

# MINUTES

## Standards Committee Teleconference

Friday 14 September 2012

### Teleconference times

- Vancouver/Carlsbad/Seattle @ 0600;
- Salt Lake City @0700;
- New York/Toronto @ 0900;
- London @ 1400;
- Antwerp/Paris@ 1500;
- Johannesburg@ 1500;
- Mumbai @ 1830;
- Melbourne@2300.



### Documents circulated:

- Minutes of Standards Committee teleconference, 20 August 2012 (v2)
- Draft Powerpoint presentation for teleconference

*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.*

**Participants:** Eva Carlson, Assheton Carter, Gemma Cartwright, Charles Chaussepied, Caren Holzman (on behalf of Estelle Levin), Felix Hruschka, Juliane Kippenburg, Patrick Laine, Stan Lurie, Steven Oates, Jon Phillips, Marcelle Shoop, Fiona Solomon, Graham Nicholls, Michael Rae, Marieke van der Mijn.

**Apologies:** Didier Backaert, Michèle Brülhart, Larry Drummond, Stephane Fischler, Cecilia Gardner, Mark Gershburg, Rob Headley, Wilfried Hörner, Jennifer Horning, Alan Martin, Ngomesia Mayer-Kechom, Chikashi Miyamoto, Andrew Parsons, Ryan Taylor, Sam Brumale.

### 1. Welcome

- Welcome from Co-Chairs: Charles Chaussepied and Ryan Taylor.
- Roll-call of participants.

### 2. Minutes of previous meeting

- Minutes of the Standards Committee teleconference on 20 August 2012 were accepted and will be posted on the RJC website at:  
<http://www.responsiblejewellery.com/rjc-standards-committee/>

### 3. RJC Code of Practices review

- Since the last teleconference, the RJC team has continued drafting on identified topics, as well as a general revision of all provisions of the COP against the comments log.
- November is the target release date for a first draft revision of the COP for a 3 month public comment period until February.
- Topics identified for discussion:

**Grading and Appraising** – new provisions were discussed in the areas of:

- a) Grading reports to identify whether detection of synthetics/treatments (gemstones) are part of the assessment, and which types.
- b) Independence and separation between grader/appraiser and client, if the opinion is represented to be independent.
- c) Appraisal reports to provide a statement of the purpose of the appraisal (for example, for insurance purposes), and describe the level of the market that the appraisal value is intended to reflect (for example, the value for a consumer to replace the item).
- d) Use of appraisals and certificates with valuations as a deceptive selling tool.

Discussion included:

- Strong support for (a) above, given the increase of use of Synthetic diamonds.
- That implementation of requirements for appraisals in (c) and (d) may be difficult, and that guidance and training for Members will be important. Working out what is legitimate in practice may be complex. It was noted that the issues are important from a consumer perspective.

**Child Labour** – revisions to existing provision were discussed:

- Re-define key terms:
  - Child – under 18 years
  - Child Labour – work by a Child that is prohibited under ILO C138 (minimum age) or C182 (worst forms)
  - Add Glossary definitions for Worst Forms of Child Labour (ILO C182), Hazardous Child Labour (ILO Recommendation 190), and Light Work (ILO C138)
  - Remove reference to Young Person
- Re-structure provision:
  - 1 – Minimum ages for work and hazardous labour, no worst forms of child labour
  - 2 – Remediation processes for where child labour is found
- Temporarily accommodate national law re lower basic minimum age eg in India but move towards best practice
- More tightly condition lower hazardous labour minimum age to risk assessment of hazards and implementation of controls

Discussion included:

- Strong support for these changes as providing more detail and much closer to ILO conventions.
- Further thought on remediation processes may be required, including differentiation from Worst Forms of Child Labour (WFCL) situations. It was noted that WFCL is a crime that needs to be reported to relevant authorities.
- Guidance on what sectors and/or activities are considered hazardous for WFCL would be useful for the Guidance. ILO and country legislation may provide insights on this.
- Child labour in supply chains can fit under a human rights due diligence process, which was discussed in the previous Committee teleconference.
- The repercussions for RJC Members for when Child Labour is found were discussed. RJC noted the role of the RJC Complaints Mechanism and disciplinary processes, which since Child Labour is considered a ‘Critical Breach’, would trigger a formal investigation which would result in sanctions up to and including loss of Membership.

**Implementation in India** – introduction to issues:

- India is an important manufacturing centre and consumer market for gold and diamonds.
- Currently 13 Indian facilities under RJC Certification -many stakeholders would like to see Indian participation grow.
- Challenges in regulatory structure and business culture in India in implementing voluntary standards.

- Feedback to date has focused on the India Factories Act and Provident Fund, mainly related to labour issues and time needed to implement corrective actions.
- RJC has undertaken to work with regional stakeholders in clarifying the major issues and developing additional guidance for the Indian sector. A submission has been received from a group of Indian companies and will be circulated for further discussion in the October teleconference.

Discussion included:

- Companies in India that aren't yet RJC Members are apprehensive of auditors and keen to see more detailed guidance provided as to how conformance will be assessed. Guidance is important and it is intended to include India-specific guidance through the Standards Guidance on issues raised during the consultation process.
- There are potentially parallels with other regions eg China, and this approach can be a template for other countries. While some issues will be common, others will be unique.
- The October Committee teleconference will continue discussion on this topic.

#### 4. Update on other relevant initiatives

- SEC rule for Section 1502 (Conflict Minerals) in Dodd-Frank Act: the rule was published on August 22 and has been analysed against the RJC CoC Standard. An RJC Fact Sheet has been published at <http://www.responsiblejewellery.com/chain-of-custody-certification/>. RJC, LBMA and EICC-GeSI have been collaborating on an agreement to cross-recognise gold refiner audits, which will be announced in Brussels on September 17.
- OECD Due Diligence Guidance: The OECD Guidance and Supplement on Gold has been endorsed in the SEC rule. OECD is now focused on implementation for the Gold Supplement and this will be a topic of discussion at the November meetings in Paris.
- World Gold Council - Conflict-Free Gold Standard: it is believed that the WGC Standard has gone to the WGC Board this month and will be released in 8-10 weeks time.
- Initiative for Responsible Mining Assurance (IRMA): IRMA has achieved Affiliate status with the ISEAL Alliance.
- Fairtrade and Fairmined Standard – Felix Hruschka advised that the consultation period is currently open until October 7 and comment from the Committee would be very welcome, including relating to Child Labour as discussed on today's call.
- Diamond CoC sub-committee: Charles Chaussepied noted that the Committee may receive an update soon. It was agreed to include draft COP provisions re Provenance claims as a topic for the next Standards Committee teleconference.

#### 5. Any other business

- None

#### 6. Standards Committee schedule – 2012 dates:

- Remaining 2012 teleconferences:
  - Monday October 22, 2012, 2pm London time
  - Monday November 26, 2012, 2pm London time
- **Please note**: Committee members are welcome to contact Fiona Solomon and Marieke van der Mijnt to arrange times to discuss input or feedback in more detail between formal meetings, or initiate discussion by email.