

RJC Chain of Custody Review – Public Summary

Comment Period: 1 August 2016 to 1 October 2016

Comment, submissions and inquiries welcome: Please contact

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1. Purpose

The Responsible Jewellery Council (RJC) is reviewing its Chain of Custody (CoC) Standard. The purpose of this document is to provide a concise overview of the review process so that stakeholders can understand whether and how to engage in it.

We welcome input from all interested parties. At this stage, we are particularly seeking feedback on gaps with the standard and potential improvements. Any comments on the review process itself are also welcome.

2. Background

A 'chain of custody' is a documented sequence of custody of material as it is transferred along the supply chain. The RJC formally launched its CoC standard for precious metals (gold, and platinum group metals) in 2012, thus providing a system for fully traceable and responsibly sourced material. The CoC Standard builds on and complements the RJC Code of Practices and is voluntary for RJC members. It is internationally applicable and open to all users, however RJC COC certification can only be granted to a RJC member, or entity(ies) under the control of a member.

As with the Code of Practices, CoC certification is through independent, third party auditing and verification of conformance is carried out by RJC Accredited Auditors. If no major non-conformances are found, CoC certification is granted for 3 years with a surveillance audit within 12-18 months of the certification audit.

RJC is committed to developing credible and effective standards and to continually improving its systems. We are a full member of the [ISEAL Alliance](#) since 2012 and follow ISEAL Codes of Good Practice for standard setting, assurance and monitoring and evaluation.

RJC Vision and Mission

Our vision is a responsible world-wide supply chain that promotes trust in the global fine jewellery and watch industry.

We strive to be the recognized standards and certification organization for supply chain integrity and sustainability in the global fine jewellery and watch industry.

3. RJC Chain of Custody - Objectives

RJC's overall vision is for a responsible jewellery supply chain that respects human rights, the environment and stakeholder expectations. The RJC Code of Practices provides a common standard for responsible business practices and cover business ethics, responsible supply chains and Human Rights, labour rights, health safety and environment and mining provisions.

The [Chain of Custody \(CoC\) Standard](#) supports the overall vision by providing an assured approach for companies to handle and trade precious metals that are fully traceable and responsibly sourced according to recognized criteria. RJC members seeking CoC certification also need to comply with the Code of Practices (COP).

The CoC Standard defines the management systems that a certifying company needs to follow. This includes systems for sourcing, segregating and transferring eligible material. The Standard also defines eligible materials.

4. Review Objectives and Scope

This is the first review of the Standard since it was published in 2012. The objective of the review is to refine the standard and supporting documents and to inform the RJC training programme. The scope of the review includes:

- Cross recognition and harmonization: updating and reviewing the cross-recognition programme with gold refinery audit schemes and alignment with the OECD Due Diligence Guidance for Responsible Supply chains of Minerals from Conflict Affected and High-Risk Areas (OECD Due Diligence)
- Alignment with the Code of Practices: aligning provisions on conflict sensitive sourcing between the COP and CoC
- Key topics: engagement with certified companies and stakeholders on key issues such as the eligibility of CoC materials, Artisanal and Small-Scale Mining (ASM), responsible sourcing of recycled material.
- Implementation experience: Address questions/issues regarding interpretation of the CoC

5. RJC Standards Development process

The review process follows three broad phases: gap analysis and stakeholder identification; drafting and revision; public consultation and review. Figure 1 below outlines the public consultation periods throughout this process.

The RJC's multi-stakeholder Standards Committee oversees the review of the Standard. The [Committee](#) is made up of company representatives from each part of the jewellery supply chain as well as individuals from non-governmental organisations (NGOs), auditors, related standard setting bodies and experts. The RJC management team supports the Committee by coordinating the standards development processes including stakeholder input and proposing revisions.

Figure 1 – Proposed Chain of Custody review timeline

Round 1 Comment - Review of Scope - Aug-Sept 2016

- Gap analysis and stakeholder identification conducted, and proposed scope shared for public comment (this document);
- Public comment period 1 of 60 days;
- Facilitate dialogue on input received with RJC Standards Committee;
- Publish summary of comments received and how they will be addressed.

Round 2 Comment - Draft 1 - Jan-March 2017

- Public comment period 2 of 60 days - draft revision 1 of standard;
- Facilitate dialogue on input received with RJC Standards Committee;
- Publish summary of comments received and how they will be addressed.
- Where outstanding issues exist, an additional consultation period may be conducted.

