

MINUTES

Standards Committee Teleconference

Monday 25 June 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, 30 April 2012
- Draft public summary of the 2012 Code of Practices review process
- Comments report on the Fairtrade-Fairmined Comparability Report

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, Eva Carlson, Gemma Cartwright, Charles Chaussepied, Mark Gershburg, Rob Headley, Wilfried Hörner, Jennifer Horning, Felix Hruschka, Juliane Kippenburg, Patrick Laine, Alan Martin, Ngomesia Mayer-Kechom, Chikashi Miyamoto, Steven Oates, Jon Phillips, Marcelle Shoop, Ryan Taylor, Michael Rae, Fiona Solomon, Graham Nicholls, Sam Brumale.

Apologies: Didier Backaert, Assheton Carter, Larry Drummond, Stephane Fischler, Cecilia Gardner, Estelle Levin, Stan Lurie, Andrew Parsons.

1. Welcome

- Welcome from Co-Chairs: Charles Chaussepied and Ryan Taylor.

2. Minutes of previous meeting

- The minutes of the Standards Committee teleconference on April 30, 2012 were accepted.
- The Committee agreed to RJC's proposal that Standards Committee minutes, once accepted, be posted on the RJC website in the interests of transparency.

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

- At the last meeting, the Standards Committee approved the release of the discussion paper on the FT-FM Standard as a Recognised Responsible Mining Standard for a one month public comment period from May 4 until June 4, 2012.
- A Comments Report was circulated to the Committee (and will be published on the RJC website) which includes the four formal comments that were received. All comments were in favour and RJC noted that numerous informal discussions in various forums also supported the proposal.

- The RJC Standards Committee discussed the Comments Report and questions were raised as to whether there were potential impacts on Fairtrade's 'premium' model by facilitating access to RJC CoC Certified Refiners through the recognition. While there was support for increasing market access and options for certified ASM, therefore incentivising further uptake of the Fairtrade certification, there was also concern as to whether there could be confusion about 'responsible mining' claims and whether the recognition would in effect 'compete' with Fairtrade's market.
- Points of clarification included:
 - The Comparability Review had looked at the Code of Practices and the FT-FM Producer Standards, to evaluate comparability of responsible mining practices for ASM. The OECD Due Diligence Guidance on Responsible Supply Chains was a key driver for the including the ability to 'Recognise' ASM-focused standards in the CoC Standard. Consequently, Fairtrade's licensing and labelling standard had been outside the scope of the review process as it was focused on the mining practices.
 - RJC, Fairtrade and ARM are drafting communications (including press release and FAQ) that clarify what the recognition would mean for producers, CoC Certified entities and others. These will provide information and a point of connection with the Fairtrade program for those who wish to participate.
 - As a 'Recognised Responsible Mining Standard', gold bought from FT-FM certified producers would be 'Eligible Material' able to be mixed with other eligible sources under the CoC Standard. The ability to mix different 'responsible' sources is a fundamental principle of the RJC CoC Standard and is designed for flexibility and widening participation of responsible mining and recycling sources.
 - However any buyer of gold from FT-FM certified producers could not make any claims or use labelling about Fairtrade unless they were a Fairtrade licensee and thus subject to the Fairtrade labelling standards.
 - The RJC CoC Standard is a business-to-business tool, and not intended or marketed as a consumer brand.
- It was agreed to further review potential risks to the Fairtrade-Fairmined Mark and communications on how the Recognition could be implemented, and discuss again at the next Committee teleconference.

