



RJC Laboratory Grown Material Standard – Consultation Draft

Overview

The RJC's Mission is to promote responsible business practices for the watch and jewellery industry, from mine to retail. This document outlines a draft of the RJC's Laboratory Grown Material Standard (LGMS). The LGMS will outline requirements to RJC members dealing with laboratory (lab) grown diamonds and coloured gemstones, beyond the scope of the 2019 Code of Practices.

Scope of Application

Any reference to lab grown materials within this standard shall be understood as meaning Lab Grown Diamonds and Lab Grown Coloured Gemstones (LGD & LGCG), used within the jewellery and watch supply-chain, and within an RJC member's certification scope. This includes any lab grown materials that are:

- whole or partial, composite (assembled), constructed, restructured;
- coatings (on natural or lab grown stones);
- rough, polished, recycled and primary.

This standard is being developed via a stakeholder consultation process, following the requirements of the ISEAL Standard Setting Code.

For the first 12 months after release of this Standard, the LGMS will be voluntary for RJC member. After this time the LGMS will be mandatory for all RJC members handling lab grown materials. The provisions of the LGMS will apply to all RJC members in any of the RJC forum groups that handle laboratory grown diamonds and coloured gemstones. Members dealing with both natural and lab grown materials, will have to implement both the COP and the LGMS. This standard is not applicable for RJC members who do not handle lab grown materials.

Provisions

This section outlines to members dealing with lab grown materials the required provisions under the LGMS. This section will also highlight the key provisions that need to be implemented in addition to the COP Standard or in place of certain COP provisions. Members dealing in both lab grown and materials in the scope of the COP will need to consider provision applicability depending on all their materials in scope.

If an RJC member is already implementing the COP because they handle other RJC scope materials, the provisions in black and green will already cover the business practices relevant to the COP scope materials. Members shall ensure they have reviewed and implemented all these provisions in relevance to their LGM scope as well.



Provisions highlighted in yellow, are additional or amended provisions relevant to the LGMS. Where a provision is amended, the provision in the LGMS will have to be implemented in addition to the corresponding provision in the COP for members dealing with lab grown materials. For provisions 27.1 and 27.2, the LGMS supersedes the COP for members dealing in LGM.

For members only handling lab grown materials shall implement all provisions of the LGMS.

Key:

Provision language covered by the 2019 COP.

Provision language currently in 2024 COP draft (under consultation) and is subject to review.

Changed or additional provision language beyond the COP.

Provisions

LGMS 1: Legal Compliance

1.1 Members shall:

- a. Have systems in place that maintain awareness of, and ensure compliance with, applicable law.
- b. Obtain and comply with required operating licences and permits for its operations.
- c. Meet the most stringent requirement between applicable law and the RJC Code of Practices, whilst always adhering to applicable law.

1.2 Members shall respect third party Intellectual Property Rights and abide by licencing agreements, with particular reference to growing technologies and methodologies, where applicable.

LGMS 2: Policy and Management Systems

2.1 Members shall adopt a policy/policies that documents their commitment to responsible business practices, that is endorsed by top management, is actively communicated to workers and is made publicly available.

2.2 The Member shall have documented management systems that address all applicable requirements of the standard.



2.3 The Member shall assign authority and responsibility to a senior staff member for the Members' compliance with all applicable requirements of the standard.

2.4 The Member shall establish and implement communications and training measures that make relevant personnel aware of, and competent in, their responsibilities under the standard.

2.5 The Member shall maintain records covering all applicable requirements of the standard and shall retain them for a minimum of five years or for as long as defined by national legislation, whichever is longer.

2.6 The entity shall have a legitimate rights-compatible complaints and grievance mechanism in place, for responding to requests for information, and raising and resolving disputes related to its business operations, as appropriate to the purpose, nature, scale and impact of the business operations.

2.6 b. The complaints and grievance mechanism shall be consistent with prevailing internationally recognised human rights standards, and:

- i. be easily and publicly accessible.
- ii be culturally appropriate, and understandable.
- iii be unbiased, equitable, predictable and transparent.
- iv include processes designed to avoid retaliation for individuals or groups filing complaints or engaging the grievance mechanism.
- v. involve the appropriate level of management and personnel that are appropriately trained, sensitive to the situation with instructions on the respectful handling of all grievances.
- vi. ensure timely response to requests for information, and investigation and resolution of complaints and grievances.

