

Mineral Credits for Responsible ASM Sourcing

What Are Mineral Credits?

Mineral Credits: A Simple Way to Mitigate Upstream Risks

Mineral credits allow companies to support responsible artisanal and small-scale mining (ASM) even when direct sourcing of ASM minerals is not feasible. They are flexible, auditable, and impactful, connecting downstream companies to miners through a trusted system, bypassing the physical supply chain. This approach, known as “Book and Claim”, is **recognized by ISEAL as a reliable chain of custody model**. It is an ideal solution when supply chains are complex or opaque.

How It Works:

- 1. Verified ASM Production:** Miners pass due diligence against an agreed standard and commit to continuous improvement and transparency.
- 2. Credits Are Issued:** Each unit of verified mineral production generates a credit, linked separate from the physical mineral.
- 3. Credits Are Purchased:** Companies buy credits to support ASM continuous improvement and ESG programs. Credit purchases are independent of companies’ physical supply chain.
- 4. Impact Delivered:** Credit sales directly fund worker safety, community development, and formalization efforts. Impact reporting ensures buyers can verify outcomes.

Benefits:

Why Mineral Credits Are the Smart Choice

- For Companies: Meet sustainability targets, manage supply chain risks, and engage with ASM responsibly.
- For Miners & Communities: Incentives for formalization, investment in improved working conditions, sustainability, and community well-being.
- For the Market: A transparent, traceable at credit level, and auditable mechanism for responsible sourcing and upstream risk mitigation.



Connect with us if you would like to know more about ASM credits!

ASM credits help companies contribute to due diligence in line with the OECD Diligence

Key features of Chain of Custody models:

Model	Definition	Key Advantages	Disadvantages / Constraints
Identity Preservation (IP)	Certified material from a single identified source is kept separate throughout the supply chain.	Enables single-origin claims and full traceability.	No mixing with other sources; requires strict physical control.
Segregation (SG)	Certified material is kept separate from non-certified material along the supply chain.	Ensures products contain only certified material.	Requires dedicated infrastructure for separation.
Controlled Blending (CB)	Certified and non-certified materials are mixed in controlled proportions.	Maintains a measurable percentage of certified content.	Requires strong internal traceability systems.
Mass Balance (MB)	Certified and non-certified materials are mixed, while certified volumes are tracked administratively.	Flexible and scalable for complex supply chains.	Final products may not physically contain certified material.
Controlled Mass Balance (CMB)	A mass balance model where all inputs must meet minimum legal or sustainability requirements.	Supports regulatory compliance and due diligence.	Requires robust accounting and verification systems.
Book and Claim (BC)	Certificates representing certified production are traded separately from the physical material.	Allows support for responsible production when physical sourcing is difficult.	No physical link between the product and certified material.

Connect with us if you want to know more about ASM credits!

Developed by:

arm@responsiblemines.org

secretariat@faircobaltalliance.org

With the support of:

