

# MINUTES

## Standards Committee Teleconference

Monday 20 August 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, 25 June 2012
- Draft Powerpoint presentation for teleconference
- Draft Q&A for RJC Recognition of Fairtrade and Fairmined Standard

*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:** Michèle Brühlhart, Assheton Carter, Gemma Cartwright, Charles Chaussepied, Larry Drummond, Caren Holzman (on behalf of Estelle Levin), Felix Hruschka, Patrick Laine, Alan Martin, Andrew Parsons, Jon Phillips, Susan Posnock (on behalf of Rob Headley), Marcelle Shoop, Ryan Taylor, Fiona Solomon, Graham Nicholls, Sam Brumale.

**Apologies:** Didier Backaert, Eva Carlson, Stephane Fischler, Cecilia Gardner, Wilfried Hörner, Mark Gershburg, Juliane Kippenburg, Ngomesia Mayer-Kechom, Chikashi Miyamoto, Steven Oates, Stan Lurie, Michael Rae.

### 1. Welcome

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

### 2. Minutes of previous meeting

- The minutes of the Standards Committee teleconference on June 25, 2012 were accepted and will be posted on the RJC website.

### 3. Review of Fairtrade and Fairmined Standard as 'Recognised Responsible Mining Standard'

- At the last meeting, the Standards Committee discussed the comment report for the discussion paper on Part A of the FT and FM Standard as a Recognised Responsible Mining Standard. A small group of interested Committee members volunteered to further discuss issues raised and provide input to a Q&A document to further explain what the RJC recognition would mean. The Q&A notes that the proposed recognition of the Fairtrade and Fairmined standard is welcomed by the Alliance for Responsible Mining and Fairtrade.

- The Standards Committee were invited to consider making a recommendation that the RJC Board formally recognise Part A of the Fairtrade and Fairmined Standard as a Recognised Responsible Mining Standard under the RJC Chain-of-Custody Standard.
- Discussion included:
  - Whether the recognition should be delayed until the Fairtrade and Fairmined Standard Review 2012 has finished. Comments from Felix Hruschka (ARM) and Gemma Cartwright (Fairtrade) indicated that the revised FT-FM Standard will be strengthened through the review and compatibility with the RJC COP is expected to increase and bringing more opportunities to a greater number of artisanal and small-scale miners. One of the main changes will be that the geographical scope of the FT-FM Standard will be extended from just Latin America to Africa and Asia.
  - The draft Q&A for RJC Recognition of Fairtrade and Fairmined Standard was found very clear. The Q&A will be further expanded with questions on the review process of both FT-FM and RJC standards.
- ***The Standard Committee approved the recommendation of Part A of the Fairtrade and Fairmined Standard as a Recognised Responsible Mining Standard under the RJC Chain-of-Custody Standard, to be taken to the RJC board for approval.***

#### 4. RJC Code of Practices review

- The Public Summary of the proposed scope of the 2012 Code of Practices review process was published on 27 June and is open for comment until 10 September 2012.
- Since the last teleconference, the RJC team has continued background research and preparation of revision proposals for discussion with the Committee, as outlined in the powerpoint presentation by Fiona Solomon.
- Over the next few months, the Standards Committee are invited to comment on revision ideas and issues during RJC's preparation of a first draft revision of the COP, which is to be released for public comment in November. The Committee are not being asked to 'sign off' on content at this stage, but to contribute ideas and perspectives to the drafting process. The Committee will then consider stakeholder feedback from the consultation process and work to build consensus on the revision proposals.
- Discussion on the first group of key topics of the RJC Code of Practices Review included:
  - ***Human Rights:***  
The UN Guiding Principles on Business and Human Rights (also known as the "Ruggie Principles") brings an expanded set of human rights issues to the attention of business (around 30), than the previous focus mainly on labour issues in many supplier codes. This will take time to implement in companies. The standards wording should consider how to capture the need for systems to be put in place over time to become fully compliant, with documented, audited procedures, rather than imply or expect immediate compliance.
  - Within the drafting of the new COP the RJC will aim to use the language from the UN Guiding Principles as much as possible.
  - In addition to revised provisions on human rights generally, an additional provision under Human Rights relating to conflict is proposed, which supports implementation of the UN Guiding Principles but also keeps attention on conflict as a key issue in the jewellery supply chain. Implementation would fit within a human rights due diligence process.
  - The definitions of Conflict and Conflict-Affected Areas need to be included in the revised CoP and ideally be consistent with the Chain-of-Custody standard.
  - ***Timing to implement revised COP:***
  - A transition period is planned for the roll-out of the 2013 revision. It is proposed that for a period of 1 year after the release of the 2013 COP, both it and the 2009 Code of Practices can be used for certification. This is to accommodate the planning