2.6c The complaints and grievance mechanism or any resultant resolutions do not waive or preclude the individual's or group's right to have the same grievance addressed through other available external mechanisms, including administrative, judicial or other non-judicial remedies.

2.6d Records of complaints and grievances including responses and outcomes shall be retained in a manner that protects the confidentiality and integrity of those filing the grievance including where anonymity has been requested.

2.6e The Member shall monitor and evaluate the performance of the grievance mechanism over time to determine if outcomes and remedies provided through the mechanism are successful and whether improvement opportunities can be implemented to prevent or mitigate similar grievances in the future.

2.7 Top management shall conduct, at least annually, reviews to assess the ongoing suitability and adequacy of the member's business practices in achieving the policy, and implement improvements to address any gaps. The review process and outcomes must be documented.



LGMS 3: Reporting

3.1 Members shall communicate publicly and directly with **Affected People or Groups** at least annually on

- a. their business practices relevant to the **LGMS**.
- b. **information on finalised and concluded legal proceedings, fines, judgments, penalties and non-monetary sanctions for failure to comply with applicable law.**

LGMS 4: Financial Accounts

4.1 Members shall maintain financial accounts of all business transactions in accordance with national or international accounting standards.

4.2 Members shall annually undertake a financial audit or financial review, in jurisdictions where permitted, by an independent qualified accountant.

LGMS 5: Business Partners

5.1 Members shall use their best endeavours, commensurate with their ability to influence to promote responsible business practices among their significant business partners.

5.2 All **workers** and visitors to the member's facilities shall be required to comply with the member's policies, systems and procedures relevant to the **LGMS**.

LGMS 6: Human Rights

6.1 Members shall respect human rights by considering all potential and actual **human rights-related risks and impacts** in their operations, business relationships **and communities**. They shall also commit to, and implement, the UN Guiding Principles on Business and Human Rights **as appropriate to the purpose, nature, scale and impact of the business operations**.

As a minimum, members shall:

- a. Have a policy commitment, endorsed **by top management**, to respect **all internationally recognised** human rights within their operations and business relationships, and procedures for implementing the policy in alignment with **LGMS 2** (Policy and implementation).
- b. Have a human rights due diligence process that **includes a human rights risk assessment** to identify, prevent, **cease**, mitigate and account for adverse human rights impacts that are connected to their business. **The risk assessment shall be conducted by competent professionals and informed by current, reliable and relevant information including information from consultations with relevant Affected People or Groups.**



- c. Provide for, or support legitimate processes to enable, the remedy of any adverse human rights impacts that they have caused, contributed to or been linked with.
- d. Use best endeavours based on a Members ability to influence its business partners to prevent or mitigate their contributions to the human rights risks and impacts.
- e. Provide a publicly accessible and effective complaints and grievance mechanism in line with COP 2.6 for raising human rights related concerns and grievances.
- f. Periodically review, at least annually, the human rights policy, procedures and due diligence process for effectiveness, and take corrective action where improvement opportunities have been identified.
- g. Communicate annually with Affected People or Groups and publicly report about their human rights due diligence efforts including the methods used to determine human rights issues, list of identified human rights impacts and remedy activities in accordance with LGMS 3 (Reporting).

6.2 Members that have contributed directly or indirectly through association with its business partners to a confirmed adverse human rights impact, shall:

- a. Cease or change any activities that are contributing to the adverse impact.
- b. Mitigate and remediate adverse impacts to the extent of its contribution. Mitigation measures shall involve consultation with Affected People or Groups.
- c. Use best endeavours to influence other business partners to cease or change their activities.
- d. Establish corrective actions to prevent a recurrence of the human rights impact.

LGMS 7: Due Diligence For Responsible Sourcing, Including From Conflict-Affected And High-Risk Areas

7.1 Members shall exercise due diligence over their LGM supply chains; for LGM producers this also includes materials that are directly included in the growing of LGMs. This shall be conducted in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct and, where applicable, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the 'OECD Guidance') or other auditable due diligence frameworks recognised by the RJC to be aligned with the OECD Guidance ('RJC-recognised due diligence frameworks'), in ways appropriate to the purpose, nature, scale and impact of the business operations.

- a. The Member's due diligence process shall adopt best endeavours to confirm that suppliers are legitimate and have not been implicated in money laundering, financing of terrorism or fraud, serious human rights abuses, and are not otherwise subject to sanctions.
- b. The due diligence process shall be reviewed periodically and at least annually, and its determination outcomes updated if required.

