional cases) and the obligation to follow instructions of others' security forces, as long as these forces are acting in the framework of the law.

Guidance on Pass Criterion: In its CRAFT Report the AMP shall describe the “**good relation**” with public or private security forces.

The CRAFT Report shall provide information regarding all security forces present at the mine site and along the internal supply chain.

Guidance on Progress Criterion: In its CRAFT Report the AMP shall describe the “**difficult relation**” with public or private security forces, as well as all efforts and steps undertaken to improve the relation.

The CRAFT Report shall provide information regarding all security forces present at the mine site and along the internal supply chain.

The CRAFT Report shall

- describe measures undertaken during the past reporting period, and
- describe and commit to implementing the measures planned for the next reporting period.

Guidance on Fail Criterion: The AMP must establish a risk management plan.

When the AMP is keen on searching support of public or private security forces (meaning that it has defined protocols that enable to go to public or private security forces when a relevant event occurs,

the relation can be described as “good”. In the same way, if the AMP does not have any relation with any public or private security force, this relation can be described as “good”.

M.4/2.1.8/R.3

It is reasonable to believe that the AMP does not knowingly hire individuals or units of security forces that are known to have been responsible for gross human rights abuses.

In rare cases, AMPs hire security services. By hiring such services, the AMP might have limited control over the staff deployed by the security provider, and even less so in countries where such services to private entities are provided by public security forces.

Paragraph 7 of Annex II of the OECD DDG makes reference to the Voluntary Principles on Security and Human Rights (VP 2000)⁵. In order to avoid hiring a security provider that disrespects human rights, AMPs may hire security providers on the condition that they render their services in alignment with the VPs.

In some countries facing a peace process, some CRAFT Scheme might face the case of a potential social and economic reintegration of surrounding soldiers in accordance with the (inter)national laws. If you see any way to address such cases, then Volume 3 of the Code describes how to adapt CRAFT for such purposes. Also we are available to work jointly on solutions for such cases and cover them in future versions if needed. An individual risk management plan needs to be put in place in cases where abidance to the VPs cannot be formally agreed.

Guidance on Pass Criterion: In its CRAFT Report the AMP shall indicate whether they hire security services or not.

If applicable (if security services are hired from public or private security providers):

- The AMP shall insist that the service provider assures that services are rendered under the Voluntary Principles on Security and Human Rights (if possible in writing).
- The CRAFT Report shall provide information regarding hired security providers and contractual conditions.

Guidance on Progress Criterion: If security services are hired from public or private security providers, and where the service provider cannot or is not willing to assure that services are rendered under the Voluntary Principles on Security and Human Rights, the AMP shall:

- Seek support to implement a risk management plan, and implement such a plan with measurable progress.

The CRAFT Report shall

- describe measures undertaken during the past reporting period, and
- describe and commit to implementing the measures planned for the next reporting period.

Guidance on Fail Criterion: The AMP must establish a risk management plan.

⁵ It is unrealistic to expect that AMPs become members of the VP Initiative (<http://www.voluntaryprinciples.org>). However, even in cases where an AMP is not capable of fully understanding all implications of the VPs, it can be assumed that professional security providers know and understand the VPs, and – if the VPs are a contractual part of their assignment – act accordingly.

M.4/2.1.8/R.4

It is reasonable to believe that the AMP supports all efforts or takes all viable steps to ensure that payments to public security forces for the provision of security are as transparent, proportional, and accountable as possible.

This requirement is about legal payments to public security forces as required in some countries (in some cases even mandatory) for the provision of security as a public service.

AMPs usually have no bargaining power regarding the proportionality of the payments.

Guidance on **Pass** Criterion: If payments for security are required by law, the AMP shall request receipts for all payments. In its CRAFT Report, the AMP shall – as considered appropriate – disclose the amounts paid, or indicate that receipts can be shown upon request.

Guidance on **Progress** Criterion: If the AMP pays but receives no or incomplete receipts for legally required payments recompensing public security services, the AMP shall demonstrate transparency and accountability by internally recording all payments. In its CRAFT Report, the AMP shall – as considered appropriate – disclose the amounts paid, or indicate that internal records can be shown upon request.

Risk management plans shall consider engaging with central or local authorities, international organizations, and civil society organizations to seek their contribution to workable solutions.

The CRAFT Report shall

- describe measures undertaken during the past reporting period, and
- describe and commit to implementing the measures planned for the next reporting period.

Guidance on **Fail** Criterion: The AMP must establish a risk management plan.

M.4/2.1.8/R.5

It is reasonable to believe that the AMP supports all efforts or takes all viable steps to minimize adverse impacts associated with the presence of public or private security forces on their mine site(s).

The requirement, aligned with paragraph 9 of OECD DDG Annex II, is to some extent a “self-fulfilling prophecy”, as it is highly unlikely that ASM miners would not support any effort to minimize adverse impacts on their mine sites. Consequently, the requirement needs no fail criterion.

Guidance on **Pass** Criterion: Applies if an ASM support initiative or supply chain scheme has engaged with the AMP and has diagnosed the possible risks.

Applies also if the AMP takes steps on its own to minimize adverse impacts from security forces (e.g., negotiating de-militarization, replacing security forces with a community vigilance committee, establishing a local government, etc.).

Guidance on **Progress** Criterion: Applies as long as no ASM support initiative or supply chain scheme has engaged with the AMP.

The CRAFT Report shall

- identify the differ
- rent risks that exist for men and women,

- describe measures undertaken during the past reporting period, and
- describe and commit to implementing the measures planned for the next reporting period.

Guidance on Fail Criterion: See overall guidance above.

M.4/2.2.1/R.1

It is reasonable to believe that the AMP pays to the government all taxes, fees, and royalties related to mineral extraction, trade, and export.

The ability to properly prove payment of taxes, fees, and royalties is closely linked with the legitimacy status of the AMP. There are country cases documented in scientific literature where ASM miners are legally required to pay taxes and fees even without having received a fully “legal” status. Such payments are important supporting evidence to prove legitimacy of the AMP.

Taxes are collected compulsorily by the government from almost all citizens and companies to cover its expenses. Fees are levied for public services and are “voluntary” insofar as they are only due if the service is requested (e.g. issuing a license). Royalties are payments to the government in return for the permission to engage in certain activities or use state property (e.g. to extract minerals).

Consequently, this Code focuses primarily on taxes (as they are compulsory and only related only to mineral extraction, trade and export). Royalty payments, by their nature, apply only if the legitimacy status is “legal”. For fees, it can be roughly assumed that the requested public services will not be rendered if the corresponding fees have not been paid.

Guidance on Pass Criterion: Tax declarations are considered confidential documents. For privacy, members of the AMP must not be obligated to disclose details of payments to the responsible person of the AMP or any person related with the supply chain group.

