



RJC Code of Practices Review
Consultation Webinar
6th & 7th September 2017

Purpose and agenda

Purpose: to invite input from all interested parties on the review the Code of Practices (COP), particularly on potential improvements to the COP.

See the [Public Summary document](#) on RJC website for more information.

Agenda

1. About RJC
2. Overview of Code of Practices (COP)
3. Process for reviewing the COP
4. Topics identified for review

RJC vision and mission

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

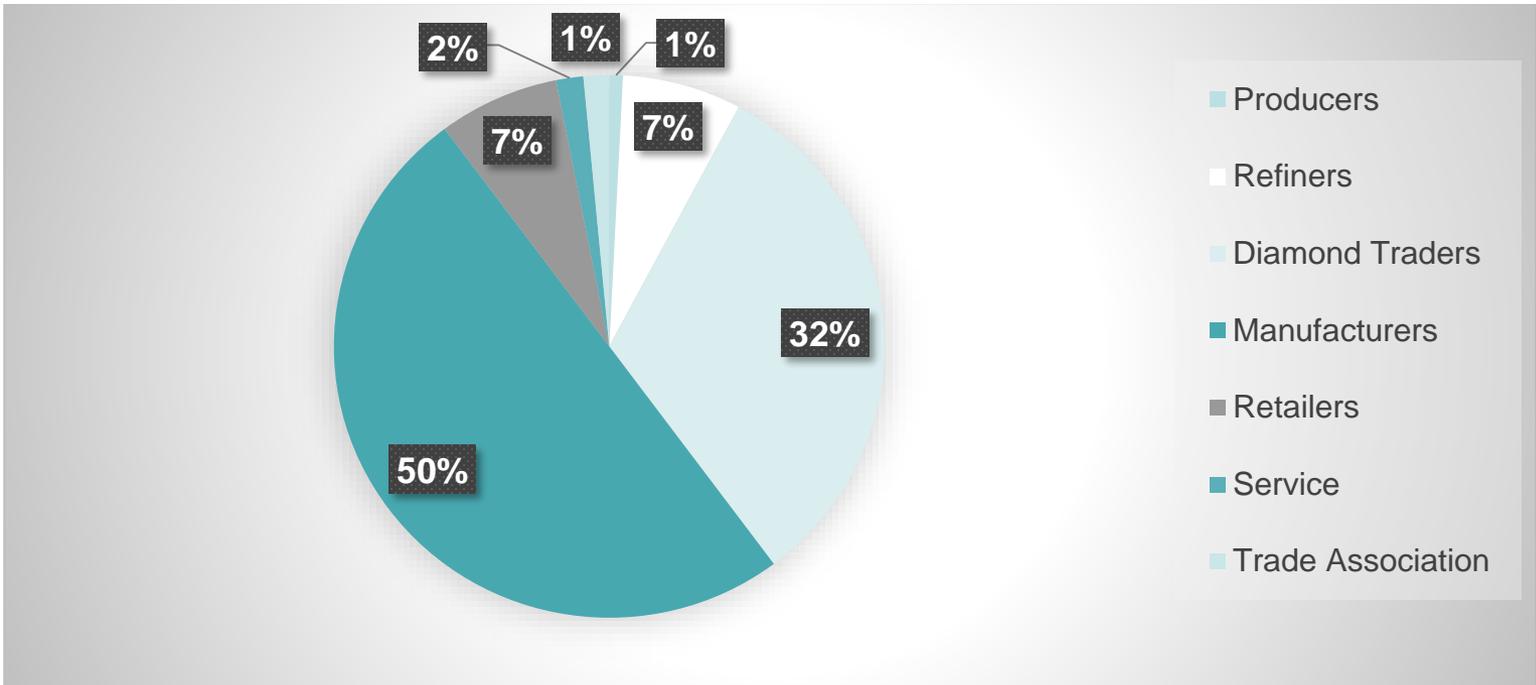
Our **mission** is to be the recognised standards and certification organisation for supply chain integrity and sustainability in the global fine jewellery and watch industry.



RJC membership



0.8%	7.1%	1.6%	32%	50%	7%
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RJC at a glance - Global

 **1024**
MEMBERS

 **668**
CERTIFIED MEMBERS

 **8,606**
CERTIFIED FACILITIES

 **390,357**
EMPLOYEES COVERED BY
CERTIFICATION



RJC standards

RJC Code of Practices

- Launched in 2009
- Assurance of a company's business practices
- Compulsory for RJC members



Chain-of-Custody Standard

- Launched for precious metals in 2012
- Assurance that metals are from responsible sources and certified at every stage of the supply chain
- Voluntary for RJC members



Aims of the COP

- Provide a common standard for RJC members
- Set out the mandatory expectations for designing and implementing relevant policies, procedures and practices
- Establish provisions that can be independently audited
- Drive better business practices for positive impacts
- Mitigate present and future environmental and social supply chain risks