7.2 Members shall adopt and communicate a supply chain policy publicly and to their suppliers. The policy shall be consistent at a minimum with Annex I Question 14 of the OECD Due Diligence Guidance for Responsible Business Conduct, Annex II of the OECD Guidance or with other RJC-

recognised due diligence frameworks with respect to risk identified and sourcing from conflict-affected and high-risk areas where relevant.

LGMS 8: Community Development

8.1 Members shall seek to support the social, economic and institutional development of the communities in which they operate and support community initiatives.

LGMS 9: Bribery and Facilitation Payments

9.1 Members shall establish and publicly disclose policy/policies and procedures that:

- a. Prohibit all forms of corruption, including bribery in all business practices and transactions carried out by themselves and by agents acting on their behalf.
- b. Protect workers from any penalty or adverse consequences for identifying in good faith concerns related to suspected bribery, refusing to participate in bribery or refusing to pay a facilitation payment where facilitation payments are prohibited, even if this action may result in the enterprise losing business.
- c. Set the criteria and approval procedures in line with internationally recognised standards for workers to follow when offering and/or accepting gifts to or from third parties.

9.2 Members shall have systems in place to manage bribery risk in their organisation. The systems shall include:

- a. Identification and monitoring of those parts of their business that pose high risk of participation in bribery.
- b. Training of relevant managers and workers on policies and procedures.
- c. Recording of relevant gifts to and from third parties in a gift register, as per the member's policy.
- d. A whistle-blowing or other mechanism for workers or other Affected People or Groups to raise concerns.
- e. Investigation of any incidences of suspected bribery within their organisation.
- f. Sanctions for bribery and attempted bribery.

9.3 Where facilitation payments are allowed by applicable law, members shall:

- a. Act to eliminate all facilitation payments and where elimination is not possible, reduce the size and frequency of facilitation payments over time.
- b. Ensure that facilitation payments are of limited nature and scope.
- c. Implement controls to monitor, oversee and fully account for any facilitation payments made by them or made on their behalf.
- d. Annually publicly disclose facilitation payments made to public or government officials.



LGMS 10: KYC

10.1 Members shall document and apply a Know Your Counterparty (KYC) policy and procedures for **counterparties and** business partners that are suppliers and customers of **LGM**, or jewellery products containing **LGM**. The policy and procedures shall:

- a. Establish the identity of the counterparty by checking government-issued identification. Where triggered by a risk assessment or applicable law, establish the beneficial ownership and principals of the counterparty.
- b. Verify that the counterparty and, if applicable, their beneficial owners are not named on relevant government lists for individuals or organisations implicated in money laundering, fraud or involvement with prohibited organisations and/or those financing conflict.
- c. Maintain an understanding of the nature and legitimacy of their business.
- d. Monitor transactions for unusual or suspicious activity and report suspicions of money laundering or finance of terrorism to the relevant authority as applicable.
- e. Maintain adequate records for either five years minimum or as long as required by national legislation, whichever is longer.

10.2 Members shall **assign authority and responsibility to a senior staff member** for implementing the KYC policy and procedures.

10.3 Members' KYC policy and procedures shall be up to date and appropriate, and shall include training, documentation procedures and regular reviews.

10.4 Members shall maintain records of all single or apparently linked cash or cash-like transactions equal to or above 10,000 euros/US dollars or the threshold defined by applicable law (whichever is lower). Where required by law, members shall report such transactions to the relevant designated authority.

LGMS 11: Security

11.1 Members shall assess security risks and establish measures that protect **workers**, contractors, visitors and personnel employed by relevant business partners against product theft, damage or substitution of products within the premises and during events, exhibitions and shipments.

11.2 Members shall ensure that all security personnel respect the human rights and dignity of all people and use force only when strictly necessary and the minimum proportionate to the threat.

11.3 **Third party security service providers used by members** shall be certified members of the International Code of Conduct Association (ICoCA).

LGMS 12: Claims

12.1 Members shall check whether they make any claims that apply under this provision **that relate to:**



- RJC Membership
- RJC Certification
- Provenance claims about LGMs, or products containing, LGMs
- Product claims or marketing claims
- Sustainability claims about the Member or its products, and services and business practices in relation to the scope of the RJC Standards

12.2 Members that make one or more claims, whether to other businesses, the end consumer or the public shall:

- a. Have systems to ensure that the claims are truthful and substantiated by evidence.
- b. Ensure that workers who are responsible for implementing the claims and responding to enquiries about the claims, are trained, understand the claims and can explain them accurately.
- c. Provide information to suppliers, customers, end consumers or members of the public who ask about a claim.
- d. Have a complaints or grievance mechanism in line with COP 2.6 and make this publicly available to allow interested parties to voice concerns.
- e. Revoke claims that are found to be misleading, untruthful or not verifiable, take corrective action to avoid this recurrence, and inform Affected People or Groups about the revoked claim, and the corrective actions.