To prove that taxes, fees, and royalties have been paid, the AMP should collect self-declarations of its members (e.g. *“I paid my taxes and can prove it upon request to an auditor”*). Such statements should be collected from at least all corporate members (companies, cooperatives) and individual persons representing the AMP (e.g. in minerals sales translations). The documents that the auditor may request that prove the payment should not include details that violate the rights of privacy or any confidential information that can damage the AMP business. The CRAFT Report shall summarize the findings.

It might be exaggerated to expect that every individual member of the AMP keeps detailed records of all such payments. Notwithstanding, at least at the point(s) of sale of the AMP (i.e. AMP members that sell minerals or metals to downstream supply chain actors) records and/or receipts of compliance with tax, fee, and royalty payment requirements shall be kept and made available for verification.

Tax, fee, and royalty payments are expected to be consistent with the claimed status of legitimacy.

Guidance on Progress Criterion: Risk management plans shall contribute to comprehension of taxes/fees/royalties that may be payable to ensure the members understand those taxes and ensure they are paying them or will begin paying them (if they were previously unaware).

The CRAFT Report shall

- describe measures undertaken during the past reporting period, and

describe and commit to implementing the measures planned for the next reporting period.

Guidance on Fail Criterion: The AMP must establish a risk management plan.

M.4/2.2.1/R.2

It is reasonable to believe that the AMP is committed to disclose – if requested – payments of taxes, fees, and royalties in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

The requirement only applies if the country is an EITI member country, and if the national EITI has started to collect data from ASM operations.

Guidance on Pass Criterion: The CRAFT Report of the AMP shall contain proof of disclosure, or the commitment to disclose if required.

Guidance on Progress Criterion: The CRAFT Report shall

- describe measures undertaken during the past reporting period, and
- describe and commit to implementing the measures planned for the next reporting period.

Guidance on Fail Criterion: The AMP must establish a risk management plan.

2.4.2 Company Governance

M.4/5.1.3/R.1

It is reasonable to believe that the AMP undertakes all reasonable efforts to avoid offering, promising, giving, accepting or demanding any bribes to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.

Where bribery is deeply rooted in cultural norms, the line between providing a service and providing a favor and recompensing for either is often blurry. Eliminating bribery is a cultural process, but it needs to be backed up by administrative and legislative measures (e.g., in countries where government officers receive a merely symbolic salary and where their livelihood depends on receiving bribes). The ultimate goal of ending all bribery is aligned with the United Nations Convention against Corruption (UNODC 2004) and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD 2011).

Particularly on the “demand-side” of bribes, any citizen can contribute to eradicating the culture of bribes, by not expecting or demanding and even rejecting offered bribes. Offering, promising, and giving bribes then becomes perceivable as an unacceptable practice of corruption.

The CRAFT expects AMPs to undertake all reasonable efforts to actively contribute to this cultural change.

Guidance on Pass Criterion: In its CRAFT Report the AMP shall describe the policy and report on its implementation.

All reasonable efforts could, for example, mean that proven or suspected perpetrators of the policy will be warned, suspended and ultimately excluded from its supply chain.

Aligned with UNODC (2004) and OECD (2011), the policy shall disallow any kind of undue payment to/from foreign persons or entities. In case of payments to/from national persons or entities (the more likely scenario for AMPs) the policy should be as restrictive as feasible under local norms.

Guidance on Progress Criterion: In its CRAFT Report the AMP shall refer to the risk management plan and report on its implementation.

The risk management plan needs to clearly differentiate between facilitation payments (where customary and legal) to expedite services which they rightfully deserve, and corruption characterized by bribing for favors and unlawful acts.

The CRAFT Report shall

- describe measures undertaken during the past reporting period, and
- describe and commit to implementing the measures planned for the next reporting period.

Guidance on Fail Criterion: The AMP must establish a risk management plan.

M.4/5.1.3/R.2

It is reasonable to believe that the AMP undertakes all reasonable efforts to resist bribery to conceal or disguise the origin of minerals.

Implementing an Internal Control System (ICS) to ensure that minerals and/or metals commercialized by the AMP and/or its entities originates exclusively from the mine site of the AMP” eliminates bribery to conceal or disguise the origin of minerals from the outset. It avoids concealing or disguising the origin regardless of whether a bribe might be solicited or not, because with concealed or disguised origin, the production figures lose plausibility.

Guidance on Pass Criterion: In its CRAFT Report the AMP shall describe the ICS and present aggregated production figures. Production figures must be plausible in relation to the number of people working within the scope of the AMP.

Detailed records shall be kept and made available for verification.

Guidance on Progress Criterion: In its CRAFT Report the AMP shall

- describe measures undertaken during the past reporting period, and
- describe and commit to implementing the measures planned for the next reporting period.

Guidance on Fail Criterion: The AMP must establish a risk management plan.

M.4/5.1.5/R.1

It is reasonable to believe that the AMP supports all efforts or takes all viable steps to contribute to the effective elimination of money laundering, where a reasonable risk of such practice from or connected to its operations or products is identified.

The risk of “money laundering”⁶ at the level of legitimate AMPs is low. AMPs produce the mineral which they sell and do not purchase it with money to be laundered. Purchasing minerals and metals from legitimate AMP is therefore seen as one of the best ways for BUYERS to protect themselves from becoming unknowingly involved in money laundering.

Additionally, legitimate AMPs that sell directly to BUYERS through legal channels contribute to reducing the volume of informally traded minerals and metals available to money launderers. The

⁶ FATF (<http://www.fatf-gafi.org/faq/moneylaundering/>) describes money laundering as following: “What is Money Laundering? The goal of a large number of criminal acts is to generate a profit for the individual or group that carries out the act. Money laundering is the processing of these criminal proceeds to disguise their illegal origin. ...”

organizational scope of the CRAFT, confined to members of the AMP in one single country selling directly to BUYERS, further reduces risks of linkages with money laundering related to cross-border sales.

Within the scope of the CRAFT, the “*placement*” and “*layering*” stages of money laundering represent the most significant risks.⁷ This consists of buying informal minerals and metals and selling them disguised into formal supply chains. The third stage “*integration, in which the funds re-enter the legitimate economy*” is of limited relevance, as the ASM sector is rarely considered a safe haven for the legitimate economy. “*Integration*” into unsuspecting infrastructure (e.g., roads, shopping centers, businesses, etc.) is beyond the scope of the CRAFT and must be addressed by the competent authorities. Risk mitigation efforts by AMPs, therefore, focus on traceability of the origin of traded minerals and metals.

Guidance on Pass Criterion: Productivity (measured in gram/person/day) varies, depending on the characteristics of the mineral deposit and the level of mechanization.

In its CRAFT Report, the AMP shall indicate the key parameters of its operation that allow for verification of the plausibility of the volume of minerals and metals it offers for sale.

