



RJC Code of Practices Review

Introduction to the final comment period!

July, 2013

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Agenda

1. RJC and the Code of Practices (COP) Review
2. Restructure of the COP
3. Major changes and new Provisions
4. Discussion!



Responsible Jewellery Council (RJC)



- **Whole of supply chain participation in Certification:**
 - Many standards focus only on production end
 - RJC covers entire jewellery supply chain from mine to retail
- **Scope:**
 - Diamonds, gold and platinum group metals
 - Global – Certified Members operate in >45 countries
- **Code of Practices:**
 - Requirement for RJC Members to achieve Certification within 2 year of joining
 - Covers business ethics, human rights, social and environmental performance for all supply chain participants.

Code of Practices Review

■ Why?

- Review 3 years of implementation
- Benchmark against evolving standards, international instruments and new legislation
- Improve guidance and tools

■ How?

- ISEAL Code of Good Practice – Standards Setting
- RJC multi-stakeholder Standards Committee
- Stakeholder consultation via webinars, meetings and website
- Allowing more than 18 months for full process

Process to date

- Standards development is an **iterative** process
- **Consultation** is essential: two rounds of public comment

Round1: July to September 2012: Proposed Scope

- Webinars and outreach
- 100 comments

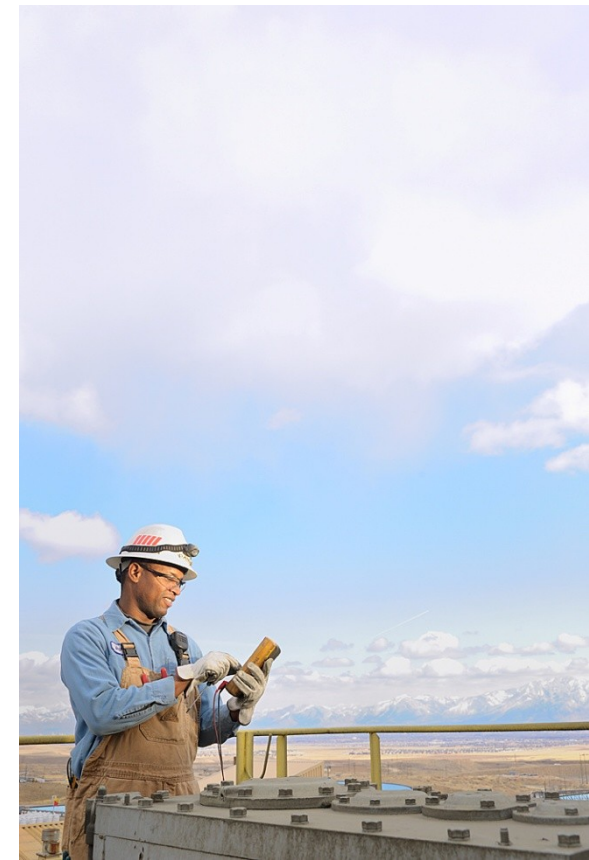
Round 2: December 2012 to March 2013: Draft COP revisions

- Consultation meetings in London, Geneva, Antwerp, New York, Mumbai and Surat.
- 230 comments

Round 3: June to August 2013: Final comment period.

Roll out of changes to Code of Practices

- **Revision to be released by end 2013**
 - Board approval on Standards Committee recommendation
- **One-year transition period –**
 - Members choose to be certified against 2009 or 2013 version
 - New Members joining after release, and all Members after one year transition: 2013 version applies
- **Updates** to all RJC Member and Auditor **Training** and supporting docs



Proposed restructure of Code of Practices ...

RJC CODE OF PRACTICES



GENERAL
REQUIREMENTS



RESPONSIBLE
SUPPLY CHAINS
& HUMAN RIGHTS



LABOUR RIGHTS
& WORKING CONDITIONS



HEALTH, SAFETY
& ENVIRONMENT



DIAMONDS, GOLD
& PLATINUM GROUP
METAL PRODUCTS



RESPONSIBLE
MINING SECTOR

Why Restructure?

- **Communications**
 - More concrete description of Standard than 'ethics, social, environment'
 - Identify and group provisions that support responsible supply chains through due diligence
- **Implementation**
 - Group mining-relevant provisions easier in Self-Assessment process for non-Mining Members
 - Other groupings eg labour rights and working conditions; health, safety and environment more aligned with functional areas of a business

Key issues addressed in COP Review

■COP aims to take a comprehensive approach to CSR / supply chain issues.