Overview of the Code of Practices (COP)

RJC CODE OF PRACTICES



GENERAL
REQUIREMENTS



RESPONSIBLE
SUPPLY CHAINS
& HUMAN RIGHTS



LABOUR RIGHTS
& WORKING CONDITIONS



HEALTH, SAFETY
& ENVIRONMENT



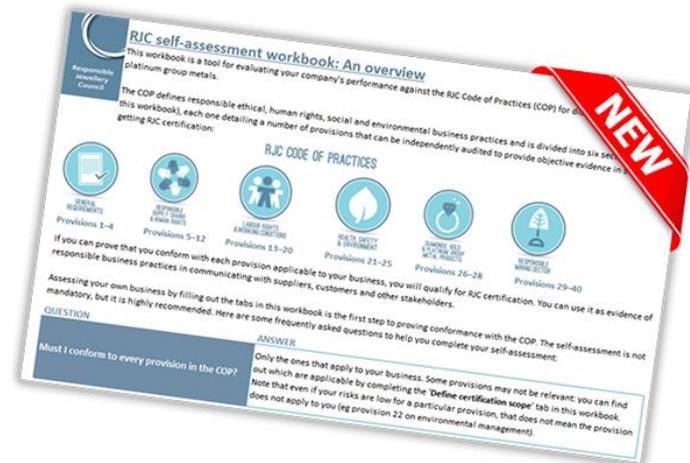
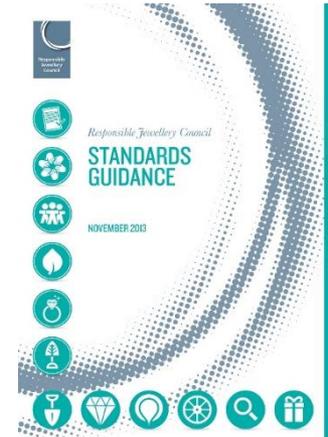
DIAMONDS, GOLD
& PLATINUM GROUP
METAL PRODUCTS



RESPONSIBLE
MINING SECTOR

COP tools and supporting documents

- Standards Guidance
- Self-assessment workbook
- Helpdesk
- Training



RJC standards review

The purpose of the review is to ensure that the RJC standards remain aligned with evolving best practice, are clear and accessible, and cover all material environmental and social risks in the jewellery supply chain



Review of standards follows ISEAL code

- Member engagement and public consultation

RJC Code of Practices (COP)

- Standard launched in 2009
- Compulsory for RJC members
- First review completed 2013
- Current review from Q2 2017 to Q4 2018

Chain-of-Custody Standard (COC)

- Standard launched 2012
- Voluntary for RJC members
- First and current review from Q3 2016 to Q4 2017

Process for reviewing the COP

1. **Planning phase – what topics do we need to review?**
 - Log of issues, questions from helpdesk, non-conformances
 - Publish a 'Public Summary', a document outlining the plan for the review of the standard
2. **Review and consultation phase – what changes will we make?**
 - Commissioned research on key topics
 - Consultation with members and stakeholders (workshops, webinars, email campaigns)
 - Publish a draft of proposed changes
 - Optional additional revised changes and consultation
3. **Finalization phase**
 - Standards Committee, ExCo and Board
 - Legal review

Process for reviewing the COP

Planning; revision and consultation; finalization

P= Plan of the review of the standard is publicly released (the 'Public Summary')

D = Draft of proposed changes is publicly released

	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
COP Review			P		D			

- **Purpose of the review of the COP is to:**
 - Address questions from 5 years of application (since last revision)
 - Reflect developments in the industry and in best practices

COP review process so far

Phase 1: Review of Scope (Public comment period: July – August 2017)

- Undertake gap analysis and stakeholder mapping
- Open first public comment period on scope of review (minimum 60 days, Jul–Aug 2017)
- Publish summary of comments received
- Facilitate dialogue on input received with RJC Standards Committee
- Research and draft proposed changes

Phase 2: Draft 1 (Public comment period: March – April 2018)

- Open second public comment period on proposed changes to COP and key guidance (minimum 60 days, Mar–Apr 2018)
- Publish summary of comments received
- Facilitate dialogue on input received with RJC Standards Committee
- Research and redraft proposed changes

Phase 3 (optional): Draft 2 (Public comment period: August 2018)

- Open third public comment period on revised changes for outstanding issues (minimum 30 days, Aug 2018)
- Publish summary of comments received
- Facilitate dialogue on input received with RJC Standards Committee
- Implement final changes

Approvals for finalisation (November – December 2018)

- RJC Standards Committee recommends approval (or not) of the revisions based on the results of public commenting,
- RJC Executive Committee and Board of Directors approve revised COP based on the committee's recommendation (and the quality of the process followed)
- Carry out legal review of drafts
- Publish revised COP (target date: Dec 2018)