To set an example, these parameters can be:

- Volume of ore/month
- Daily production supports that support the reported volume/month
- The daily production supports must be supported by a miner's and/or supervisor's signature.

Where an ICS is already implemented, production volume and production capacity (determined by productivity) should reasonably match (i.e. average production cannot be higher than production capacity).

Guidance on Progress Criterion: The CRAFT Report shall

- describe measures undertaken during the past reporting period, and
- describe and commit to implementing the measures planned for the next reporting period.

Guidance on Fail Criterion: The AMP must establish a risk management plan.

2.5 Guidance on Requirements of MODULE 5 (“Non-Annex II” High Risks requiring Improvement)

Non-Annex II high risks are as important as Annex II risks for the livelihood and wellbeing of miners and their family. The main difference is that the OECD DDG does not require a suspension or disengagement in the case of continued presence of these risks, but rather encourages downstream supply chain actors to engage with ASM and to support their risk mitigation and improvement efforts (OECD 2016a).

Note: AMPs are advised to commit in their CRAFT Reports to only as many improvements as they consider **realistically** achievable. In the next year's CRAFT Report they will have to report back on

⁷ See FATF (<http://www.fatf-gafi.org/fag/moneylaundering/>): How is money laundered?

achievements. Overcommitting carries the risk that conformity of the AMP with its own commitments will score low the following year.

2.5.1 Human and Workers' Rights

M.5/1.1.1/R.1

The AMP takes steps towards eradicating all worst forms of child labour directly or indirectly related to mining, among persons under the age of 18.

Requirement M.3/1.1.1/R.1 on worst forms of child labour applies to the main and (if applicable) extended organizational scope of the AMP. It focuses on an internal supply chain free of worst forms of child labour and therefore on production-related tasks that must not be performed by persons under age of 18.

This requirement M.5/1.1.1/R.1 complements requirement M.3/1.1.1/R.1, focusing on forms of worst child labour that may be indirectly related to the mineral production or that may occur in the perimeter of the operations of the AMP.

If the baseline assessment of requirement M.3/1.1.1/R.1 identified (in the perimeter of the operations of the AMP) economic activities classified as worst forms of child labour according to ILO Convention 182, other than those covered by M.3/1.1.1/R.1, requirement M.5/1.1.1/R.1 shall be assigned high priority.

Guidance on when the risk can be considered **Controlled**: Results of a detailed quantitative survey demonstrate that all persons of age 15 to 18 in the perimeter of the AMP (e.g. the community) have been relocated to workplaces which, by their nature or the circumstances in which work is carried out, do not harm the health, safety, or morals of children (girls and boys).

For persons under age of 15, requirement M.5/1.1.1/R.2 applies.

The results of the survey are annexed to the CRAFT Report.

M.5/1.1.1/R.2

The AMP takes steps towards eradicating all child labour of persons under the age of 15.

The ILO Convention 138 on Minimum Age (ILO 1973) establishes that the minimum age for admission to employment or work in any occupation shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years.

Although this is a fundamental human right, and ILO Convention 138 is ratified by the vast majority of countries, the reality is often different. In extreme cases in some countries, half of the population is under 15 years old, and in other countries it is not uncommon for persons under age of 15 to be considered the head of household (e.g. in the case of AIDS orphans). Furthermore, cases of remote mining communities lacking any educational facility are not uncommon.

Regardless of these practical limitations, it is important that AMPs recognize that children under the age of 15 should not be employed or work in any occupation, as they should instead attend school. AMPs shall, therefore, take steps towards eradicating child labour of persons under age 15 that are indirectly related to the mineral production or occur in the perimeter of the AMP.

Guidance on when the risk can be considered **Controlled**: Results of a detailed quantitative survey demonstrate that all persons below 15 years of age in the perimeter of the AMP (e.g. the community) attend school and are neither employed nor allowed to perform any work.

M.5/1.1.3/R.1

The AMP takes steps to protect women against sexual violence and harassment at the workplace.

Verbal, psychological or physical violence against women is common and widespread at most workplaces, and this includes the ASM sector. Risks of sexual violence and harassment are particularly high in contexts of gender inequality and imbalances of power. In any case, sexual violence and harassment are unacceptable.

AMPs participating in CRAFT Schemes shall not accept any such unacceptable behavior from its individual members, and they shall take steps to protect women against sexual violence and harassment in the workplace and respond when incidences are reported.

Guidance on when the risk can be considered **Controlled**: Ensure that the AMP has a (specific) policy in accordance with ILO Convention C190. The AMP should be able to prohibit, control, detect, penalize, prevent, address and remediate sexual violence and harassment cases at work.

The AMP makes efforts and takes steps to raise awareness that sexual violence and harassment is unacceptable and encourages victims to denounce aggressors to the competent authority.

The AMP should conduct trainings on sexual violence and harassment for all, at all levels and in all necessary languages ensuring the information is user-friendly and accessible for miners with lower literacy levels as well. Trainings should also communicate on the policy and grievance mechanism.

The AMP should ensure that adequate and accessible grievance mechanisms are put in place. The AMP should ensure women's representation on the committee responsible for receiving, investigating and resolving grievances, and ensure the people responsible are equipped with the right skills to handle gender-sensitive issues.

In principle, this risk should never be declared as "controlled", because considering the risk controlled may lead to decreased awareness of the issue.

M.5/1.1.3/R.2

The AMP takes steps to respect the rights of women, in particular towards reducing any gender-based restrictions of access to mineral resources.

The requirement addresses the issue of gender-based restrictions of access to mineral resources, which limits women at many mine sites to scavenging for "leftovers", working as mineral selectors on waste rock dumps and excludes them from making decisions about the mining resource. AMPs shall take steps to ensure that women obtain access to and benefit from the mineral resource in equal condition as men.

Guidance on when the risk can be considered **Controlled**: Results of a gender survey and local employment and income statistics demonstrate equal opportunities exist and can be pursued by both for women and men.

While there may not be gender-based or equal opportunities restrictions, women may not necessarily have equal access to resources or opportunities based on the historical discrimination and position of women in the industry.

Hence, while conducting the local survey, ensure gendered considerations (i.e. confidentiality, women interviewer, women only focus groups) that allow for women miners to express their perceptions and experiences⁸.

M.5/1.1.4/R.1

The AMP does not base its decisions on criteria classified as discriminatory in the Universal Declaration of Human Rights.

Article 2 of the Universal Declaration of Human Rights (UN 1948a) stipulates that *“Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, color, sex, language, religion, political or another opinion, national or social origin, property, birth or another status.”*

Guidance on when the risk can be considered **Controlled**: An anti-discrimination policy is developed, adopted, and put into effect that allows to prevent and detect situations of discrimination and to take corrective measures.