12.3 Members that make one or more provenance claims shall ensure:

- a. Claims being made are clear, unambiguous and are not misleading.
- b. Claims are transparent and include statements about the underpinning systems are verifiable supporting evidence that substantiate the claims.
- c. All provenance claims are independently verified during an RJC audit and approved for inclusion on the Members RJC Certificate.

12.4 Members who sell directly to consumers must make available at the point of sale, and on their website, further detail about the claim/s being made including data to support the verification of the claims, and the systems in place to achieve them.

LGMS 13: General Employment Terms

13.1 Members shall implement policies and procedures regarding its approach to managing workers and employment terms with regards to wages, working hours and other employment conditions and communicate these policies and terms to workers in writing before employment starts, in a language that is understood by them. This shall include:



- a. Informing workers of their employment rights under applicable law including that they are free to join a workers' organisation of their choosing without any negative consequences or retaliation from the operating company, and of their rights to applicable collective bargaining in line with **LGMS 19** (Freedom of Association and Collective Bargaining).
- b. Where applicable, provide workers with a copy of the collective agreement and the contact information for the appropriate workers' representative.

13.2 Members shall not:

- a. Avoid fulfilling legal labour and social security obligations including a collective bargaining agreement or other legitimate worker organising effort to workers by using labour-only contracts, false apprenticeship schemes, excessive consecutive short-term employment contracts or zero hour contracts, and/or subcontracting or homeworking arrangements.
- b. Hire replacement workers in order to prevent, undermine or cease a legal strike, support a lockout, or avoid negotiating in good faith, unless the labour hire replacement workers are to ensure that critical maintenance, health and safety, and environmental control measures are maintained during a legal strike.

13.3 Members shall maintain appropriate employee records, including records of piece-rate and wage payments as well as working hours, for all employees, whether on a full-time, part-time or seasonal basis.

13.4 Prior to implementing any collective dismissals or retrenchments, the Member shall carry out an analysis and explore alternatives to retrenchment. If the analysis does not identify viable alternatives to retrenchment, a retrenchment plan that is based on the principle of non-discrimination (see **LGMS 20**) and where practicable, to minimise adverse impacts to the retrenched workers, shall be developed in consultation with workers, their representatives, and, where appropriate, relevant official agencies.

13.5 Members shall provide workers with reasonable notice of dismissal and severance payments mandated by applicable law and collective agreements. Severance payments including outstanding back pay, social security benefits, and pension contributions and benefits shall be paid on or before the termination of the working relationship, or in accordance with a timeline agreed through a collective agreement. Payments shall be made directly to workers, or to appropriate institutions for the benefit of workers, and records of the payment provided to the worker in line with **LGMS 15** (Remuneration).

LGMS 14: Working Hours

14.1 Members shall comply with applicable law on working hours. The normal working week, not including overtime, shall not exceed 48 hours, with a maximum of 8 hours a day. Where workers are employed in shifts, the 48-hour week may be exceeded provided that the average number of normal hours worked over a 3-week period does not exceed 48 hours per week.

14.2 If overtime work is required for business needs, members shall ensure that:



- a. They **use** voluntary systems for overtime work. Required overtime is only acceptable where it is allowed under applicable law or collective bargaining agreements, within the limits defined by **LGMS 14 (Working Hours)** and outlined in employment contracts.
- b. In all other circumstances, overtime work shall be requested under a voluntary system and within limits set under applicable law or collective bargaining agreements. The imposition of overtime where **workers** cannot leave the work premises or are in any way forced to accept it (through abuse, threats of dismissal or other) is not allowed. Refusal to work overtime shall not be punished, retaliated against or penalised in any way.
- c. The sum of the normal working week and overtime hours shall not exceed 60 hours in a week unless:
 - a. defined otherwise by applicable law or a collective bargaining agreement, **which allow for work-time averaging including adequate rest periods;**
 - b. **there** are exceptional circumstances (such as production peaks, accidents or emergencies), which will be assessed as outlined in the guidance for **LGMS 14 (Working Hours)**. **Peak production periods are allowed so long as the longer work time is occasional, voluntarily performed, and compensated at the appropriate premium level established by law and in line with LGMS 15.2 Remuneration.**
 - c. **through consultations with workers (or workers' representatives, where applicable) members conduct a risk assessment for extended working hours and take appropriate measures to protect workers and minimize the impact of longer working hours on the health, safety and welfare of workers in line with LGMS 22 (Health and Safety).**

14.3 Members shall provide all **workers** with at least one rest day in seven consecutive working days in accordance with International Labour Organization (ILO) Convention 14.