and timelines involved, particularly for Members with certification due dates that may fall shortly after the release of the revision.

- There was discussion as to whether it would be worthwhile to allow for an optional interim approach for Members that wish to update their certification on major new requirements in the revision before the end of their current Certification Period, without undergoing a full re-Certification yet. The pros and cons of different models for transition will be explored.
- ***Free, Prior and Informed Consent (FPIC):***
- The RJC is proposing to include a provision on FPIC in alignment with the 2012 IFC Performance Standard 7. This will complement (rather than replace) the existing provisions on engagement, broad-based support, and impacts/benefits.
- FPIC is not just a process but should also result in some sort of an agreement. It is thus a combination of processes & outcomes so the COP wording / guidance should capture that.
- ICMM is currently preparing a statement on FPIC at the moment, the timeframe is still unclear. RJC will review the ICMM statement as part of the research process for the standards drafting.

## 5. Update on other relevant initiatives

- OECD Due Diligence Guidance – Gold Supplement: An ‘Interim Governance Group’ representing government, industry and civil society has been established to help the OECD-hosted Working Groups for gold and 3Ts operate more efficiently and effectively between face-to-face meetings.
  - Discussions on the gold implementation program are moving slowly, as there is currently uncertainty about the level of OECD resources that may be available for the program.
  - The RJC aims to raise awareness on the work of the OECD re due diligence in the gold supply chain and sends out periodic updates to interested members and stakeholders. If interested, contact Marieke van der Mijn.
- Initiative for Responsible Mining Assurance (IRMA): update from Susan Posnock (Rob Headley was not available for this Standards Committee teleconference).
  - The IRMA group consists of 5 stakeholder sectors (mining companies, jewelry retailers, civil society, affected communities and labour) – 2 sectors have one participant, 2 have two, and one has 4 participants. IRMA is now seeking additional organizations to participate. A scheme for auditing compliance to the standards is starting to be considered. Standards are being written, but the process is taking time.
- Other updates from Committee members welcome.
  - World Gold Council (WGC) – the draft of the WGC Conflict-Free Standard (and accompanying guidance for assurance providers and implementing companies) is complete and will be sent to the board next month for approval, pending the release of the SEC rules for the Dodd Frank Act .
  - London Bullion Market Association (LBMA) – An audit protocol guide is being developed to support the Responsible Gold Guidance.
  - The SEC rules for Section 1502 of the Dodd Frank Act are expected to be released on Wednesday 22 August. Fiona Solomon agreed to circulate a brief summary of the rules and any implications for the RJC standards to the Standards Committee.

## 6. Any other business

- Discussions in the Diamond sub-committee re a chain-of-custody standard for diamonds are ongoing. Further information on the sub-committee’s deliberations will be brought to the Standards Committee in due course.

## 7. Standards Committee schedule – 2012 dates:

- To enable discussion on key topics on the Code of Practices review, monthly teleconferences until November are proposed.
  - Monday August 20, 2012, 2pm London time
  - Friday September 14, 2012, 2pm London time
  - Monday October 22, 2012, 2pm London time
  - Monday November 26, 2012, 2pm London time
- **Please note:** Committee members are welcome to contact Fiona Solomon to arrange times to discuss input or feedback in more detail between formal meetings, or initiate discussion by email.