In principle, this risk should never be declared "controlled", since considering the risk controlled may result in reduced of awareness on the subject.

M.5/1.3.3/R.1

The AMP makes basic mine safety rules mandatory for its members.

National mine safety regulations are often complex and difficult to understand for many members of an AMP. Mine safety at ASM mines needs a simple set of rules that are easily understood and widely observed.

Guidance on when the risk can be considered **Controlled**: ASM members know basic occupational safety and health rules and implement them.

M.5/1.3.4/R.1

Members of the AMP use personal protective equipment (PPE) at work.

Personal protective equipment is of essential importance for the health and safety of miners.

Guidance on when the risk can be considered **Controlled**: It has become habitual for miners to use PPE at work.

M.5/1.3.5/R.1

The AMP procures first aid and basic health services for its members.

⁸ For more information, please refer to [Gender Sensitive in Auditing Guidance](#) and [Making Women Workers Count: A Framework for Conducting Gender-Sensitive Due Diligence](#)

Many ASM sites lack preparedness in case of accidents and basic health services in general. AMPs should provide training in health practices for first aid and provide access to the nearest primary care facility or hospital. Information on health care services shall be available for women and men.

Guidance on when the risk can be considered **Controlled**: The AMP has first aid equipment and staff who are properly trained to deal with emergencies. They also have access to basic health care needs and know the health facilities in the area that are accessible to their members.

2.5.2 Societal Welfare

M.5/2.1.1/R.1

The AMP takes steps towards integrating into existing communities.

The requirement focuses on scenarios where ASM is not a traditional activity of the community.

Guidance on when the risk can be considered **Controlled**: Typical examples of the controlled criterion are former gold rush camps, where after the rush cooled down the women and men miners became residents and part of the community.

M.5/2.2.8/R.1

The AMP has decision-making structures and mechanisms in place.

The CRAFT does not require that AMPs be formally established organizations (associations, cooperatives, companies, etc.). Although AMPs may be such formally established organizations, they also may be de facto established clusters thereof, cooperating at an operational level only.

However, for further progress after initially achieving Affiliate Status and to ensure that Affiliate Status can be maintained sustainably, it is considered indispensable that decision-making structures of the AMP are put in place.

Guidance on when the risk can be considered **Controlled**: Decision-making structures may be established formally or de facto, as members of the AMP deem appropriate. The important element is that the structure allows a clear process of decision-making that it is accepted by its members (men and women).

The decision making structure shall be inclusive with regards to adequate participation of women and other vulnerable groups.

2.5.3 Use of Natural Resources

M.5/3.1.2/R.1

The AMP operates in close coordination with and in support of Protected Area Authorities.

Forceful eviction of ASM from protected areas is rarely successful in the medium and long term. According to findings of ASM-PACE,⁹ alternative options exist to balance conservation goals with development opportunities of ASM.

Guidance on when the risk can be considered **Controlled**: Balancing conservation goals with development opportunities is particularly important for ASM areas that were subsequently declared protected areas. The CRAFT does not endorse an “invasion” of protected areas.

M.5/3.1.10/R.1

The AMP uses mining land in coordination with local inhabitants who require the same resource for agriculture, fishing, use of forest products, eco-tourism, or animal husbandry.

Mining is – at any given location – a temporary economic activity, lasting until the mineral deposit is depleted, whereas agricultural land use is in principle not limited in time.

Guidance on when the risk can be considered **Controlled**: The AMP has reached an agreement about land use with women and men farmers and ranchers.

M.5/3.2.1/R.1

The AMP uses water resources and water bodies in coordination with other water users.

Applies mainly to alluvial mining and, in the case of hard rock mining, to processing plants that are part of the AMP.

This requirement is about access to and use of water. Requirements regarding water quality are covered in category 4 of the sustainability framework (requirement M.5/4.2.2/R.1).

A first step that could take the AMP here is to have a register of the water quantity an ASM is using in its productive process.

Guidance on when the risk can be considered **Controlled**: The AMP is aware of the existence of water resource users in its area of influence and has reached a consensus with non-mining stakeholders on an equitable distribution of the resource.

2.5.4 Emissions and Land Reclamation

M.5/4.2.2/R.1

The AMP avoids serious contamination of water bodies with suspended solids and/or chemicals and fuel residues that put the livelihoods of other water users at risk.

Contamination with suspended solids applies mainly to alluvial mining and, in the case of hard rock mining, to processing plants that are part of the AMP.

Contamination with chemicals and fuel residues applies mainly to (semi-)mechanized operations using combustion engines and processing plants that are part of the AMP.

This requirement is about *serious* contamination with suspended solids, chemicals and fuel residues expressing the need to reduce pollution and ecosystem risks to moderate levels. Requirements to

⁹ (Villegas et al. 2012).

further reduce contamination with suspended solids, chemicals and fuel residues will be covered in MODULE 6 and elimination of contamination in MODULE 7.

Guidance on when the risk can be considered **Controlled**: The level of contamination of water bodies with suspended solids, chemicals and fuel residues is moderate, to the extent that – with reasonable treatment efforts – water quality does not represent a risk for the health and the livelihoods of other water users or a serious risk for the sustainability of the ecosystem.

2.5.5 Company Governance

M.5/5.2.1/R.1

The AMP complies with legal requirements beyond rights related to mineral extraction.

ASM Formalization is a process. Legitimacy – in terms of explicit or implicit authorization, consent or no-objection and with legality as highest category of legitimacy – of the extraction of the mineral resource (see MODULE 2) is only the first step.

Further formalization steps are to comply with all accompanying legal requirements related to technical and environmental aspects of the AMP's operation. This is to be covered under this CRAFT requirement.

Subsequent formalization steps are related to organizational formalization (compliance with all laws and regulation related to corporate entities such as association, cooperatives, companies, etc.) and associated transition from casual labour to contracted labour. This will be covered in MODULE 6. Aspects related to full employment formalization (dependent on fully formalized employers) and aspects of corporate social responsibility will be covered in MODULE 7.

Guidance on when the risk can be considered **Controlled**: The AMP has accomplished and completed all required steps for legalizing and formalizing its mining operation, as required by national law.

M.5/5.2.8/R.1

The AMP has designated a point of contact for complaints and at least a simple procedure to address complaints.

An established process is needed for dealing with a complaint against the AMP, raised by members, workers, or affected third parties (e.g. community) and related to decisions or actions believed to be wrong or unfair.

Guidance on when the risk can be considered **Controlled**: The grievance procedure shall be appropriate to the organizational setup of the AMP, depending on whether it is a de facto or a formally established entity. It may be an internal procedure (avoiding conflicts of interest and assuring anonymity where necessary) or involve independent external stakeholders from the community.

M.5/2.2.10/R.1

The AMP strives for economic sustainability of its activity and increases knowledge on production planning.

