

MINUTES

Standards Committee Teleconference

Monday 26 November 2012

Teleconference times

- Vancouver/Carlsbad/Seattle @ 0600;
- Salt Lake City @0700;
- New York/Toronto/Ottawa @ 0900;
- London @ 1400;
- Antwerp/Paris@ 1500;
- Johannesburg@ 1600;
- Mumbai @ 1930;
- Melbourne@ 0100 Tuesday 27 November.



Documents circulated:

- Minutes of Standards Committee teleconference, 22 October 2012
- Powerpoint presentation for teleconference
- RJC Code of Practices – Proposed Revisions 121112 – Committee Draft (prepared for upcoming public comment period)

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: Michele Bruelhart, Charles Chaussepied, Rob Headley, Caren Holzman (on behalf of Estelle Levin), Wilfried Hörner, Felix Hruschka, Philip Hunter, Patrick Laine, Stephen Oates, Andrew Parsons, Jon Phillips, Marcelle Shoop, Iris van der Veken, Jennifer Horning, Fiona Solomon, Graham Nicholls, Marieke van der Mij, Michael Rae.

Guests: Derek Palmer, Mark Jenkins (for discussion of item 3 on the agenda).

Apologies: Didier Backaert, Eva Carlson, Assheton Carter, Larry Drummond, Stephane Fischler, Cecilia Gardner, Mark Gershburg, Juliane Kippenberg, Stan Lurie, Alan Martin, Sam Brumale.

1. Welcome

- Welcome from Co-Chairs: Charles Chaussepied and Ryan Taylor.
- Roll-call of participants. Welcome to new Standards Committee members - Iris van der Veken and Philip Hunter.

2. Minutes of previous meeting

- Minutes of the Standards Committee teleconference on 22 October 2012 were accepted and will be posted on the RJC website at:
<http://www.responsiblejewellery.com/rjc-standards-committee/>

3. Report from Diamond CoC Sub-committee

- Derek Palmer, Co-Chair of the diamond CoC sub-committee gave a report on the background, terms of reference and main topics of sub-committee discussion. The sub-committee's main recommendation to the Standards Committee was to address provenance claims under the RJC Code of Practices and that a separate CoC Standard for diamonds was

therefore not necessary. The Standards Committee were also asked to consider how due recognition can be provided to Members who have provenance claims included within their RJC Certification against the Code of Practices.

- Discussions among the Standards Committee included:
 - Whether it was possible / practical for Members who make a particular provenance claim to receive a separate recognition by the RJC. Issues included the less prescriptive structure for due diligence under the COP and how a particular provenance claim could be confirmed.
 - What a 'provenance claim' would mean for a RJC diamond Member, whether this just means geographical location, name of supplier or whether it also entails a certain set of criteria in terms of responsible sourcing. It was noted that the CoC Standard is a far more in-depth tool that specifies the due diligence efforts that a company makes to ensure that they are sourcing responsibly.
 - That complex supply chains would make categorical claims more difficult to make. It was noted that evidence to back up claims might need to include audits of suppliers, in the absence of a full chain-of-custody standard which provides that linkage. This would also need to be considered in how the COP provisions were represented in Member communications.
 - During discussion of this agenda item a separate matter was raised regarding Commercial Membership and Certification Scope. Concerns were raised that some Members have not given their full Certification Scope for Member Certification, specifying only a head office in Europe for example, but not the production/manufacturing offices in other parts of the world. The Membership structure of RJC was explained, which is that any Entity can choose to join the RJC and all it owns and controls must be covered by Certification. While some Member Entities are only part of a larger group, auditors are required to check Scope questions carefully. Concerns can be brought to the RJC via the Complaints Mechanism where they will be acted upon.

4. RJC Code of Practices review

- **Background:** The COP Review Scope was published earlier this year for public comment; and the comment report was circulated for the previous teleconference. Standards Committee has reviewed identified topics for COP review to provide input into first draft revision for public comment. The RJC team have been developing a draft revision document based on comments received and Standards Committee input.
- **Provenance assurance (proposal from CoC diamond subcommittee/De Beers)**
 - Following on from discussion under agenda item 3, RJC has drafted a proposed new COP 1.8 provision to address provenance claims that relate to the origin, source or practices in the supply chain of Diamonds, Gold or Platinum Group Metals that an RJC Member offers for sale.
 - To address the 'recognition' issue of whether the provision on provenance claims had been audited, it was proposed to disclose **all** "Not Applicable" provisions for each Certified RJC Member, on the Certification Information PDF. If COP 1.8 on Provenance Claims was Applicable, then the Member must identify relevant provenance representations in the Self Assessment and undergo auditing of these.
 - Discussion among the Standards Committee included:
 - It was highlighted that a lot of questions in relation to the verification assessment and auditor consistency still need to be addressed to support the proposed COP for provenance claims. For example, if general claims are being made, it may be difficult for the auditor to verify and determine whether compliance has been done sufficiently and due diligence has been carried out. A lot of detail would need to go into the RJC Standard Guidance for Members and

Auditors. The differentiation between provenance claims in the COP and the CoC Standard would need to be clear.