14.4 Members shall provide **workers** with all legally mandated public holidays and leave, including maternity and paternity, compassionate, **sick** and paid annual leave. Where no applicable law exists, three weeks' paid annual leave **and parental leave** shall be provided, in accordance with ILO Convention **183**. Special leave or working-time arrangements for **workers** with family responsibilities shall apply to all **workers** regardless of gender.

14.5 Members shall provide all **workers** with **time off for meals and** breaks, in accordance with applicable law. If there is no applicable law, then members shall provide **workers** with at least one uninterrupted **meal and** work break of reasonable duration if they work longer than six hours.

14.6 Members shall maintain records of work hours, overtime and annual and sick leave for each worker, in accordance with Applicable Law.

LGMS 15: Remuneration

15.1 Members shall pay all **workers** a wage rate for normal hours worked, not including overtime, based on the higher of either the applicable legal **or collective agreement** minimum wage, plus associated statutory benefits, or the prevailing industry standards **or where possible a living wage**. Wages paid on a performance-related basis shall not be less than the **higher of either the applicable legal or collective agreement** minimum wage **plus associated statutory benefits, or the prevailing industry standard** for a normal working week. Members shall ensure that comparable wages are



given to all **workers** for carrying out work of equal value with processes to assess and remediate any potential wage disparity that discriminates against any category of workers.

15.2 Members shall reimburse overtime work at a rate at least equal to that required by applicable law or a collective bargaining agreement or, where unregulated by either, **at minimum of 1.25 x base wage** or a premium rate **above the regular wage** at least equal to the prevailing industry standards.

15.3 Members shall make wage payments to **workers** in accordance with the law that are:

- a. Regular and predetermined, and not delayed or deferred.
- b. By bank transfer to an account controlled by the **worker**, or in cash or cheque form in a manner and location convenient to the **workers**.
- c. Accompanied by a wage slip that clearly details wage rates, benefits and deductions where applicable, and is in a format that **workers** can easily understand.
- d. If employment agencies are used, members shall have systems to ensure equitable compensation and workplace standards, and to ensure that wages are effectively received by **workers**, including migrant, contract, contingent and temporary **workers**.

15.4 Members shall only make deductions from wages if these deductions:

- a. Comply with the law and, if applicable, are governed by collective bargaining agreements.
- b. Are determined and calculated following a documented due process that is clearly communicated to **workers**.
- c. Do not result in an **workers receiving** less than the minimum wage.

15.5 Members shall not make deductions for disciplinary purposes.

15.6 Members shall not force **workers** to buy provisions or services from their own business or facilities; where there is no alternative, members shall not charge excessive rates for these.

15.7 Members that provide wage advances or loans shall ensure that the interest and repayment terms are transparent and fair, and not deceptive to the **workers**.

15.8 Members shall ensure that all benefits are given to **workers** in accordance with applicable law.

15.9 Members shall ensure that workers, and/or their dependents where relevant, are compensated for work-related injuries, illnesses and fatalities in accordance with Applicable Law, and any collective bargaining agreements. Where legal instruments do not exist, the ILO Standard 102 on employment injury benefits or a comparable recognised standard shall be met.

LGMS 16: Harassment, Discipline, Grievance Procedures & Non-Retaliation

16.1 All forms of **workplace violence and harassment, directly and indirectly in any form, including intimidation or during disciplinary actions** are prohibited.

16.2. Members shall **develop and implement measures to** ensure that **workers** are treated with dignity and respect and are not subjected to **violence or harassment**, or threatened with these towards themselves, their family or colleagues.



16.2 Managers, medical professionals and other key personnel among security staff and others shall be regularly trained to recognise signs of violence and harassment and understand relevant laws and organisational policies.

16.3 Members shall clearly and actively communicate their disciplinary process and related standards on appropriate disciplinary procedures and worker treatment in line with LGMS 16.1, and apply these equally to all management and staff. Members shall keep records of all disciplinary actions taken, and ensure confidentiality and anonymity are protected, as appropriate.