Topics identified for review

Topics for reviewing requirements (significant to medium changes)

Topics for reviewing guidelines (medium to minor changes)

Standards harmonisation

Topics for reviewing requirements (significant to medium changes)

- Detection and disclosure of synthetic diamonds
- Due diligence and Know Your Counterparty (KYC)
- Incorporate coloured stones in COP
- Mining sector: water management and community engagement

Detection and disclosure of synthetic diamonds

- Review need for minimum requirements on detecting undisclosed synthetic diamonds. Review disclosure requirements regarding detection approach used.
- Consider key references (De Beers Best Practice Principles Disclosure Practice Note, World Federation of Diamond Bourses Charter on Disclosure of Synthetic, Treated Natural and Natural Diamonds)



Due Diligence and KYC

Why change?

- Due diligence **is a responsible business practice**
- COP already covers due diligence under Human Rights (COP 6.2) – same process, applied to broader set of risks

Review:

- Develop a specific provision on due diligence for managing risks to human rights and sourcing from conflict affected and high risk-areas
 - Alignment with EU regulation
 - Review relevant provisions from Chain-of-Custody Standard
- Identify different requirements for types of companies in supply chain
- Re-organise and building on existing COP requirements i.e. human rights, KP and SoW, sourcing from ASM, business partners
- KYC: new requirement to check relevant government sanctions lists
- Money laundering: review financial thresholds for maintaining records of cash transactions

Scope expansion to coloured stones

- Incorporate coloured stone requirements into COP (approved by RJC Board in 2016)
- All COP provisions will apply: legal compliance, labour rights, health, safety and environment, etc.
- Topics to review include:
 - Responsible sourcing (including from ASM), due diligence and KYC
 - Health and safety
 - Hazardous substances
 - Product disclosure
 - Grading analysis and appraisal
- Scope: at least sapphires, rubies and emeralds – potentially more



Mining sector changes



Water management

- Review the need for specific requirements on water management for mining companies beyond the general provision on water management in COP 25

Community engagement

- Review requirements for inclusion of in-migration, and for measuring impacts on communities

Topics for reviewing guidelines (medium to minor changes)

COP provision	Review area	Notes and references
12	Provenance claims	Develop guidance on provenance claims to avoid 'open ended' claims that do not reference defined systems.
26	Disclosure	Review RJC disclosure guidelines to consider US Federal Trade Commission jewellery guides (as appropriate). Develop guidance on appropriate disclosure of plating.
14	Working hours	Review need for additional country-specific guidance (for example, for China, Thailand and Vietnam).
15	Remuneration	Review need for guidance on remuneration for apprenticeships/trainees in India.
18	Forced labour	Update guidance as required, based on review of new legislation related to forced labour (for example, UK Modern Slavery).
24	Wastes and emissions	Review need for further guidance on managing and reporting on greenhouse gas emissions.
37	Mining sector: tailings and waste rock	Review international mining guidelines for coverage of tailings and waste rock management (for example, Towards Sustainable Mining Tailings Protocol).
36	Mining sector: biodiversity	Review coverage of key biodiversity areas, including guidance from IUCN and BBOP. Review need for additional guidance on land impacts
General	Gender equality	General review of COP for coverage of gender equality, based on international guidance (for example, BSR Gender Equality in Codes of Conduct).

Standards harmonisation

COP provision	Review area	Notes and references
Assessment Manual	<u>Sedex</u> Members Ethical Trade Audit (SMETA) - audit procedure compilation of good practice in ethical audit techniques	Consider recognition of equivalent provisions
Assessment Manual	Mining Association of Canada Towards Sustainable Mining (TSM)	Consider recognition of equivalent provisions
Assessment Manual	International Council on Mining and Metals (ICMM) Sustainable Development Framework	Consider recognition of equivalent provisions
Assessment Manual	SA 8000: 2014	Update existing recognition based on review of latest version.
Assessment Manual	ISO 14001: 2015	Update existing recognition based on review of latest version.
Assessment Manual	Conflict-Free Sourcing Initiative (EICC- <u>GeSI</u>) Smelter/ <u>Refiner</u> Validation	Update existing recognition based on review of latest version.
Assessment Manual	London Bullion Market Association (LBMA) Responsible Gold Guidance	Update existing recognition based on review of latest version.

Other gaps we need to bridge?



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Next steps

Planning; revision and consultation; finalization

P= Plan of the review of the standard is publicly released (the 'Public Summary')

D = Draft of proposed changes is publicly released

	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
COP Review			P		D			

- Publish comments received from round 1 consultation **(October 2017)**
- Round 2 consultation **(Q1-Q2 2018)**
 - Public consultation on proposed changes to COP
- Optional Round 3 **(Q2-Q3 2018)**
 - Public consultation on revised changes to COP
- Finalization and approvals **(Q3 or Q4 2018)**



Thank You

For further information:

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