OPTIONAL Round 3 Comment - Draft 2 - May - June 2017

- Optional public comment period 3 of 30-60 days - draft revision 2 of standard
- Facilitate dialogue on input received with RJC Standards Committee;
- Publish summary of comments received and how they are addressed in final version.
- Communicate revised timeline for approval of the standard

Approvals - June-July 2017

- Legal review of drafts;
- Recommendation by the RJC Standards Committee whether to approve the standard, based on the results of the consultations;
- Recommendation by the RJC Executive Committee based on the above recommendation;
- Decision whether to approve the standard taken by the RJC Board, based on the quality of the process followed.
- Target publication of revised standard: Sept-Oct 2017.

Decision-making on the Committee will be through the consensus of all participants¹. In the event that a consensus cannot be reached on a decision of significance, a vote will be taken amongst the Committee members.

The decision to carry out an additional round of consultation (optional round 3) will be taken by the Standards Committee who will consider:

- Was sufficient feedback received?
- Are there substantive, unresolved issues which could be addressed through additional consultation?

The RJC aims to conduct standard setting in conformance with the ISEAL Code of Good Practice for Setting Social and Environmental Standards. RJC’s general procedures for standards development is outlined at: <http://www.responsiblejewellery.com/standards-development/>

6. Issues and Topics identified for Review

RJC has identified issues for the CoC review based on consultation with certified companies; a review of logged issues and comments received, and consultation with the Standards Committee. These have been summarised into the proposed review areas below.

We are seeking input on the gaps identified in these review areas. Are there any issues missing or areas of improvement or redundancy reduction? Which areas should receive priority attention during the review?

Table 2 – Review areas for Chain of Custody Standard

Review area	Notes and references
Cross-recognition and harmonisation	
Cross recognitions	Review cross-recognition of gold refinery audits (eg, CFSI, LBMA) to update and improve alignment, eg on audit frequency, on country of origin risk levels
OECD	Review alignment with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas.
Artisanal and Small Scale Mining (ASM)	Review alignment with ASM standards, including Fairmined Licensee standard for downstream companies.
Streamlining with the Code of Practices (COP)	
Due diligence sourcing provision (CoC 10) and COP responsible supply chains and Human Rights section (COP 5-12)	Review how provisions COP 5 (Business Partners), 6 (Human Rights), 7 (Sourcing from ASM), 9 (Bribery) and 10 (Money Laundering) align with CoC 10 (Conflict Sensitive Sourcing) and consider how to streamline

¹. Consensus is defined here as general agreement characterised by the absence of sustained opposition to substantial issues: it is not necessarily unanimity.