16.4 In addition to the requirements of COP 2.6, the Member's complaints and grievance mechanism in line with COP 2.6 shall:

- a. Actively communicate its complaints and grievance mechanism to all workers including new workers at the time of recruitment.
- b. Ensure that workers acting individually or with other workers shall be free to submit a grievance without suffering any penalty or retaliation.
- c. Allow of the involvement of workers' representative if requested by the worker.

LGMS 17: Child Labour

17.1 Members shall not engage in or support child labour as defined in ILO Convention 138 and Recommendation 146, which set the following minimum ages for work:

- a. A basic minimum working age of 15 years, to enable children to complete compulsory schooling.
- b. Members operating in countries where compulsory schooling ends earlier than 15 years can start RJC membership but cannot achieve or maintain RJC certification if there are workers below the minimum working age of 15 years.

17.2 Members shall not engage in or support the worst forms of child labour as defined in ILO Convention 182 and Recommendation 190, which includes:

- a. Hazardous child labour, which by its nature or circumstances is likely to jeopardise the health, safety or morals of persons younger than 18 years.
- b. All forms of child slavery and practices similar to slavery, including debt bondage, the trafficking of children, forced child labour and the use of children in armed conflict.

17.3 Notwithstanding LGMS 17.1 and LGMS 17.2, where child labour is discovered, members shall immediately withdraw Children engaged in Child Labour and develop documented remediation processes that include steps for the continued welfare of the child and the financial situation of the child's family. Remediation shall include:

- a. For a Child not still subject to compulsory education laws or attending school, attempt to source alternative income generation and/or vocational training opportunities which can include decent and permissible employment.
- b. For a Child still subject to compulsory education laws or attending school, offering adequate support to enable the Child to attend and remain in school until the completion of compulsory education.



- c. A systemic review of the Member's approach to avoiding Child Labour, to identify root causes of non-conformances and implement controls to avoid any recurrence.

LGMS 18: Forced Labour

18.1 Members shall not engage in or support the use of forced labour, including bonded, indentured or involuntary prison labour as defined in ILO Convention 29.

18.2 Members shall ensure that all **workers** are working in voluntary situations. Members shall not:

- a. Unduly restrict the freedom of movement of **workers** in the workplace or in on-site housing.
- b. Retain original copies of a **worker's** personal documentation, such as identity papers.
- c. Use deceptive recruitment practices and/or require **workers** to pay any deposits, equipment advances or recruitment fees (either wholly or partially) as part of the recruitment process. If any such fees are found to have been paid by **workers**, they shall be reimbursed.
- d. Withhold any part of a **worker's** salary, benefits or property to force a **worker** to continue working.
- e. Prevent **workers** from terminating their employment after reasonable notice or as established by applicable law.

18.3 Members shall not engage in or support human trafficking or any other type of deceptive recruitment and/or bonded labour practices. Members shall clearly communicate this requirement to labour recruiters, agencies and providers with whom they work, and shall monitor their relationships and remedy negative human rights impacts as they may occur, as defined in **LGMS 6.1** (Human rights).

LGMS 19: Freedom of Association and Collective Bargaining

19.1 Members shall respect the right of **workers** to associate freely in workers' organisations of their choice, without interference or negative consequences **in alignment the 1998 ILO Declaration on Fundamental Principles and Rights at Work**. Members shall ensure that **workers** seeking to form, join or participate in an organisation of their own choosing, **including participating in a legal strike**, are not subject to any form of harassment as outlined in **LGMS 16.1** (Harassment, discipline, grievance procedures and non-retaliation).

19.2 Members shall respect the right of **workers** to collective bargaining, and shall adhere to collective bargaining agreements, where these exist. Members shall, subject to applicable law, participate in any collective bargaining processes in good faith.

19.3 Where legislation restricts the right to freedom of association and collective bargaining, members shall not obstruct alternative means that are allowable under applicable law, **and not seek to influence or control these mechanisms**.