Without proper production planning by the AMP, its ASM sites are at risk of being abandoned before deposit depletion and its members are at risk of losing their livelihoods.

Guidance on when the risk can be considered **Controlled**: The AMP implements a method to evaluate the production projection that provides information regarding the stability of the activity. To do so, the AMP may identify an alternative to assess mine production planning, and work on its implementation. For example, reserve calculations on the area where they work, mining plans, permit times and / or work contracts in an area, investment plans.

2B Commodity-specific Requirements for AMPs

2.6 Guidance on Gold-specific Requirements

2.6.1 Gold-specific Requirements in MODULE 1

M.1/5.2.3/SR.1

The AMP declares that it is committed to support the Minamata Convention on Mercury and to “reduce, and where feasible eliminate, the use of mercury”, as required by the Convention.

This requirement is mandatory for AMPs producing gold in Countries that are signatories of the Minamata Convention on Mercury.

AMPs in countries that are not signatories of the Minamata Convention are highly encouraged to provide this declaration. Addressing the issues related with mercury is a global priority and ASM gold producers will most likely face limited access to formal markets if they are not committed to abide by the Minamata Convention.

2.6.2 Gold-specific Requirements in MODULE 5

M.5/1.3.11/SR.1

The AMP takes steps towards elimination of whole ore amalgamation.

Addresses Minamata Convention (UNEP 2013), Annex C, par.1 (b) (i). Applies to miners and to processing plants that are part of the AMP.

Guidance on when the risk can be considered **Controlled**: All mined ore is pre-concentrated (using extensive hand sorting, gravimetric concentration, flotation or other methods) and, if amalgamation is needed, only the concentrate is amalgamated.

M.5/1.3.11/SR.2

The AMP takes steps towards elimination of open burning of amalgam or processed amalgam.

Addresses Minamata Convention (UNEP 2013), Annex C, par.1 (b) (ii). Applies to miners, to processing plants that are part of the AMP, as well as for aggregators (gold shops) of the AMP.

Guidance on when the risk can be considered **Controlled**: Amalgam burning is only done in retorts or under fume hoods equipped with mercury capturing devices.

M.5/1.3.11/SR.3

The AMP takes steps towards elimination of amalgam burning in residential areas.

Addresses Minamata Convention (UNEP 2013), Annex C, 1.b.iii. Applies to miners as well as for aggregators (gold shops) of the AMP.

Guidance on when the risk can be considered **Controlled**: Amalgam burning is not done inside homes or near residential areas.

M.5/1.3.11/SR.4

The AMP takes steps towards elimination of the practice of cyanide leaching of sediments, ore, or tailings to which mercury had been added, without first removing the mercury.

Addresses Minamata Convention (UNEP 2013), Annex C, par.1 (b) (iv). Applies mainly to processing plants that are part of the AMP

Guidance on when the risk can be considered **Controlled**: Materials to leach (sediments, ore or tailings) do not originate from preceding amalgamation processes where mercury had been added.

2.7 Guidance on specific Requirements for Tin, Tantalum, Tungsten (3T)

For AMPs producing 3T, currently no commodity-specific high-risks have been identified.

2.8 Guidance on specific Requirements for Cobalt

For AMPs producing Cobalt, currently no commodity-specific high-risks have been identified.

2.9 Guidance on specific Requirements for Coloured Gemstones

For AMPs producing Coloured Gemstones, currently no commodity-specific high-risks have been identified.

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ANNEXES

Annex 1: Structure of the Code's Requirements

Kickler&Franken (2017) benchmarked all major mining-related standards, identifying a total of 86 sustainability sub-issues addressed in one or more standards. Their findings also conclude that there is not yet a common agreement of what is a good classification of sustainability issues within the mining sector in particular.

In response to this challenge, Kickler&Franken (2017) developed and proposed a **Consolidated Framework of Sustainability Issues for Mining**, aligned with the seven core subjects of social responsibility from the ISO 26000 Standard of the International Organization for Standardization (ISO). This framework consists of five main categories and fourteen main issues (Figure 1).

ISO 26000 Seven Core Subjects of Social Responsibility							
Human rights	Labour practices	Community involvement & development	The environment		Fair operating practices	Organizational governance	Consumer issues
Identified five categories and fourteen subordinate issues							
1. Human and workers' rights	2. Societal welfare	3. Use of natural resources	4. Emissions and land reclamation	5. Company governance		-	
Serious human rights abuses	Community rights	Land use & biodiversity	Closure & land rehabilitation	Business practices		-	
Employment conditions	Value added	Water use	Mine wastes & waste water	Management practices		-	
Occupational Health & Safety		Energy use	Air emissions & noise			-	
		Material use					

Figure 1 Sustainability schemes in mining in relation to the seven core subjects of social responsibility from the ISO 26000 (Kickler&Franken 2017)

Each issue covers between two to fourteen sub-issues, totaling a number of 86 identified sub-issues among all 5 categories (Figure 2). Although – as Kickler&Franken (2017) point out – there is not yet a consensus on the best way to structure sustainability issues for the mining sector, and although such an extensive framework may appear excessively ambitious for an ASM standard aiming at facilitating the engagement of legitimate ASM with legitimate BUYERS, the framework provides an excellent starting point for developing the CRAFT.

At the level of “risks requiring immediate disengagement” (MODULE 3), only very few categories and issues of the consolidated framework (Figure 2) are relevant. At the level of “risks requiring disengagement after unsuccessful mitigation efforts” (MODULE 4) some more categories and issues come into play. Still, at that level, only the issues and sub-issues directly related with OECD Annex II risks are relevant. At the levels of non-Annex II risks, all other issues gain increasing relevance.

At the level of non-Annex II high risks (MODULE 5), scoping work for the CRAFT identified a still limited number of highly relevant issues. But with the aim of the CRAFT to serve – beyond market engagement of AMPs – as a tool for continuous improvement and development of the global ASM sector, all issues and sub-issues identified in the Consolidated Framework of Sustainability Issues need to be addressed in the long term, mitigating medium and low non-Annex II risks (future MODULES 6 and 7). Starting out from an all-encompassing framework ensures that future Code development will not overlook any important risk.