4. RJC Code of Practices review

- A draft 'public summary' outlining the proposed objectives and scope of the 2012 Code of Practices review process was discussed. This public summary will be published for a public comment period to seek feedback and submission of useful resources. During the comment period, the RJC team will continue background research and preparation of first draft revisions.
- Discussion points included:
 - Intention to enhance alignment with SA8000 (and hence ILO standards). While there is currently broad alignment, freedom of association and child labour were two areas where the COP standards language could potentially be improved.
 - Confirmation that the UN Guiding Principles on Business and Human Rights (Ruggie) would be reviewed.
 - Whether progressive improvement, or progress requirements had ever been considered. RJC noted that the Code of Practices approaches this by allowing for a 'provisional' certification of 1 year if a business has Major Non-Conformances, so long as a corrective action is in place agreed to by the auditor.
 - That previous discussions on a potential Grading, Appraising and Assaying Supplement had concluded that assaying could be treated separately. Thus the focus in the 2012 COP review could be mainly on grading and appraising.
 - That the inclusion of mercury in the topic list was following up on 2009 Mining Supplement discussions, which agreed at that time to review work under the UNEP

Global Mercury Partnership and progress towards an international treaty that would have taken place by the time of the COP review.

- Detailed auditor feedback will be submitted on the assessment tools. The three key areas identified to date are:
 - Exceptions: clarification in the guidance/assessment manual of any exceptions to the COP requirements for small business or service providers.
 - RJC training: how this could be made more efficient for auditors.
 - Sampling: request more detail on sampling requirements and guidelines, particularly for employee interviews.
- That a longer comment period until September would allow more time for review given the Northern Hemisphere summer.
- ***The Committee agreed to release the Public Summary for consultation, after inclusion of the points discussed above.***

5. Update on Chain-of-Custody diamond sub-committee

- At the RJC Annual meeting, Derek Palmer, Co-Chair of the diamond CoC sub-committee presented an update on progress to date. Several teleconferences have been convened, and issues discussed include whether the standard would really be voluntary, cost of implementation, level of retail/consumer interest, and overlap with existing programs such as Forevermark, Canadamark and the Kimberley Process.
- Another teleconference was held on Friday June 22, which discussed the potential for a cut-off size to address concerns about feasibility for small diamonds. Input from gold industry on CoC in the gold supply chain was also sought and discussed.
- The sub-committee intends to conclude its work by February 2013 and prepare a report and proposals for next steps to the Standards Committee.
- Some concern was expressed as to slow progress, and that the sub-committee's role is to review feasibility and make recommendations to improve the draft standard, not decide yes or no on the applicability of the CoC standard to diamonds.

6. Update on other relevant initiatives

Fiona Solomon to provide update on:

- ISEAL Membership: RJC has achieved full ISEAL Membership, after demonstrating compliance with the ISEAL Code of Good Practice for Standards-Setting and the ISEAL Impacts Code.
- OECD Due Diligence Guidance – Gold Supplement: RJC attended OECD Implementation meetings in Paris in May 2-5, and participated in an LBMA event on May 1. Stakeholders reviewed progress in implementation for the 3Ts sector, discussed potential implementation projects for gold, and how governance of the program could be improved. Next meetings will be held November 27-30.
- Swiss Better Gold Initiative: RJC, Fairtrade and Metalor are participating in a SECO-supported project that aims to build linkages between small / medium scale mining gold producers in Latin America, particularly Peru, and Swiss refiners and downstream gold users. This would be an example of where the FT-FM recognition may first be implemented.
- Appeals for Artisanal Mining projects: RJC is assisting the Diamond Development Initiative (DDI) and Alliance for Responsible Mining (ARM) with appeals to the jewellery industry to support their work with artisanal mining producers. An appeal for DDI was launched at the RJC AGM, and an appeal for ARM was launched to Members on June 25.
- Initiative for Responsible Mining Assurance (IRMA): update from Rob Headley (Jewelers of America). Progress continues on the standards and an application to become an ISEAL Affiliate is being considered. The scope of the IRMA standard is on all mined products except fuels, though the discussion focus seems to be diamonds and gold.
- Publications related to Rio+20 were also noted, particularly an IIED publication on MMSD+10 which is available at <http://pubs.iied.org/16041IIED.html>

7. Any other business

- None raised.

8. 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.