



RJC Standards Review of the 2019 Code of Practices Standard – Terms of Reference

September 2023

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Version: 1.0
Release date: September 2023
Previous version: N/A

Introduction

In 2021, the RJC Management team started the process of updating the mandatory standard for the Responsible Jewellery Council (RJC), the Code of Practices (COP) 2019 standard. The process aimed to undertake a revision specifically on the points of mining, precious metals, coloured gemstones, and laboratories. To find out more information on the update and specific suggested amendments please see the standards development page.

The initial update process included two rounds of 60-day public consultations and input from the multi-stakeholder Standards Committee to ensure that the update sets a benchmark within the jewellery industry on best practice for responsible business practices.

Due to unprecedented circumstances, the update of the COP was delayed and the final standard would have been completed at the end of 2023. The next full review of the COP was due in 2024. As a result, the RJC took the decision to roll the update of the COP into the full revision. This would minimise the complexity when it came to implementation of the COP for RJC members as well as reducing auditing complications. Instead of releasing a new standard in 2023 and another in 2024, this approach streamlines the implementation by having one standard. The comments and input received as part of the COP update will inform the draft standard for the review. Responses to the comments and the new draft will be published on the RJC website.

The review process will include one round of 60-day public consultation and input from the multi-stakeholder Standards Committee to ensure that the update sets a benchmark within the jewellery industry on best practice for responsible business practices. The RJC standard is unique in its scope of mine-to-retail and sets standards that can be implemented by members of any size. The review will welcome feedback on all provisions of the 2019 COP Standard. Where substantive, unresolved issues persist after the consultation round, or where insufficient feedback was received, a further round of 30-day consultation may take place.

Proposed Scope of the updated Standard

The COP standard is currently mandatory for all RJC members who handle diamonds, coloured gemstones, gold, silver and platinum group metals (PGM). The standard covers the entire global jewellery and watch supply chain from mining through to retail. The standard and the standard setting process will be publicly available to provide guidance to interested parties who are non-RJC members.

The review will welcome comments from stakeholders on the COP in its entirety. The COP currently covers a number of topics that are essential for conducting responsible business practices for companies in the watch and jewellery supply chain. The key topics that are covered in the COP standard include general compliance such as legal compliance and reporting; supply chain due diligence and human rights; labour rights and working conditions; health, safety and environment; provisions specific to gold, silver, PGM, diamonds and coloured gemstones; responsible mining.

The RJC standard is intended to be applicable to all industry members spanning the global jewellery and watch industry supply chain. The applicability of the standard is global, for a business of any size from Small and Medium Sized Enterprises (SMEs) to large companies.

The scope of the standards development is directed by the RJC's Theory of Change (ToC), also known as the Roadmap to 2030. The ToC defines what RJC as an organisation aspires to achieve with its members by 2030 through the implementation of the 2019 Code of Practices. It proposes a detailed framework for our industry with respect to the most impactful contributions we can make through our supply chains and provides attainable pathways to help the RJC and its members realise their collective ambitions. In line with the UN Sustainable Development Goals (SDGs), the ToC highlights clear social, environmental, and economic action points and outcomes to be delivered by 2030.

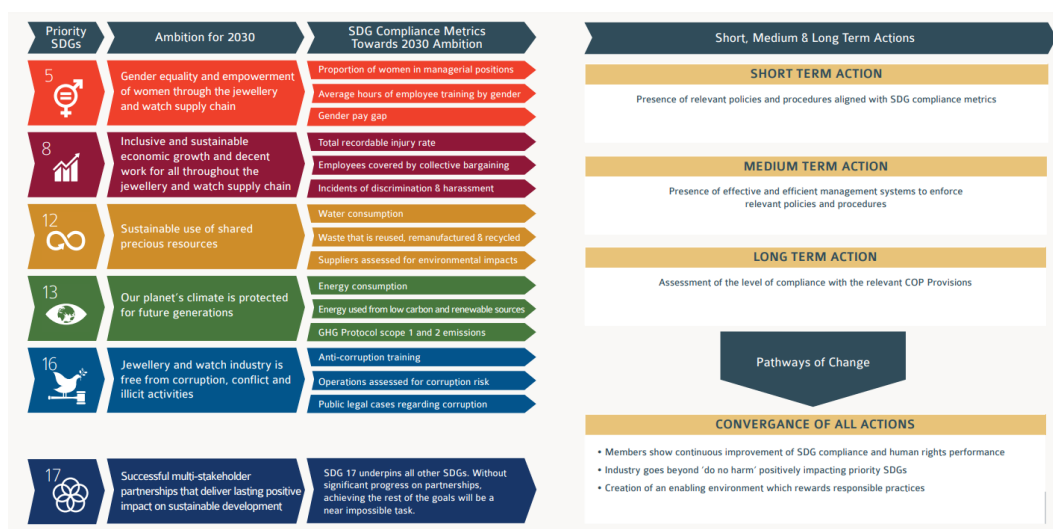


Figure 1. RJC Roadmap Schematic

Justification of the Standard

The COP has evolved with the industry, addressing issues that are affecting the watch and jewellery supply chain. The COP is, and will continue to be an important industry standard, as consumers and businesses embrace the necessity of responsible business practices and need to publicly demonstrate their compliance against 'best practice' industry procedures and policies. The main objective of this review is to ensure that COP presents 'best practice' for responsible business practices in the jewellery industry and addressing current and future risks. The standard covers the most important components of responsible business as relevant to the watch and jewellery industry. This includes general compliance issues such as legal compliance and reporting; supply chain due diligence and human rights; labour rights and working conditions; health, safety and environment; provisions specific to gold, silver, PGM, diamonds and coloured gemstones; responsible mining. The standards harmonisation and cross recognition with other standards frameworks further strengthens the place of the COP in ensuring it meets the need for responsible business in line with industry best practice.

