



## RJC Response to 'More Shine Than Substance' Report – 6 June 2013

### Summary

A recent report by Earthworks, IndustriALL, United Steelworkers, CFMEU and Mining Watch Canada, raises concerns about the Responsible Jewellery Council (RJC) Certification programs. In response, the RJC made the following statements:

- The RJC Standards Committee is a multi-stakeholder body, that includes civil society representatives with policy and implementation experience in human rights, development, labour and environmental issues.
- RJC is a full member of the ISEAL Alliance, a global association for sustainability standards, and RJC is a member of the OECD Multi-Stakeholder Steering Group for the Due Diligence Guidance.
- RJC certifies companies, rather than individual facilities to encourage broader uptake of the RJC Code of Practices across all relevant facilities.
- The RJC Code of Practices, launched in 2009, is currently undergoing its first review which includes proposed new standards, aligned with international standards wherever possible, for mercury, Free Prior Informed Consent, sourcing from conflict-affected areas, and the UN Guiding Principles on Business and Human Rights.
- The RJC Chain-of-Custody standard is recognised by the OECD as an important industry initiative that helps to promote uptake and implementation of the OECD Due Diligence Guidance.
- The RJC carries out accreditation of independent third party auditors based on published criteria, aligned with ISO standards on auditor quality and competence (ISO 17021). An independent expert in auditor accreditation is involved in the review process for each audit firm, to ensure impartiality and correct procedures are followed. The accreditation process is supported by training on the RJC's standards and certification process.

[www.responsiblejewellery.com](http://www.responsiblejewellery.com)

## **Background on RJC**

The RJC is an international, not-for-profit, standards setting and certification organisation. RJC has grown to 450 Members that span the jewellery supply chain from mine to retail. More than 270 of these have achieved certification against the RJC Code of Practices, and the remainder must do so within two years of joining the initiative.

RJC Members are independently audited against the RJC Code of Practices – an international standard on responsible business practices for diamonds, gold and platinum group metals. The Code of Practices addresses human rights, labour rights, environmental impact, mining practices, product disclosure and many more important topics in the jewellery supply chain.

RJC is a full member of the ISEAL Alliance, a global association for sustainability standards, as a result of demonstrating its conformance with the ISEAL Codes of Good Practice.

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## **Background on ‘More Shine Than Substance’ Report**

On May 22, a report entitled “More Shine Than Substance” was released by Earthworks, IndustriALL, United Steelworkers, CFMEU and Mining Watch Canada, which raises concerns about RJC’s Certification programs.

[http://www.earthworksaction.org/library/detail/more\\_shine\\_than\\_substance#.Ua-er5xMezR](http://www.earthworksaction.org/library/detail/more_shine_than_substance#.Ua-er5xMezR)

Earthworks, IndustriALL and United Steelworkers are part of the Steering Committee for the Initiative for Responsible Mining Assurance (IRMA), an emerging initiative that aims to set standards for and certify mining activities. The involvement of the authors in this initiative is not disclosed in the ‘More Shine than Substance’ Report.

It is possible that RJC’s Code of Practices Certification, which applies to mining as well as the rest of the jewellery supply chain, may be seen by the report authors as a competing program to IRMA. IRMA’s website notes that it ‘aspires to attain compliance with ISEAL Codes of Good Practice, which will provide added assurance of IRMA’s credibility and sustainability at the international level.’ RJC remains committed to collaboration with parallel initiatives and welcomes the opportunity to discuss this further with the IRMA initiative.

## **RJC Response to the Report – Key points**

### ***Governance and standards development***

One of the primary points in the report is the allegation that RJC’s standards development does not take a multi-stakeholder approach. In fact, the RJC Standards Committee is a multi-stakeholder body, that includes civil society representatives with policy and implementation experience in human rights, development, labour and environmental issues. RJC’s standards development procedures require consensus among the Standards Committee, and the Committee’s recommendations are approved by the Board on the basis of the process followed, not the resulting content of the Standard. RJC’s governance and procedures were reviewed by ISEAL for conformance with the Standard-Setting Code as a pre-requisite for Full Membership of ISEAL.

More information about RJC’s Standards Committee and standards development procedures can be found at:

<http://www.responsiblejewellery.com/standards-development/>

[www.responsiblejewellery.com](http://www.responsiblejewellery.com)

ISEAL's Credibility Director, Patrick Mallet, has posted a response to the 'More Shine than Substance' report on this issue at:

<http://www.isealalliance.org/online-community/blogs/iseal-responds-to-new-publication-criticising-a-leading-mining-standard>

### ***RJC certifies companies, rather than individual facilities***

The report claims that certification of individual facilities rather than Members would be a more credible approach. However the report's concern that the certification of some facilities and not others within a company's control would still raise concerns about links to 'irresponsible operations'.