The CRAFT therefore adopts the proposal of Kickler&Franken (2017): **All issues and requirements of the Code are structured according to the Consolidated Framework of Sustainability Issues for Mining.**

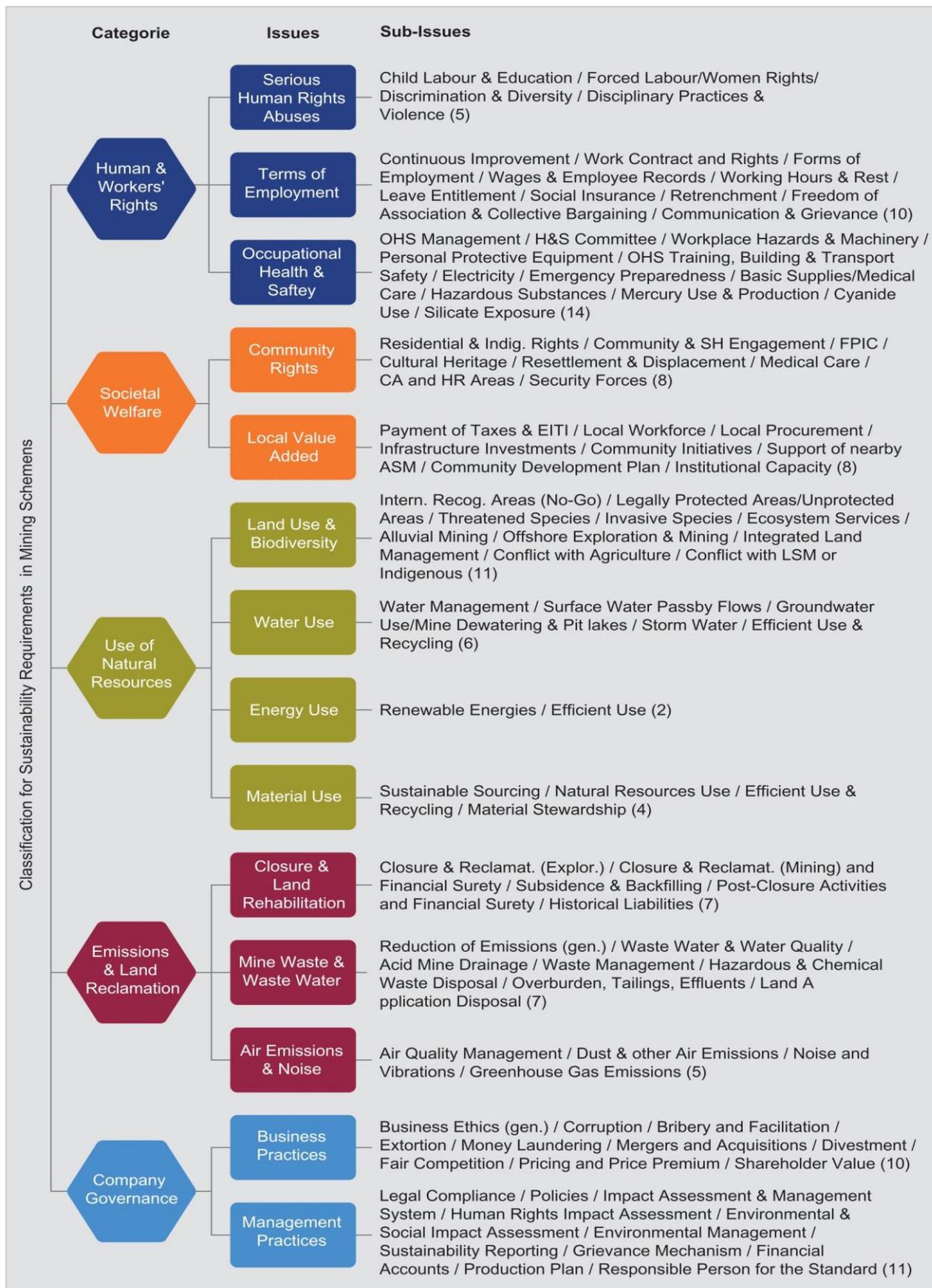


Figure 2: Categories, issues and sub-issues of the Consolidated Framework of Sustainability Issues for Mining. (Kickler&Franken 2017)

Annex 2: Glossary of terms

Artisanal and Small-Scale Mineral Producer (AMP)

AMP is the organizational scope of the CRAFT which may comprise any de facto or formally established organizational structure of producers and optionally aggregators of Artisanal and Small Scale (ASM) products operating in one single country.

Artisanal and Small-scale Mining (ASM)

Formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and transportation. ASM is normally low capital intensive and uses high labour intensive technology. “ASM” can include men and women working on an individual basis as well as those working in family groups, in partnership, or as members of cooperatives or other types of legal associations and enterprises involving hundreds or even thousands of miners. For example, it is common for work groups of 4-10 individuals, sometimes in family units, to share tasks at one single point of mineral extraction (e.g. excavating one tunnel). At the organizational level, groups of 30-300 miners are common, extracting jointly one mineral deposit (e.g. working in different tunnels), and sometimes sharing processing facilities.

Source: OECD (2016b). (Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.)

Aggregators

Aggregators buy from miners with the purpose to aggregate – and sometimes process – the purchases into batches suitable in quality and quantity for onward sale to buyers. In the case of supply-chain based groups, local or regional aggregators constitute the extended organizational scope of the CRAFT and can be considered part of the AMP.

Amalgamation

Mineral processing method by which gold particles are alloyed and agglomerated using mercury to create "amalgam" (a gold-mercury alloy or composite), which is then decomposed leaving gold.

Bribery

The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions defines bribery of national public officials and bribery of foreign public officials and officials of public international organizations.

Bribery of national public officials: the promise, offering or giving, to a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties; the solicitation or acceptance by a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties.

Bribery of foreign public officials and officials of public international organizations is a criminal offence, when committed intentionally, the promise, offering or giving to a foreign public official or

an official of a public international organization, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties, in order to obtain or retain business or other undue advantage in relation to the conduct of international business.

Source: UNODC (2004). (United Nations Convention against Corruption.)

Buyer

Supply chain actors outside the scope of the CRAFT (i.e. “downstream” in the logic of the CRAFT), which source or have the intention to source the mineral (gold) produced by an AMP from within the scope of the CRAFT.

Child labour

The term “child labour” is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

It refers to work that: is mentally, physically, socially or morally dangerous and harmful to children; and interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.

In its most extreme forms, child labour involves children being enslaved, separated from their families, exposed to serious hazards and illnesses and/or left to fend for themselves on the streets of large cities – often at a very early age. Whether or not particular forms of “work” can be called “child labour” depends on the child’s age, the type and hours of work performed, the conditions under which it is performed and the objectives pursued by individual countries. The answer varies from country to country, as well as among sectors within countries.

Source: ILO (2013). (What is child labour.)

Concentrate

Intermediate product with a high concentration of valuable content (e.g. gold) obtained from the ore by mineral processing. In case of gold, the concentrate is processed further to obtain the doré.

CRAFT Scheme

Implementations of the CRAFT Code by a supply chain schemes that follows, uses, incorporates, or builds upon the CRAFT for sourcing from ASM or for supporting ASM development. CRAFT Schemes may be established by buyers (e.g. by incorporating the CRAFT into their due diligence protocols), by independent third parties (governments, NGOs or service providers), by projects or programs, or similar. CRAFT Scheme owners have full control over their scheme.

