

MINUTES

Standards Committee Teleconference

Thursday 8 August, 2013

Teleconference dial-in times (allow 2 hours):

City	Local Time (24 hr)
Vancouver/Carlsbad/Seattle	0600
Salt Lake City	0700
New York/Toronto/Ottawa	0900
London	1400
Milan/Antwerp/Paris	1500
Johannesburg	1500
Nairobi	1600
Mumbai	1830
Melbourne	2300



Documents circulated:

- Minutes of Standards Committee meeting, 11 July 2013
- Slides for Agenda items 3-4

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: Ryan Taylor, Andrew Parsons, Eva Carlson, Estelle Levin, Juliane Kippenburg, Jennifer Horning, Steven Oates, Susan Posnock, Wilfried Horner, Marcelle Shoop, Marianna Smirnova, Graham Nicholls, Sam Brumale, Fiona Solomon, Marieke van der Mijn.

Apologies: David Bouffard, Cecilia Gardner, Claus Teilmann-Petersen, Felix Hruschka, Iris van der Veken, Alan Martin, Larry Drummond, Philip Hunter, Didier Backaert, Jon Hobbs, Stan Lurie, Assheton Carter, Stephane Fischler, Ngomesia Mayer-Kechom, Angelo Palmieri, Michael Rae.

1. Welcome (Chair/s)

2. Minutes of previous meeting

Minutes of the Standards Committee teleconference on 11 July 2013 were approved and will be posted on the RJC website at: <http://www.responsiblejewellery.com/rjc-standards-committee/>

3. RJC Code of Practices review

a. Close of Comment Period (Fiona Solomon)

- Overview of process and next steps
- Identification of topics for August 29 and September 5 call, with September 12 call flagged if required.
- Focus is now on convergence and consensus.
- September 12 is the target consensus date in order to be able to meet Executive Committee and Board timeframes and complete the review by November 2013.

b. Accreditation of Topic Experts (Fiona Solomon)

- For Committee information – the RJC Accreditation and Certification Committee will discuss establishing an accreditation process for Topic Experts, who can play consulting role / fill audit teams as appropriate.
- The process will be similar to Auditor Accreditation, in terms of set criteria and review of applications, but will apply to individuals only, not individuals plus audit firms as per Accredited Auditors.
- It was clarified that the same conflict of interest rules that apply to auditors would apply to Topic Experts accredited by RJC, i.e. that any person/firm involved in a Self Assessment or the establishment of internal systems at a Member cannot then be involved in the audit of that Member.

c. Audit Cycle (Sam Brumale)

- A presentation outlined current and proposed models for the RJC COP audit cycle. The proposed model includes an initial certification audit, mid-term review if recommended by the Auditor as against risk-based criteria, and re-certification audit. Auditor person-day recommendations, based on the International Accreditation Forum, were presented for the mid-term reviews and recertification audits.
- One Committee member tabled that they were not in favour of mid-term reviews, because of concerns about existing audit burdens on sites under a range of other audit programs. While it was acknowledged that the proposed criteria allow for desktop review in the case of parallel related audit programs (eg against OHSAS, ISO standards), there was still concern that this still takes time.
- Another Committee member noted that finding ways to simplify and synergise audits is very important for companies engaged in many audit programs. While the proposed criteria are risk-based, and there is scope for desktop review in some situations, this still requires re-engaging RJC auditors to oversee parallel audits.
- It was questioned whether the 'mid-term review' terminology would be carried over to the Chain-of-Custody standard, which uses the term 'surveillance audit'. RJC noted that there are no current plans to amend the CoC standard on this point, however the question can be considered when the current CoC standard is reviewed.
- There was discussion of the table of proposed auditor person-day recommendations. It was noted that in practice some have found the times generous, while some have found them insufficient. RJC affirmed that they are for guidance and every Member's situation varies in practice, and as per RJC guidance, better preparation by Members certainly enhances the efficiency the audit process.
- Four Committee members spoke in support of the proposal for mid-term reviews, noting that concerns around parallel audit programs and a risk-based approach appear to have been given weight in the proposed approach, that 3 years is a long time in auditing terms, and that credibility of the certification is a critical consideration in deciding the path forward. It was noted that the proposed process of more frequent reviews can bring benefits to Members too, as the audit is then not always 'starting from scratch', as the audit burden is spread over time.
- Committee members spoke to the importance of building consensus on this topic. RJC undertook to speak offline to concerned Committee members prior to the next call.
- **Other points:** A Committee member noted that their submission touched on Certification Scope issues (eg riverine tailings disposal), and how information from the certification process is made public. RJC noted that Certification Scope and Audit data information would be discussed in subsequent agenda items, and the riverine tailings disposal issue was on the agenda for the Committee calls in late August/early September.