The strength of a Member-wide certification is that it takes account of group-wide management systems, and aims to encourage broader uptake of the Code of Practices across all relevant facilities. The Certification Scope of each Member is included on the RJC website and must cover all facilities involved with diamonds, gold and platinum group metals under the Member's control.

<http://www.responsiblejewellery.com/members/certified-members/>

Member's businesses can change over time, and facilities that are temporarily excluded from the Certification for some reason are noted, along with a date for the required audit to bring them into Scope. Reasons for temporary exclusion can include an extension period to accommodate audit preparation for an acquisition or commissioning of facilities, or incorrect omission from the original scope that was noted by the RJC or an external stakeholder. RJC welcomes stakeholder review of Member scope and always acts immediately on concerns raised about potential omissions.

### ***Gaps in the Code of Practices***

The Code of Practices, launched in 2009, is currently undergoing its first review. This review was foreshadowed at the launch of the Code of Practices, acknowledging that all such Certification systems require regular review to ensure standards and guidance reflect best practice. New standards are proposed on issues like mercury, Free Prior Informed Consent (FPIC), sourcing from conflict-affected areas, and the UN Guiding Principles on Business and Human Rights. In developing these proposed revisions, RJC has sought to align with international standards wherever possible, such as the Minamata Convention for mercury and the International Finance Corporation's standard for FPIC, in order to build on the consensus building work of other forums. The RJC's accompanying Standards Guidance is also being significantly updated to provide further direction on implementation for companies and auditors.

Participation in the review process continues to be welcomed from all stakeholders, with a final comment period scheduled until August 2, 2013.

<http://www.responsiblejewellery.com/standards-development/code-of-practices-review/>

### ***OECD's Guidance related to due diligence when sourcing minerals from conflict-affected and high-risk areas***

The RJC Chain-of-Custody standard, along with initiatives such as those by the London Bullion Market Association (LBMA) and Conflict-Free Sourcing Initiative (by EICC-GeSI) are recognised by the OECD as important industry initiatives that help to promote uptake and implementation of the OECD Due Diligence Guidance. RJC is a member of the OECD Multi-Stakeholder Steering Group for the Guidance and continues to work with a range of stakeholders on implementation in the gold supply chain.

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Stakeholders involved in these issues acknowledge that implementation can be complex, and that care must be taken that due diligence efforts do not automatically result in withdrawal from conflict-affected areas. The OECD's due diligence approach, reflected in the RJC's Chain-of-Custody standard and the proposed revisions to the Code of Practices, aims to support a risk mitigation/community development approach in high-risk contexts. Artisanal and small-scale miners are particularly at risk of a de facto embargo through enhanced due diligence measures, and RJC has established partnerships with a number of organisations, such as the Alliance for Responsible Mining, the Diamond Development Initiative, and Solidaridad, to collaborate on standards-setting and projects in this area.

<http://www.responsiblejewellery.com/governance/collaboration-and-engagement/>

### ***Auditor Accreditation and Audit Reports***

The RJC carries out accreditation of independent third party auditors based on published criteria, aligned with ISO standards on auditor quality and competence (ISO 17021). An independent expert in auditor accreditation is involved in the review process for each audit firm, to ensure impartiality and correct procedures are followed. The accreditation process is supported by training on the RJC's standards and certification process. Concerns about auditor quality from any stakeholder can be raised with RJC via the Complaints Mechanism (below).

RJC receives audit reports for each Member's certification audit. The report includes information about the Member company, the Certification Scope, the audit process and participants for each facility, and details of all non-conformance issues found, as well as a recommendation (or not) for Certification. Where any detail is missing or unclear, RJC follows up with auditors to ensure that it is provided and meets RJC's published requirements. More information on audit reports and the audit process can be found in the RJC Assessment Manual.

[http://www.responsiblejewellery.com/files/RJC\\_Assess\\_Manual-091.pdf](http://www.responsiblejewellery.com/files/RJC_Assess_Manual-091.pdf)

### ***Complaints Mechanism***

The RJC developed a formal complaints mechanism in 2010, updated in 2012, to accommodate the release of the Chain-of-Custody Standard for precious metals. RJC's complaints mechanism was developed in collaboration with the Centre for Social Responsibility in Mining at the University of Queensland. To date, no formal complaints have been lodged through the mechanism, however informal concerns raised have been addressed. Concerns raised by email inquiry rather than the formal process have been addressed by requiring additional information and follow-up by accredited auditors and/or follow-up by Members to the stakeholder concerned.

<http://www.responsiblejewellery.com/contact-us/rjc-complaints-mechanism/>

**For more information, please contact:**

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