EU Conflict Minerals Regulation

The EU regulation aims to ensure that EU importers of 3TG (tin, tungsten, tantalum and gold) meet international responsible sourcing standards, set by the Organization for Economic Co-operation and

Development (OECD), to ensure that global and EU smelters and refiners of 3TG source responsibly, to help break the link between conflict and the illegal exploitation of minerals and to help put an end to the exploitation and abuse of local communities, including mine workers, and support local development

The regulation covers minerals and metals of: gold, tin, tungsten and tantalum. The regulation requires EU companies in the supply chain to ensure they import these minerals and metals from responsible and conflict-free sources only.

Source: EU (2018).(Conflict Minerals Regulation explained.); see also EU (2017) (Regulation text)

Conflict-Affected and High-Risk Area (CAHRA)

Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure, and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.

Source: OECD (2016b). (Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.)

Direct or indirect support

“Direct or indirect support” to non-state armed groups or public or private security forces through the extraction, transport, trade, handling or export of gold includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who: i) illegally control mine sites or otherwise control transportation routes, points where gold is traded and upstream actors in the supply chain;⁸ and/or ii) illegally tax or extort money or gold at points of access to mine sites, along transportation routes or at points where gold is traded; and/or iii) illegally tax or extort intermediaries, export companies or international traders.

Source: OECD (2016b). (Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.)

Extortion

Extortion consists of obtaining property from another through the wrongful use of actual or threatened force, violence or fear. Such coercive extortion is synonymous with the term blackmail, which is an older term used to indicate extortion. Common law jurisdictions also refer to a second type of extortion, extortion "under color of office" or "under color of official right," which is the wrongful taking by a public officer of money or property that is not due to him/her.

The act required for extortion is the threat of future harm. Virtually all extortion statutes require that a threat must be made to the person or property of the victim. The nature of the threatened harm varies by jurisdiction, and it can include bodily harm, damage to property, damage to reputation, criminal accusations, or abuse of a public office. The extortionate threat required must be serious

enough to place a reasonable person in fear. The actual obtainment of money or property is not required to commit the offence.

In many jurisdictions, the intent to take money or property to which one is not lawfully entitled must exist at the time of the threat in order to establish extortion. In other words, making the threat is sufficient and the actual obtainment of money or property is not required to commit the offence.

Source: UNODC (2018). (Doha Declaration Webpage: Extortion.)

Due Diligence

Due diligence is an on-going, proactive and reactive process through which companies can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts as an integral part of business decision-making and risk management systems. Due diligence can help companies ensure they observe the principles of international law and comply with domestic laws, including those governing the illicit trade in minerals and United Nations sanctions.

Source: OECD (2016b). (Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.)

Forced or compulsory labour

ILO Convention No. 29 defines forced labor as 'all work or service, which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily'.

Source: ILO (1930). (Forced Labour Convention.)

Grievance procedure

A grievance mechanism is a non-judicial procedure that offers a formalized means through which individuals or groups can raise concerns about the impact an enterprise has on them – including, but not exclusively, on their human rights – and can seek remedy. These mechanisms may use adjudicative, dialogue-based or other processes that are culturally appropriate and rights-compatible. According to the United Nations, for a grievance mechanism to be effective, it should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning.

Source: Huijstee et al. (2012). (How to use the UN Guiding Principles on Business and Human Rights in company research and advocacy.)

Internal Control System (ICS)

The set of physical and/or documentary processes within the Internal Supply Chain of the AMP that ensure the gold and/or mineral commercialized by the AMP and/or its entities originates exclusively from the mine site(s) of the AMP.

Internal Supply Chain

The internal supply chain describes the flow of the mined product in any form (as mineral, concentrate, doré or metal) from the individual miner who extracts it, down to the member(s) of the AMP who sell(s) it to buyers outside the AMP.

International Humanitarian Law

International humanitarian law is a set of rules which seek, for humanitarian reasons, to limit the effects of armed conflict. It protects persons who are not or are no longer participating in the hostilities and restricts the means and methods of warfare. International humanitarian law is also known as the law of war or the law of armed conflict.

Source: ICRC (2004). (What is International Humanitarian Law?)

Large- or medium-scale mining (LSM)

LSM refers to mining operations that are not considered to be artisanal or small-scale mining.

Legitimate artisanal and small-scale mining:

The legitimacy of artisanal and small-scale mining is a difficult concept to define because it involves a number of situation-specific factors. For the purposes of the OECD Guidance, legitimate refers, among others, to artisanal and small-scale mining that is consistent with applicable laws. When the applicable legal framework is not enforced, or in the absence of such a framework, the assessment of the legitimacy of artisanal and small-scale mining will take into account the good faith efforts of artisanal and small-scale miners and enterprises to operate within the applicable legal framework (where it exists) as well as their engagement in opportunities for formalization as they become available (bearing in mind that in most cases, artisanal and small-scale miners have very limited or no capacity, technical ability or sufficient financial resources to do so). In either case, Artisanal and small-scale mining, as with all mining, cannot be considered legitimate when it contributes to conflict and serious abuses associated with the extraction, transport or trade of minerals as defined in Annex II of the Guidance.

Source: OECD (2016b). (Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.)

Member of the AMP

Any person or entity operating in the main or extended organizational scope of the CRAFT. Membership may be formal, factual, or circumstantial.

Miner

In general terms “miner” refers to any person (man or woman) involved in artisanal and small-scale activity (mineral production and processing, including individual mineral selectors re-processing rock dumps or tailings).

Mineral, Minerals

All rock or gravel material extracted from the mine. According to its economic value, mineral is classified as ore and waste rock.

Mitigation

To mitigate in this context means to do everything within one’s capabilities to prevent or cease the wrongful practices of a party causing or contributing to a negative human rights risk or impact. There is a difference between mitigation of human rights risks and mitigation of human rights impacts: the mitigation of human rights risks refers to actions taken to reduce the likelihood of a certain adverse impact to occur. Mitigation of adverse human rights impacts refers to actions taken to reduce the extent of an impact by a third party, with any residual impact then requiring remediation. This should not be interpreted as meaning that it is appropriate for a company to reduce a human rights abuse by a third party to some extent and that a little bit of remaining abuse is acceptable. All the company’s efforts should be focused on ceasing the human rights impact by the third party that is causing the harm, but since the company does not have full control over the third party, a full stop cannot be guaranteed by this company.

Source: Huijstee et al. (2012). (How to use the UN Guiding Principles on Business and Human Rights in company research and advocacy.)

Minerals selectors

Mineral selectors are in most cases women dedicated to select minerals from the waste rock. In some cases, these groups may also include male mineral selectors, such as elderly people, older children, or disabled persons. They usually work on the surface of the mining area collecting and selling free coarse gold in small amounts or processing minerals domestically (mainly through milling and amalgamation).