LGMS 20: Non-Discrimination

20.1 Members shall base employment relationships on the principles of equal opportunity and fair treatment, and Members shall not practise or condone any form of discrimination in the workplace in terms of hiring, continued employment, remuneration, overtime, access to training, professional development, promotion, termination or retirement in alignment with the 1998 ILO Declaration on Fundamental Principles and Rights at Work. This includes discrimination based on race, colour, ethnicity, caste, national origin, religion, disability or genetic information, gender, sexual orientation, union membership or partaking in a legal strike, political affiliation, marital status, parental or pregnancy status, physical appearance, HIV status, age or any other personal characteristic unrelated to the inherent requirements of the work. Members shall ensure that all individuals who are 'fit for work' are given equal opportunities and are not discriminated against on the basis of factors unrelated to their ability to perform their job.

LGMS 21 Diversity and Inclusivity

21.1. The Member shall establish and maintain:

- a. a publicly available documented policy endorsed by top management with commitments that promote worker diversity and inclusivity in all levels of the organisation and across functions including (but not limited to) recruitment, professional development and mobility, and equitable employment conditions.
- b. Supporting systems and procedures with measures to support the policy implementation. The systems and procedures must be reviewed at least every 3 years.

21.2. The Member shall provide training to its workers and visitors where appropriate, that promotes a culture of diversity and inclusivity, the Policy commitments and the supporting systems and procedures.

21.3. The Member shall:

- a. Review the effectiveness of the diversity and inclusivity policy and systems, at a frequency appropriate to the purpose, nature, scale and impact its business operations.
- b. Document the outcomes of the assessment and make this publicly available.

LGMS 22: Health and Safety

22.1 Members shall provide safe and healthy working conditions for all workers and visitors in accordance with applicable law and other relevant internationally recognised industry health and safety standards.

22.2 Members shall:



- a. Develop and implement an occupational health and safety policy with commitments to prevent work-related injury and ill health to workers, to provide safe and healthy workplaces and to prioritise the health and safety of its workers over profits.
- b. Communicate the policy to all workers and visitors to site, and ensure the policy is publicly available.
- c. Identify hazards and assess the risks of workplace hazards and implement controls to minimise the risks of accidents and injury to workers. The risk assessment shall consider hazards associated with the members' activities and products.
- d. Establish and implement occupational health and safety management systems with procedures and processes to managing operations in a manner that aims to eliminate hazards, manage identified risks, verify the effectiveness of controls, prevents injuries and fatalities, and demonstrate continuing improvement in health and safety performance.
- e. Conduct, at least annually, documented reviews to assess the ongoing suitability and adequacy of the occupational health and safety management systems, verify the effectiveness of risk controls, and implement improvements to address any gaps.

22.3 Members shall provide workers with a mechanism, such as a joint health and safety committee, by which they can raise and discuss health and safety issues with management, and participate in the development and implementation of the health and safety management systems, risk assessments, and establishment of risk controls.

22.4 Members shall provide health and safety training to workers and information to visitors in a format and language is understandable. This will include training and information on:

- a. Specific role-related health and safety hazards and controls.
- b. Appropriate action in the event of an accident or emergency.
- c. Workers' right and responsibility to stop work or refuse to work in situations with uncontrolled hazards, and for any worker or visitor to immediately flag these situations to those at imminent risk and to management.

22.5 Members shall ensure that appropriate personal protective equipment (PPE) to workers and visitors is provided free of charge and verify that it is current and correctly worn or used.

22.6 Members shall provide access to adequate on-site first-aid provisions and trained first-aid personnel, have appropriate procedures for transportation to local medical facilities in the case of a medical emergency and assist workers with work-related injuries to physically access medical treatment in accordance with country law and company policy.

22.7 Members shall establish emergency procedures and evacuation plans for all reasonably foreseeable health and safety emergencies. These shall be accessible or clearly displayed, regularly tested (including through evacuation drills) and periodically updated.

22.8 Members shall investigate health and safety incidents to establish the contributing causal factors, and feed the results into reviews of relevant hazard controls to identify opportunities for improvement and to prevent a recurrence.



22.9 Members engaged in the cutting and polishing of laboratory grown materials shall use cobalt-free diamond-impregnated scaifes.

LGMS 23: Environmental Management

23.1 Members shall:

- a. Establish an environmental policy with commitments for the protection of the environment, fulfilment of environmental obligations and enhancement of environmental performance.
- b. Communicate the policy to all workers and visitors to site, and ensure the policy is publicly available.
- c. Conduct an environmental risk assessment of its business activities and products to identify its significant impacts including for climate change and biodiversity.
- d. Establish environmental management systems and controls appropriate to the purpose, nature, scale and impact of the business to manage the identified significant environmental risks.
- e. Provide training and information about environmental risks and controls to all relevant workers. These shall be given in a format and language that workers can easily understand.
- f. Conduct, at least annually, documented reviews to assess the ongoing suitability and adequacy of the environmental management systems, verify the effectiveness of risk controls, and implement improvements to address any gaps.

