

Summary Notes
RJC Standards Committee Teleconference
25/04/2016 - 16:00-17:30 BST

Participants: Assheton Carter, Claire Piroddi, Estelle Levin, Marianna Smirnova, Michael Geelhand, Cecilia Gardner, Wilfried Hoerner, Ainsley Butler, Marylyn Carrigan, Charles Chaussepied, Purvi Shah (for Feriel Zerouki), Stephen Oates, Felix Hruschka, Alan Martin and Jon Hobbs.

RJC Management team: Anne-Marie Fleury, Peter Dawkins, Maria Mursell

Apologies: Philip Hunter, Didier Backaert, Eleonora Rizzuto, Claus Teilmann Petersen, Bethan Herbert and Stephane Fischler.

1. Welcome

Ainsley welcomed everyone and referenced the anti-trust statement. Summary Notes from the previous teleconference on 15 March were approved by Cecilia Gardner and seconded by Charles Chaussepied.

Anne-Marie mentioned that one **action item** from the last meeting remains to be completed (to schedule a discussion on monitoring and evaluation program and findings from the India study) and will be scheduled later in May.

2. Chain-of-Custody Review Plan

Timeline: The timeline was reviewed by the RJC management team after comments from the Standards Committee during the last call, who advised it was too ambitious. The changes include extension of the revision and drafting phase until the end of the year. The public consultation on the proposed standard revision will begin at the beginning of 2017.

It was asked if, given the uptake of the CoC standard is so low, whether the timeline is too generous. Anne-Marie suggested that low uptake indicates that there are significant issues that need to be addressed.

A question was asked about the how far down the supply chain the potential pilot audits would go. Anne-Marie replied that the pilot studies are in early conception and it is anticipated they would focus on eligibility of recycled, ASM sourced material and possibly mined material more generally.

Role of Committee members and expected time commitments: Anne-Marie outlined Management Team and Committee member roles in the review process. Anticipated time commitments for Committee members were discussed, 5 hours/month was felt by many on the call to be an accurate estimate. It was noted that in the last review of the COP, face-to-face meetings were very useful for progressing the work. A face-to-face meeting in October 2016 to discuss the CoC was generally felt to be a good idea. Another in Q2 of 2017 to finalise the CoC and open up the COP revision was also suggested.

Issues: Anne-Marie noted that the key areas of review for the CoC would focus on increasing the eligibility of mined, recycled and ASM material into the CoC supply chain.

Cross recognition with the Conflict Free Sourcing Initiative (CFSI) and London Bullion Market Association (LBMA)'s Responsible Gold Guidance was noted as another key issue area. No major misalignments have been identified so far, though the disclosure of reasonable country of origin data (RCOI) is one area of divergence. There was much discussion on the need for RCOI and public disclosure of this data. Internal data gathering is one aspect, but publically communicated data is

another (with related company confidentiality issues), the option of only releasing aggregated information (as CFSI does) was discussed. This issue was noted as an area requiring discussion as part of the review.

Anne-Marie spoke of the alignment assessment with OECD due diligence guidance being carried out. Some potential areas of work for RJC that may result from this external study include RCOI information disclosure, as well as alignment with step 5 reporting of due diligence. The assessment has only just started and the first draft is expected in the summer 2016, with final draft expected in September 2016.

Gap analysis: Anne-Marie noted that this will involve an open invitation for input through a survey. It will also include external studies, targeted consultation (mostly focussed on 'CoC users', auditors and 'potential CoC users') and desktop review, already started by the RJC management team.

Estelle suggested that traceability service providers seeking to work in the gold sector in the DRC (ASM) may be worth consulting as part of the gap analysis.

External Studies: Maria outlined a Better Gold Initiative (BGI) study on lessons from other standards in integrating the informal sector into the supply chain. The Dragonfly Initiative (Assheton Carter) have been appointed by BGI to undertake the ASM study. RJC has offered to support the study through a peer review to be conducted by the ISEAL Alliance.

Maria also mentioned that the RJC management team will commission a study to look at the current and projected volumes of eligible CoC gold (and possibly platinum), also estimating the impact of potential changes eligibility criteria for CoC material. The consultant has not been appointed yet.

Terms of reference for the studies will be shared with the Committee in due course.

Public Summary This will be released on the RJC website in May, and included in the RJC newsletter of that month also. A draft will be circulated to the Committee for comment.

3. Renewing Standing Committee Membership

The agreed approach for selecting non-industry Members was outlined by Anne-Marie. As all non-industry committee members have been serving for over 2 years, they are asked to step down and re-nominate themselves before 2nd of May.

The criteria for selecting non-industry members were discussed. The 'core' areas of expertise that RJC would seek to have covered on the Committee were mostly agreed with the following additions.

- Risk approach and continuous improvement
- ASM mining – although it was noted that this is covered by ARM and DDI permanent seats
- Modern slavery and human trafficking
- Transparency, integrity (linked to corruption)
- Transnational crime, illicit flows, tax avoidance (linked to anti-money laundering)
- Indigenous People's Issues
- Development should be priority area rather than secondary

The 'leverage' of non-industry members was suggested as an important factor to consider. Understanding of other sustainability standards was also noted as bringing a lot to the discussion. There was a worry that the list is too long; though it was noted that one person can have expertise in a number of areas, as many overlap.

Suggestion of individuals were also invited from the current Committee members.

Action:

- A re-nomination form to be completed for non-industry Members – with a deadline of 2nd May.
- The RJC Management Team will review potential non-industry members for submission to RJC Exco on the 5th June

4. Any other business

The RJC Management Team is planning to review the latest draft standard from the Initiative for Responsible Mining Assurance (IRMA) and share this with the Standards Committee for interest.

Ainsley gave her thanks to the committee for their participation in the teleconference, as well as the RJC.