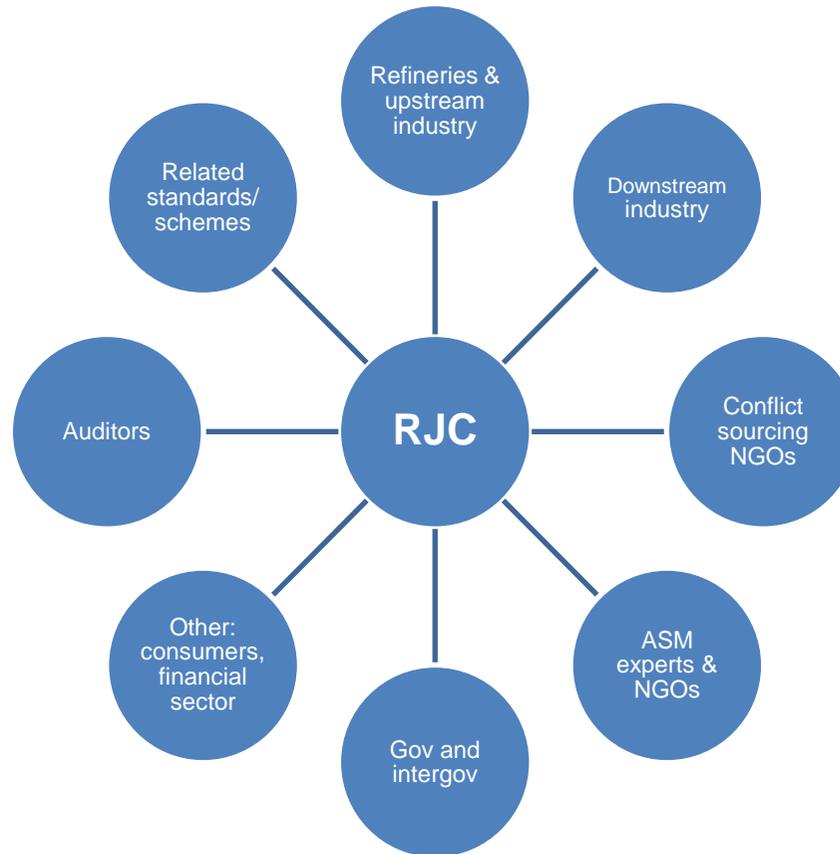
Review area	Notes and references
Other ways to make claims - Provenance Claims	Consider options to develop and promote Provenance Claims to allow different categories of CoC material ² . Review models from other standards (eg, Forest Stewardship Council (FSC) categories, including one on mixed sources)
Key topics	
Eligible mined material	CoC 4.1 Sources of CoC eligible mined material. Review how to increase the amount of CoC mined material, large-scale and artisanal and small scale.
Eligible recycled material	CoC 5 Eligible recycled material. Consider the possibility of different requirements for sourcing precious metals which are refined as a secondary product from recycled material (eg e-waste or catalysts).
Requirements for recycled material and inter-refinery trading	CoC 5 Eligible recycled material. Review the requirements related to avoiding supplies from illegitimate sources: the 'Know Your Customer' (KYC) requirements and related requirements in the COP (10) on Money Laundering and Finance of Terrorism. Review Anti-Money Laundering (AML) requirements used by other conflict sensitive mineral sourcing programmes.
Certification and assurance	
General implementation feedback on standard, guidance and assessment	Review log of issues (eg guidance on need for COP and CoC audits when a company acquires a subsidiary), identify opportunities to enhance clarity and reduce redundancy.
Eligibility declarations from RJC COP certified mines	Review and define criteria under which an RJC COP certified mine could declare eligible CoC material without requiring additional CoC audit.
Transfer docs	Review information on transfer documents, eg, add certificate start-end dates)
Data collection	Review data collected and reported from CoC certificates for overall RJC monitoring and evaluation purposes.

7. Stakeholder engagement

The Chain of Custody addresses a more limited range of topics than the Code of Practices as it focusses on precious metals and on the transfer of eligible material rather than the entire spectrum of responsible business practices. Figure 3 below maps key stakeholder groups for the CoC. This includes refineries who represent a 'choke point' in the supply chain as well as downstream businesses and their customers. It includes auditors who have important expertise with regards to conformity assessment experiences. It also includes related standards schemes, as this allows RJC to identify opportunities for harmonisation and alignment. Finally, those with interests in positive impacts of voluntary supply chain standards are also included, such as government, inter-governmental bodies and non-governmental organizations (NGOs) working on conflict sourcing or ASM.

² 'CoC material' is gold or platinum group metals that is certified under the RJC Chain of Custody Standard. It needs to be assessed for eligibility, segregated and transferred through each stage of the supply chain following the CoC standard.

Figure 3 – RJC Stakeholder map



In assessing the effectiveness of the consultation, the Standards Committee will consider the coverage of balance of interests in the subject matter (as mapped in the figure above) and in the geographic scope to which the standard applies. While the standard is of international application, stakeholders are currently concentrated in Europe, the USA and South Africa. Stakeholder workshops during the review process will be held in major jewellery centres and markets, wherever possible coinciding with other trade and stakeholder events.

8. Your input

Input and feedback on the RJC CoC Standard review is welcome at any time during the review process on both the standard and the review process itself. In this first phase of work, we particularly welcome comments on the gaps identified in the review areas for the standard. Comments and questions will be recorded and compiled in a summary for public sharing, without attribution to individuals or organizations (unless otherwise agreed).

RJC maintains a comprehensive list of interested parties. Individuals on this list receive regular communications, including notice of opportunities to comment on standards, newsletters and press releases. During the Chain of Custody Review process, RJC will:

- Provide regular summary updates to the list with information on comment and engagement opportunities
- Conduct webinars and workshops to encourage stakeholder participation in the standards process

Anyone interested in contributing to the Chain of Custody review should contact consultationCoC@responsiblejewellery.com to register their interest.