



Old gold: consumers and some jewellers are confused by the term 'recycled'

Danger of falling under the spell of fool's gold

What exactly is recycled gold, given the spate of greenwashing claims across the industry? **DANIEL BOSLEY** reports

To test whether your gold is genuine, you can conduct the streak test, scraping the specimen across a piece of unglazed porcelain. The real deal will leave a golden yellow mark while pyrite – or 'fool's gold' – will leave a dark green one.

In the jewellery trade, 'recycled' gold is continuing to leave an increasingly large mark, constituting more than half of all gold refined worldwide. But experts warn this is leaving a streak of greenwashing across the industry. So just how foolish is the idea of recycled gold?

Very, argues an alliance of mining associations and human rights groups, who penned an open letter in April addressed to the major industry standards and trade associations, saying that the widely presumed meaning of the term does not work when it comes to this precious metal.

The letter said: "The term 'recycled' as currently used is not consistent with the legal and normative definitions of a recycled material." It noted that, in countries where the most gold is traded or refined – such as the UK, Switzerland and the EU – recycling is understood as the reprocessing of waste, which itself is defined as discarded material.

"We have yet to see a landfill full of gold jewellery," pointed out the groups, which include the Alliance for Responsible Mining, the Artisanal Gold Council, Swissaid and the Society for Threatened Peoples. They argue that any item with high gold content cannot be considered waste, and never has been, saying the reuse of bullion has simply been rebranded.

Bespoke jeweller Harriet Kelsall says that consumers and some jewellers are confused by the phrase: "When somebody says recycled gold, they assume that it is consumer waste because that's what they come to expect from reading about plastic, paper and card, and things that they see in their everyday life."



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"It is sometimes a way for larger gold companies to slightly greenwash the origin of their metal by putting it through their processes, using the casting sprues and reusing them and then calling it recycled gold."

What's more, with gold's inherent value as a currency, the substitution effect of primary resources for recycled ones is also absent in this case. "We have always recycled gold and yet we are needing to mine more," says Kelsall. "That's not going to suddenly change now that people have started calling it recycled."

In its first *Gold Demand Trends* report for 2024, the World Gold Council found that mine production has increased 4% year-on-year but that recycled gold also jumped 12% in the same period. The open letter to industry leaders notes that, while 'recycled' gold grew by a third between 2018 and 2021, there was no corresponding drop in mining production.

Charles Betts, managing director of Betts Metals and founder of the responsibly sourced gold venture Single Mine Origin, said he was supportive of recycling but also concerned about greenwashing: "Bold claims about macro-level sustainability benefits from using only recycled gold simply do not stack up."

The open letter urges responsible authorities to adopt a clear definition of recycled gold that is transparent about its real effects, positive and negative. The Precious Metal Impact Forum has already done this, in 2022 restricting the term to material from any product with less than 2% gold by weight which was destined to be discarded.

The benefits of more clearly defining the term will be felt across the supply chain, according to the concerned parties. Current due diligence requirements for sourcing 'recycled' gold are too weak, they continue, warning that such loopholes can be exploited to facilitate everything from money laundering to child labour.

The letter's authors also warned that the issue of recycled gold leaves smaller, artisanal mines at risk of being cut off from supply chains, putting the livelihoods of 100 million people at risk worldwide. Kelsall says the increasing use of the term is turning people away from more ethically sourced jewellery, such as the fairtrade gold standard which she helped to establish in 2011: "It's going to be harder than jumping on the recycling bandwagon and forgetting about everything else."

Unfortunately, with the World Gold Council reporting record-high prices and a demand for jewellery unaffected by cost-of-living crises, many more people are likely to be fooled by greenwashed gold before this precious 'recycling' issue is resolved. 🌱