

MINUTES

Standards Committee Teleconference 13 October 2015 – 13.00 London BST

Participants:

Ainsley Butler, Alan Martin, Assheton Stewart Carter, Cecilia Gardner, Charles Chaussepied, Claus Teilmann Petersen, Eleonora Rizzuto, Estelle Levin, Fatima Castelan, Felix Hruschka, Jennifer Horning, Jonathan Hobbs, Steven Oates, Wilfried Hoerner, Didier Backaert, Marylyn Carrigan



Responsible
Jewellery
Council

RJC Management Team participants:

Anne-Marie Fleury, Bethan Herbert, Peter Dawkins, Maria Mursell

Apologies:

Andrew Bone (RJC), Stephane Fischler, Eva Carlson, Philip Hunter, Ferial Zerouki, Marianna Smirnova

Documents circulated:

- Minutes of Standards Committee teleconference, 17 March 2015
- Reviewing Roles and Responsibilities for the Standards Committee

The teleconference was opened by the Co-Chairs who conducted a roll-call of attendants.

The anti-trust statement was noted for participants:

Attendees are kindly reminded that the RJC is committed to complying with all relevant antitrust and competition laws and regulations and, to that end, has adopted an Anti-trust Policy Statement, compliance with which is a condition of continued RJC membership. Failure to abide by these laws can potentially have extremely serious consequences for the RJC and its members, including heavy fines and, in some jurisdictions, imprisonment for individuals. You are therefore asked to have due regard to this Policy today and indeed in respect of all other RJC activity.

1. Welcome (Co-Chairs)

A welcome was given to the new RJC management team staff:

- Andrew Bone is the new Executive Director of the RJC. He has three decades of experience at De Beers and it was noted how lucky the RJC is to have his expertise and experience
- Anne-Marie Fleury is the new Director of Standards and Impacts. Anne-Marie comes with 10 years' experience with the International Council on Mining and Metals (ICMM) as Environment Director.
- Bethan Herbert is the new Certification and Impacts Manager and joined the team from Bureau Veritas where she spent the last 9 years working in both CSR consulting and auditing projects
- Peter Dawkins is the new Certification and Membership Coordinator and brings with him a background working with various NGOs
- Joanna Grimditch was introduced as the new RJC Administration Coordinator

Claus noted that the Management Team is now at full capacity after many months of operating on 25% capacity and Maria's efforts in this period were applauded.

Action point: the RJC team to send the new organisational chart to the Committee.

A welcome was made to new committee Members:

- Eleonora Rizzuto, *Bulgari*
- Dr Katrien De Corte, *HRD Antwerp*
- Charles Chaussepied, *Piaget* – is the current Interim Chairman of the RJC, and previous Chair of the Standards Committee

It was noted that Ryan Taylor has tendered his resignation from the Committee.

Estelle Levin tendered her resignation to the RJC as co-chair of the Standards Committee. She will remain co-chair until the end of the year while the Management Team carries out an election process. Estelle was warmly thanked for all her hard work and dedication.

2. Minutes of previous meeting

Minutes of the Standards Committee teleconference on 17 March 2015 were approved by Marylyn Carrigan, seconded by Jennifer Horning. It was noted by the Co-Chairs that the meeting in India did not have a quorum.

Action point: Minutes of the March teleconference to be uploaded onto the RJC website.

3. Role and responsibilities of the Standards Committee

Anne-Marie Fleury noted that a number of questions on the governance and role of the Standards Committee have been raised by Members. She proposed a review of the role and responsibilities of the Standards Committee and its Members, referencing the attached document. The RJC Management Team will draft a document on role and responsibilities based on the governance handbook, ISEAL requirements and Member input. The document will be put to the Standards Committee for input and finalized by the Management Team for submission to the RJC ExCo and Board. At least one teleconference for the Standards Committee is anticipated, probably in late November 2015.

Further clarity was requested on relationship between the RJC ExCo, Board, Standards Committee and other RJC Committees. This will be included as a part of the review of the role and responsibilities.

Action point: Proceed with the review of roles and responsibilities of the Standards Committee as proposed.

It was noted that a broader review of RJC governance should be considered.

4. Report from ExCo meeting

Charles Chaussepied, as Interim Chairman of the RJC ExCo, provided a summary of the most recent ExCo meeting. He reported on four strategic areas which were identified for the RJC:

- I. Cross-recognition and 'building bridges' with other standards.
- II. Development of RJC support for and communications with Members on the standards and compliance.
- III. Carrying out a feasibility study on coloured stones, independent of RJC, to bring results to the Standards Committee.
- IV. Better engagement with governments and related bodies on relevant legislation and guidance (eg OECD, Dodd-Frank).