Certification to such a standard will provide a strong system for assuring stakeholders, shareholders, customers and business partners that a company conducts its business ethically, responsibly and with integrity. This can add value to a company's products and help protect and enhance its brand.

As the number one standards body for the watch and jewellery industry, and the only existing standard that covers the entire supply chain from mine to retail, RJC

has the responsibility, existing position and expertise to continue to provide a strong and reliable standard for the industry.

Social, Environmental & Economic Outcomes

Through an update of COP 2019 Standard, the RJC seeks to bring integrity to and achieve a responsible, sustainable, world-wide jewellery and watch supply chain.

In line with RJC's ToC (see above) RJC is committed to an economically, socially and environmentally sustainable worldwide jewellery and watch supply chain. Through its implementation, the COP standard is intended to have a positive impact for workers, communities and environments and create transparency at every level of the supply chain. COP certification can reduce risks and vulnerabilities in a company's supply chain and improve management systems and operating procedures to strengthen businesses and make them more sustainable. It simultaneously leads to better social and environmental conditions within the localised environment as well as the broader industry, bringing positive impacts for workers, communities and environments alike.

The review of the Code of Practices (COP) 2019 standard is intended to ensure value for certified companies by bringing integrity to their supply chains, sourcing practices and products; and help to protect and enhance their brand by increasing the confidence of customers that the jewellery they are buying is responsibly produced as certified by the RJC.

Risk Assessment and Unintended Consequences

The following have been identified as the significant risks that may affect the RJC achieving its intended changes.

Risk Assessment

a. Lack of engagement with RJC members due to unfeasible standards

The RJC sets its standard to be 'best practice' for the jewellery supply chain, however with the geographical scope of the standard and sectors covered it requires a huge range of stakeholders find all provisions acceptable and feasible. Members sectors and national context may interpret the standard differently, so the RJC must ensure a balance is reached during the update process and ensure that 'best practice' moves the level of responsible business practices forward and does not force members/potential members to disengage from the certification process due to the standard being unfeasible.

b. Lack of partner recognition

One of the core reasons for the RJC establishment, was due to the 'audit-burden' encountered by its founder members' multiple verification on similar issues. The RJC seeks to harmonise and cross-recognise with standards/organisations that

overlap or are adjacent to the RJC standard as much as possible. There is a risk that an organisation may not recognise the RJC standard and could create doubt in the integrity of the RJC standard, especially if the other system were to become a requirement in a key sector/geographic region to the RJC. Lack of recognition may also impact member uptake due to the consequential impact on audit burden. The RJC will need to ensure that harmonisation/cross-recognition is achieved with relevant standards/organisations and ensure their feedback and input is received during the standard review process.

c. Interpretation/Translations

As the RJC standard is a global standard, having its formal language set as English can create interpretations that differ once translated or inferred by non-native English speakers. The standards guidance needs to be written concisely, so that when translated it's meaning is not altered or opens the possibility of interpretation to alter the intent of the provision within the standard. Appropriate professional translation services should be used when translating the Standards. Readers should always refer to the formal language version of standards documentation to understand their intent and expectations.

Unintended Consequences

A separate consultation exploring the unintended consequences of the COP has been conducted by a third-party consultant to ensure impartiality. The consultation was conducted by industry and non-industry members of the Standards Committee, it was understood that the Standards Committee members are best placed to understand and address any unintentional consequences of the COP. All findings were related to RJC certification, barriers to entry, improvement to industry practices and governance. The consultation noted that there were no identified negative unintentional consequences from the COP.



Timeline

STEP	NOTES & STATUS	NEXT STEPS	TIMELINE FOR COMPLETION
Standards committee approval of ToR	Terms of Reference on the review of the COP	Standards Committee to review and approve ToR	Q3 2023
Standards committee approval of draft COP	Draft COP taking into account feedback from COP update.	Standards Committee to review and approve release of draft LGMS for public consultation	Q3 2023
Public consultation	60 days of public consultation on a draft standard.	During this time virtual round tables will be arranged to engage with stakeholders	Q2 2024 – Q3 2024
Summary of consultation & update to draft standard	Combine feedback, draft responses and amend draft COP	Work with Standards Committee to develop final standard and Guidance.	Q4 2024
Standards Committee approval of updated COP	Final approval by Standards Committee	Board approval & release updated COP& guidance	Q4 2024

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