- Propose to add new provisions or updates to:
 - Human Rights;
 - Sourcing from Artisanal Mining;
 - Sourcing from Conflict-Affected Areas;
 - Provenance Claims;
 - Grading and Appraisal;
 - Free Prior and Informed Consent;
 - Mercury; and
 - Reporting.



Human Rights



- **Alignment** with UN Guiding Principles on Business and Human Rights (2011)
 - Applies to all businesses – all sectors, sizes, geographies
- **Requirements:**
 - Policy commitment to human rights
 - Human rights due diligence process
 - Access to remedy
- **Support:**
 - RJC toolkit
 - RJC Human Rights Working Group

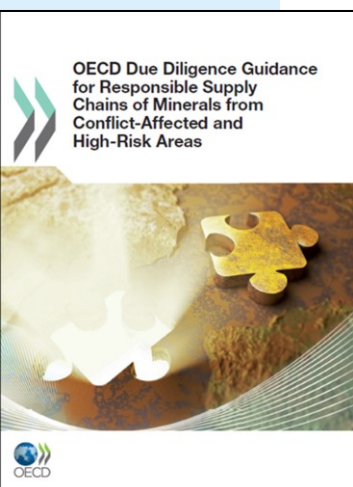


Sourcing from Conflict-Affected Areas



RESPONSIBLE
SUPPLY CHAINS
& HUMAN RIGHTS

- **Specific human rights risks** are acknowledged under UN Guiding Principles on Business and Human Rights
- **New COP provision** as subset to Human Rights
 - If operating in or sourcing directly from a conflict-affected area, need to review heightened risks of adverse human rights impacts
 - Indirect sourcing covered under general human rights due diligence
- **Support:**
 - OECD Due Diligence Guidance covered in Standards Guidance and webinars, opportunity for peer learning
 - Risk Assessment Toolkit being developed to assist Self Assessment process



Sourcing from Artisanal and Small-Scale Mining



- ASM can be an important community development mechanism
- **Assess specific risks** when sourcing directly from ASM
 - Forced labour, worst forms of child labour, unsafe working conditions, uncontrolled mercury use, and other significant environmental impacts
- And use **best endeavours to positively influence ASM** practices and reduce or avoid the risks

- Such as capacity building, technical support, supplier requirements
- **Support**
 - Risk Assessment toolkit
 - OECD developing ASM 'hub' for gold



Provenance Claims



- **Increasingly relied on** for compliance/reporting re due diligence and marketing re sourcing
 - Avoid ‘halo effect’ of RJC COP Certification
 - RJC Chain-of-Custody sets a specific standard for a provenance claim, COP approach complementary
- **COP provision applicable to all Members that make claims**
 - Businesses free to develop their own claims, but must have auditable systems to support them
- **Support:**
 - Specific training module
 - RJC help desk



Provenance claim – what is it?



A claim made through the use of descriptions or symbols, relating to Diamonds, Synthetics, Gold and/or Platinum Group Metals that are offered for sale, whether stand-alone materials or set in Jewellery, and specifically relate to their:

- **Origin** - Geographical origin of materials, for example country, region, mine or corporate ownership of the Mining Facility/ies;
- **Source** - Type of source, for example recycled, mined, artisanally mined, Synthetic, or date of production;
- **Practices** - Practices applied in the supply chain relevant to the Code of Practices, including but not limited to, conditions of extraction, processing or manufacturing, conflict-free status, or due diligence towards sources.



Provenance Claims – new requirements



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Members that make a Provenance Claim(s) shall have systems in place to ensure that the Provenance Claims(s) is **valid and supported by evidence**. The systems shall include:

- a. **Documented criteria** or requirements that are **compatible** with the Provenance Claims(s);
- b. Procedures for **record keeping and verification** that the criteria or requirements are **met**;
- c. **Controls to maintain the integrity** of the materials covered by the Provenance Claim(s);
- d. A **complaints or grievance mechanism** appropriate to the nature, scale and impact of the business, to allow interested parties to voice concerns about the veracity of the Provenance Claim(s).