- There are risks associated with taking supplier responses as sufficient and reliable documentation without actually going on-site to verify the claims that are being made. This proposed approach would therefore be less in-depth than a Chain-of-Custody Standard.
- There would need to be clear rules about what you are allowed to say when a Provenance Claim assessed under the COP is being made, compared to what are you allowed to say when you are Chain-of-Custody Certified.
- The proposal to include Provenance Claims in the COP was queried, asking if it would be better to just include it in the CoC Standard. It was explained that a more 'basic' level of Provenance Claims does fit well into the COP for Members who do not participate in the CoC but who do provide other assurances, warranties or claims regarding responsible sourcing, also for gold under regulatory initiatives. However the two standards need not be mutually exclusive.

- **Summary of major changes to COP**

- A large number of editorial improvements have been made for clarity, simplification of wording to assist interpretation and translations. A quick-reference guide to proposed changes is included in the COP Revision draft.
- Discussion among the Standards Committee included:
 - 2.1 – The relevance of the WGC Conflict-Free gold standard to proposed Provision 2.1.2. on conflict-related due diligence will be recognised in the Standards Guidance.
 - 2.2.1 – Current UN work on children's rights and business principles were noted and will be reviewed for the Standards Guidance.
 - 2.3.2 – Discussions around what 'freedom of movement' means particularly outside working hours. Suggested that the word 'unreasonably' should be added to the Provision.
 - 2.3.2a and 2.3.3a – there is duplication between these two Provisions which will be reviewed.
 - 2.4 – Question was raised about workers that may not be covered by a collective bargaining agreement and this will be further reviewed. With regards to a question about applicability to manager-level staff, it was noted that this Provision is about avoiding exploitation of workers who are not in control of their working hours. The 'exemption' of manager-level staff has been addressed in the Standards Guidance revision.
 - 2.6.3 – It was explained that on-site contractors in general have been added to the Provision 2.6.3 on a 'joint' committee, for consistency with other 2.6 provisions. However in some contexts, on-site contractors have a different status so it was agreed this needs to be reviewed.
 - 2.8. – The difference in requesting 'regular' overtime (2 hours per week each week versus 20 hours per week at peak times) was discussed. The provision wording will be reviewed further on this issue.
 - 3.2.1 – The addition of 'irreversible ecological impacts' was questioned in terms of relevance to international conventions, so it was agreed to review this further.

- **Timing:**

- Standards Committee requested additional time to provide comment on some of the detail of the draft proposed revisions. Committee Members were asked to submit comments by email by COB Monday December 3. Further discussion will be continued during the next call

on December 12th and approval sought to commence the comment period shortly after, pending finalisation of the draft.

- Under ISEAL requirements a minimum of 60 days comment period is required. Currently a slightly longer 12 week period is proposed for public comment: 30 November 2012 to 22 February 2013. This will be adjusted slightly when start of comment period is agreed.

5. Update on other relevant initiatives

- CoC Standard and applicability to diamonds: discuss in first call of 2013.
- OECD Due Diligence Guidance: OECD is hosting meetings in Paris on November 28-30 that will look at implementation of the Guidance in the 3Ts and gold sector, including a session focussed on the jewellery sector.
- Initiative for Responsible Mining Assurance (IRMA): update from Rob Headley (Jewelers of America). On the December 6th and 7th IRMA will meet in New York to have discussions around the organisation (auditing, financing) of the initiative. Another focus is to broaden the membership base of IRMA.
- US Diamond Source Warranty Protocol: there will be an additional teleconference for a briefing from Rob Headley and Cecilia Gardner on December 12. The remaining time will be used to finalise discussion of the COP Review topics.

6. Any other business

None.

7. Standards Committee schedule – 2012/2013 dates:

- Wednesday 12 December, 2012, 2pm London time – additional briefing on US Diamond Source Warranty Protocol and additional COP discussion (Cecilia Gardner and Rob Headley)
- January 2013 – consultation workshops for COP review in London, Antwerp, Geneva and New York. Mining sessions in London and New York. Also workshops in Mumbai and Surat conducted by Michael in February 2012.
- 2013 Recommencement: Propose teleconferences recommence in February 2013, dates will be circulated in early 2013.
- **Please note**: Committee members are welcome to contact Fiona Solomon and Marieke van der Mijl to arrange times to discuss input or feedback in more detail between formal meetings, or initiate discussion by email.