A WEF and Resolve study was referenced as a potential source of information for RJC. It reviewed over 100 standards related to the extractive industry. The RJC Standard was identified as one of the stronger ones.

There followed a discussion on a number of strategic issues for the RJC and how these need to be considered in order to frame the next review of the Standard.

The overall approach of the Standard was discussed, specifically the pros and cons of a Standard that facilitates broad membership and continuous improvement vs one which is more exclusive and leadership focussed. There were different views, but everyone agreed on the importance of maintaining the rigour of the standard. Linked to this is the level of desired prescription in the Standard – it currently consists of a mix of prescriptive and flexible provisions.

A review of evolving ‘good practice’ in standard setting and comparison with other approaches was suggested. A few people pointed out that many standards are moving towards a materiality approach.

The broad question of how the RJC can best bring about systemic change was discussed. An evaluation of the impact of the RJC is key part of this. One participant suggested that for real systemic change to occur the RJC’s membership needs to expand to include more medium-size producers, however this view was not discussed further by the group. It was also noted that decisions on the membership approach are within the remit of the RJC Membership Committee, the possibility of Standards Committee input/feedback to the Membership Committee was put forward.

The need to facilitate uptake of RJC certification and challenges for Members in doing so were discussed: the self-assessment process needs to be easier; measures for addressing the high cost of certification should be considered (a total cost of US\$500,000 was mentioned for one producer member – mostly related to compliance implementation rather than audit costs).

Outreach and communications with Members was discussed. Communication, training and support could be developed to make the standards more accessible for Members (and potential Members) and should be tailored to the different tiers/ sectors/ size of business. The group discussed outreach to the consumer. RJC’s original ‘business to business’ (b2b) approach (rather than ‘business to consumer’ b2c) was discussed. It was argued that b2c would help to encourage the supply chain as a whole into action. Others pointed out that this could accentuate the view that retailers get more value from the RJC than those upstream. It was noted that questions related to communications are within the remit of the RJC Communications Committee (with direction from the ExCo and Board).

Action point: The Standards Committee ability to contribute to broader strategic questions for the RJC will be considered as part of the roles and responsibilities review and a separate meeting convened to discuss specific issues further as needed.

Two initiatives were mentioned on coloured stones, but it was commented that there is currently no publicly available CSR standard for coloured stones apart from standards on disclosure of treatment.

5. Cross-Recognition

An update was given to the Committee on the development of cross-recognition efforts to date with Fairtrade Gold certification and the Branded Trust platform endorsed by CIBJO. A gap analysis on Fairtrade Gold has begun and the Committee will be kept updated of developments. No progress has been made in reviewing the Branded Trust tool.

The RJC management team will continue to review cross-recognition under existing agreements with the London Bullion Market Association (LBMA), Alliance for Responsible Mining (ARM), World Gold Council (WGC) and Conflict Free Smelter Initiative (CFSI).

It was pointed out that although the terms 'cross-recognition' and 'harmonisation' have been used interchangeably, the actual reciprocal recognition needs to be looked at (is it both ways? Is it partial or full recognition?).

6. ISEAL Compliance

The RJC Management team gave an overview of ISEAL Alliance compliance requirements in 2015 against the three codes of good practice. RJC's Impacts Report in 2015 will be a brief update compared to 2014's more comprehensive report, this was due to lack of capacity at the RJC in 2015. It was confirmed that the RJC Management Team will participate in the ISEAL Members week in early November.

7. Updates on current Impact Evaluation Studies

An update was given to the Committee on the two impacts projects currently being researched:

- Independent Impact Evaluation Minera Yanaquihua S.A.C. This study is being carried out by Solidaridad and the Dutch consultancy Avance. It is assessing the benefits of RJC certification to this small mine, the study is expected to conclude next year.
- Study on diamond cutting industry in India. Signet funded this study, conducted by the consultancy StratWon, to assess challenges with RJC certification in the Indian context. The study is expected to be finalised in November.

8. Any other business

Cecelia Gardner alerted the Committee to a conference she is organising called the Jewelry Industry Summit, to be held in the USA in March 2016. Among other objectives, the initiative is aiming to enable smaller companies to access responsible sourcing initiatives within the industry.

Standards Committee schedule – 2016 dates and priorities over coming months

Anne-Marie noted that the RJC Management team would like to propose more frequent meetings for the Committee going forward. The next teleconference will likely be held in late November on the roles and responsibilities of the Committee going forward.