Grading and Appraisal



■ New provision:

- Disclosure of what's included in grading assessment
- Independence
- Use of appraisals as selling tool

■ Requirements:

- Identifying whether **Synthetics** or **Treatments** are part of grading assessment
- Appraisals with **stated purpose**, prepared for an individual consumer
- Disclose any **vested interests** for 'independent' appraisals/grading
- Not use price-inflated independent Appraisal Reports as a strategy to **mislead end consumers**



Free Prior and Informed Consent



- **Alignment** with International Finance Corporation (IFC) Performance Standard 7 (2012) and ICMM
 - Applies to Members in the mining sector for new/significant changed projects, for Indigenous Peoples
- **Requirements:**
 - Work to obtain the Free, Prior and Informed Consent of affected Indigenous Peoples, during the planning and approval stages; and
 - Document the process and the outcomes of the negotiations.
- **Support:**
 - RJC and other guidance as reference points: emerging area

Mercury



- **Alignment** with new Minamata Convention for mercury
 - Applies to Members in the mining sector
 - Takes account of large-scale mining and ASM
- **Requirements:**
 - Control and reduce mercury products, by-products and emissions
 - Mercury use in processing (relevant to ASM sector)
 - Seek alternatives where viable
 - Eliminate by end of Cert Period open burning of amalgam and cyanide processing that does not first remove any added mercury
- **Support:**
 - RJC and other guidance
 - National action plans under the Convention





GENERAL
REQUIREMENTS

Reporting



- **Transparency and disclosure** are important elements of a robust CSR approach
 - UN Guiding Principles on Business and Human Rights, OECD Due Diligence Guidance – all promote communication about actions taken
 - Conformance with RJC Code of Practices reflects implementation of a range of responsible practices
- New provision on **reporting for all Members**
 - Communicate to stakeholders at least annually
 - Focus is on business practices relevant to the RJC Code of Practices – flexible what Members prioritise to report

Other Provision-level changes



LABOUR RIGHTS
& WORKING CONDITIONS



HEALTH, SAFETY
& ENVIRONMENT



GENERAL
REQUIREMENTS

Changes proposed in Comment Period 2:

- Legal compliance
- Working Hours
- Child labour
- Freedom of association and collective bargaining
- Anti-money laundering
- Financial accounts
- Bribery and facilitation payments
- Environmental management
- Biodiversity
- Tailings management

Other changes ...



- All **Standards Guidance** chapters revised
 - More targeted implementation guidance
 - Specific guidance for small business
 - Specific guidance for India, in response to valuable input and questions during consultation
- **Self-Assessment** toolkit will be updated, along with new supporting tools eg Risk Assessment, Human Rights Due Diligence
- **Training** modules will be updated

Thanks to RJC Standards Committee



- Didier Backaert, Bonas & Co
- David Bouffard, Signet Jewelers Ltd.
- Michèle Brülhart, UL Responsible Sourcing
- Eva Carlson, Gemological Institute of America (GIA)
- Assheton Stewart Carter, Equitable Origin
- Larry Drummond, Metalor Technologies USA Corporation
- Stéphane Fischler, International Diamond Manufacturers Association
- Cecilia Gardner, Jewelers Vigilance Committee
- Jonathan (Jon) Hobbs, WWF International
- Wilfried Horner, Argor-Heraeus
- Jennifer Horning, Solidaridad
- Felix Hruschka, Alliance for Responsible Mining
- Philip Hunter, Verité
- Juliane Kippenburg, Human Rights Watch
- Estelle Levin , Estelle Levin Ltd
- Stanley Lurie, OroAfrica
- Alan Martin, Partnership Africa Canada
- Ngomesia Mayer-Kechom, Diamond Development Initiative
- Steven Oates, Social Accountability International
- Angelo Palmieri, GCAL, Inc.
- Andrew Parsons, AngloGold Ashanti
- Claus Teilmann Petersen, PANDORA Jewellery
- Susan Thea Posnock, Jewelers of America
- Marcelle Shoop, Rio Tinto
- Ryan Taylor, The Fair Trade Jewellery Co.
- Iris van der Veken, Rosy Blue NV

Summary

- **Comment Period**— is open until August 2, let us know your thoughts!

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

- **Finalisation** – revised COP and supporting documents will be released by the end of 2013.

- **Questions ... ?**