Money laundering

The goal of a large number of criminal acts is to generate a profit for the individual or group that carries out the act. Money laundering is the processing of these criminal proceeds to disguise their illegal origin. This process is of critical importance, as it enables the criminal to enjoy these profits without jeopardizing their source.

Illegal arms sales, smuggling, and the activities of organized crime, including for example drug trafficking and prostitution rings, can generate huge amounts of proceeds. Embezzlement, insider trading, bribery and computer fraud schemes can also produce large profits and create the incentive to “legitimize” the ill-gotten gains through money laundering.

When a criminal activity generates substantial profits, the individual or group involved must find a way to control the funds without attracting attention to the underlying activity or the persons involved. Criminals do this by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention.

Source: FATF (2018). (Webpage Money Laundering.)

Non-state armed groups

Non-State armed groups defined as groups that have the potential to employ arms in the use of force to achieve political, ideological or economic objectives; are not within the formal military structures of States, State-alliances or intergovernmental organizations; and are not under the control of the State(s) in which they operate and are subject to a chain of command (formal or informal).

Source: UNOCHA (2006). (Human Negotiations with armed groups.)

OECD Due Diligence Guidance (DDG)

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas is the first example of a collaborative government-backed multi-stakeholder initiative on responsible supply chain management of minerals from conflict-affected areas. Its objective is to help companies respect human rights and avoid contributing to conflict through their mineral sourcing practices. The Guidance is also intended to cultivate transparent mineral supply chains and sustainable corporate engagement in the mineral sector with a view to enabling countries to benefit from their mineral resources and preventing the extraction and trade of minerals from becoming a source of conflict, human rights abuses, and insecurity. With its Supplements on Tin, Tantalum, Tungsten and Gold, the OECD Guidance provides companies with a complete package to source minerals responsibly in order for trade in those minerals to support peace and development and not conflict.

Source: OECD (2016b). (Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.)

OECD Due Diligence Annex II risks

The list of serious human rights abuses and contribution to conflict that cannot be tolerated in Responsible Supply Chains of Minerals. The risks have significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas.

Source: OECD (2016b). (Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.)

OECD Five-Step Due Diligence Framework

Five steps described in the OECD Due Diligence Guidance that the upstream and downstream supply companies should incorporate and integrate into their management systems for responsible supply chains of minerals from conflict-affected and high-risk areas. The steps are 1) Establish strong company management systems, 2) Identify and assess risk in the supply chain 3) Design and implement a strategy to respond to identified risks 4) Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain 5) Report on supply chain due diligence.

Source: OECD (2016b). (Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.)

Open Source

In the context of the CRAFT, “Open Source” refers to the license terms of “Creative Commons Attribution-Share Alike 4.0 International” License. (<https://creativecommons.org/licenses/by-sa/4.0/>)

Ore

Mineral (rock or gravel) with valuable content (e.g. gold) at an economic concentration (grade) and that is therefore suitable to be processed or sold.

Protected areas

A clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values.

Source: IUCN (2018). (What is a protected area?)

Private security forces

A privately employed group/company hired to protect the security of mining facilities, the mining titles/areas of a company or project. Private security forces require authorization to operate by the state but are directly contracted by the interested party.

Public security forces

Police and military units and other enforcement agencies that have the duty to maintain public order and the rule of law on behalf of the state.

Royalties

Mineral royalties are regular payments that mining extraction projects/companies/mining title holders make to national states or other owners of mineral resources for the right to exploit particular mineral resources. The royalties are usually based on the volume or price of minerals extracted,

Gross human rights abuses

The Universal Declaration of Human Rights and International Humanitarian Law lack a clear definition of gross human rights abuses. The concept of gross human rights abuses is most closely linked to crimes over which the International Criminal Court has jurisdiction according to the Statute of Rome. These are “the most serious crimes of concern to the international community as a whole”, such as (a) crime of genocide; (b) crimes against humanity; (c) war crimes; and (d) the crime of aggression.

For practical application of the CRAFT, gross human rights abuses are understood as those human rights violations, which Annex II of the OECD Due Diligence describes as considered unacceptable and recommends immediate disengagement.

Source: ICC (2002) (Statute of Rome.); OECD (2016b). (Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.)

Tailings

Intermediate or final product from mineral processing with a non-economic concentration of the mineral. Tailings are deposited at tailings dumps or in tailings ponds. In some cases, tailings can be reprocessed to recover remaining mineral.

Torture

Torture means any act by which severe pain or suffering, whether physical or mental, is intentionally inflicted on a person for such purposes as obtaining from him or a third person information or a confession, punishing him for an act he or a third person has committed or is suspected of having committed, or intimidating or coercing him or a third person, or for any reason based on discrimination of any kind, when such pain or suffering is inflicted by or at the instigation of or with the consent or acquiescence of a public official or other person acting in an official capacity. It does not include pain or suffering arising only from, inherent in or incidental to lawful sanctions.

Source: OHCHR (1984). (UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.)

The US Dodd-Frank Act

The Dodd–Frank Wall Street Reform and Consumer Protection Act is a United States federal law that places regulation of the financial industry in the hands of the government. The Section 1502 on Conflict Minerals of the US Dodd-Frank Act was enacted to address the exploitation and trade of tin, tungsten and tantalum (“the 3T’s”) and gold by armed groups, which is helping to finance conflict in the Democratic Republic of Congo (DRC) and contributing to an emergency humanitarian crisis.

Source: RJC (2012). (RJC Fact Sheet – Implementing Section 1502 on Conflict Minerals – US Dodd-Frank Act.)

Universal Declaration of Human Rights (UN 1948)

The Universal Declaration of Human Rights (UDHR) is a milestone document in the history of human rights. Drafted by representatives with different legal and cultural backgrounds from all regions of the world, the Declaration was proclaimed by the United Nations General Assembly in Paris on 10 December 1948 (General Assembly resolution 217 A) as a common standard of achievements for all peoples and all nations. It sets out, for the first time, fundamental human rights to be universally protected and it has been translated into over 500 languages.

Source: UN (1948b). (Universal Declaration of Human Rights.)

Voluntary Principles on Security and Human Rights

Established in 2000, the Voluntary Principles on Security and Human Rights are a set of principles designed to guide companies in maintaining the safety and security of their operations within an operating framework that encourages respect for human rights.

Source: VP (2000). (Voluntary Principles on Security and Human Rights.)

Worst forms of child labor

ILO Convention 182 defines it as: labor that jeopardizes the physical, mental or moral well-being of a child, either because of its nature or because of the conditions in which it is carried out, is known as “hazardous work”. It includes: all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

Source: ILO (1999a). (ILO Convention on Worst Forms of Child Labour.)