d. Assessment Manual (Graham Nicholls and Fiona Solomon)

- **Exploration and Mining Sector – defining scope.** Criteria for determining whether desktop review / site visits would apply to the exploration sector were presented. Committee feedback was that these look reasonable.
- **‘Certification plus’ concept.** The proposal to recognise / reward companies that join RJC as a full group was discussed. Criteria for a ‘Certification plus’ designation were discussed. Committee feedback was that this appeared to be a positive step that helps clarify scope questions, and incentivise participation from the whole entity that is eligible to join RJC and become certified. The proposal will be taken to the Membership Committee - the Standards Committee were invited to submit any further thoughts in the next week or so.
- **Monitoring and Evaluation data:** Audit Report templates are being reviewed to collect additional impacts data for RJC’s implementation of the ISEAL Impacts Code. Unlike some other certification programs, RJC has access to and reviews all audit reports to make sure all required information is clear and complete before certification is granted. RJC defines the audit report template and is also looking at opportunities for reducing manual data entry of impacts data by the RJC team, e.g. by auditors submitting it in an importable format eg via spreadsheet or web-based form. Proposed new impacts data fields were presented. It was also noted that audit data is ‘level 1 data’ and that RJC will also be conducting research and case studies of key sectors in the supply chain, as discussed at the previous Committee call. RJC’s first major Impacts Report will be published by June 2014.
- There was positive feedback on this proposal, particularly the opportunity for auditors submit data in excel/web-based format, and the proposal to have auditors identify the category of non-conformance eg missing documentation, inadequate implementation etc, before the narrative description of the non-conformance situation in the report.

4. Update on other initiatives

- OECD Due Diligence Guidance: update from Fiona Solomon, RJC.
 - The OECD is currently conducting peer learning webinars for different parts of the gold supply chain from upstream to downstream, industry initiatives and auditors.
- Initiative for Responsible Mining Assurance (IRMA): update from Susan Posnock (Jewelers of America).
 - IRMA is currently working with technical experts and reviewers to update existing and write new standards.
 - Anticipate having draft standards by the Fall, a review workshop in November, with finalisation of the drafts by end of 2013 and a comment period ideally in Q1 2014.
 - IRMA plan to publish their standards-setting procedure on their website shortly.
- Precious Stones Multi-Stakeholder Working Group: update from Susan Posnock.
 - Current focus is on choosing an authorship team for a study of current and potential due diligence approaches in the precious stones sector. Calls of the working group take place every two weeks.
- Alliance for Responsible Mining (ARM): update from Fiona Solomon.
 - The Fairmined draft standard is currently out for comment and ARM welcomes comment from all stakeholders. Input from the RJC Standards Committee would be warmly welcomed.

5. Any other business

- None raised.

6. Standards Committee schedule –2013 dates:

- Scheduled for COP finalisation:

- Updated COP draft, Guidance chapters still under discussion – circulated to Committee by August 15
- **Teleconference** - Thursday August 29 – review of proposed revisions from final comment period – part 1.
- **Teleconference** - Thursday September 5 - review of proposed revisions from final comment period – part 2.
- **Teleconference** – Thursday September 12 – if required for any outstanding issues, and final date for consensus on COP review.
- The COP, Standards Guidance and Assessment Manual will then go to Legal Review, then Executive Committee, then Board.
- **Please note:** Committee members are welcome to contact Fiona Solomon and Marieke van der Mijn to arrange times to discuss input or feedback in more detail between formal meetings, or initiate discussion by email.