LGMS 24: Hazardous Substances

24.1 Members shall maintain an inventory of hazardous substances at facilities. Safety data sheets (or equivalent) shall be accessible wherever hazardous substances are used and their associated risks shall be clearly and actively communicated to all workers who work with them.

24.2 Members shall not manufacture, trade or use chemicals and hazardous substances prohibited by applicable laws or subject to international bans.

24.3 Any hazardous substances subject to phase out by applicable laws or international standards, shall not be manufactured or traded and their use shall be phased out in accordance with the regulation.

24.4 Wherever technically feasible and economically viable, members shall use alternatives to hazardous substances in their business processes.

LGMS 25: Wastes and Emissions

25.1 Members shall identify significant wastes and emissions to air, water and land generated in their business processes in accordance with LGMS 23 (Environmental management).

25.2 Members shall responsibly manage the identified wastes and emissions. In particular, they shall:



- a. Quantify wastes and emissions to manage and monitor trends over time and drive continuous improvement in environmental performance.
- b. Apply the principles of reduce, reuse, recycle and recover to minimise environmental impact where applicable, including reducing greenhouse gas emissions and increasing energy efficiency in alignment with **LGMS 26.3 26.4 and 26.5**,
- c. Discharge or dispose of wastes and emissions in compliance with applicable law or, where applicable law does not exist, in line with **prevailing internationally recognised standards**. This includes maintaining documentation for:
 - i. Current and legacy waste disposed of onsite detailing, at minimum disposal date, location and quantities, physical, chemical and biological characteristics of the hazardous waste, nature of the waste disposal site including permeability of layer below waste and leachate/run-off collection system.
 - ii. Hazardous wastes transported offsite, whether transported by the operating company or contractors.

Greenhouse gas and energy

25.3. Work towards using renewable energy in alignment with national frameworks, targets and/or legislation.

26.4. The Member shall annually quantify and document its annual scope 1 and scope 2 greenhouse gas emissions, and material energy consumption by source, and document the methodologies used with associated assumptions. Members with significant greenhouse gas emissions and energy consumption shall:

- a. Set a three-year rolling GHG and energy plan with meaningful and achievable annual reduction targets and improvement opportunities for its greenhouse gas emissions and energy per unit production of RJC Scope Material. The plan and the targets shall be reviewed annually.
- b. Independently verify its greenhouse gas emissions, energy usage, and reduction targets on an annual basis by a recognised expert.
- c. Annually and publicly report its independently verified scope 1 and scope 2 GHG emissions and (absolute or per production weight unit of RJC Scope Material). The public report shall also provide the status of the reduction targets and improvement opportunities.

25.4 In addition to the requirements in **LGMS 27.4 and 27.5**, Members with **LGM growing operations** shall:

- a. Include scope 3 GHG emissions as part of its annual greenhouse gas quantification, where information is readily available and state all assumptions used.
- b. Adopt the processes in the Greenhouse Gas Protocol Corporate Standard or the Global Reporting Initiative's GRI 305 emissions reporting standard to quantify greenhouse gas emissions and energy usage data.
- c. Set reduction targets and improvement opportunities consistent with the Paris Agreement 1.5oC IPCC warming scenario using a science-based approach or other internationally recognised methodology.



LGMS 26: Natural Resources

26.1 In alignment with the approach required for **LGMS 23** (Environmental management), members shall:

- a. Identify significant natural resources **including water and land**, used in their business and seek to ensure their efficient use.
- b. **Monitor usage of these resources** and establish **reduction and efficiency** initiatives.

Water

26.2 Members with **significant adverse impacts to water resources** shall:

- a. Apply strong and transparent water governance, including policies, procedures and clear allocation of responsibilities **to protect water resources and ecosystems**.
- b. Manage water at facilities effectively using a water balance **and water quality monitoring data**, and considering cumulative **and legacy impacts and implement actions to mitigate significant adverse impacts on water quantity, water quality and current and potential future water uses**.
- c. Identify water users and water rights holders that may potentially affect or be affected by its water management practices. Engage and collaborate with these users to agree on sustainable water practices at a water catchment level (where applicable). Where agreed responsible and sustainable water use cannot be achieved, the Member must implement practices that avoid or minimise significant adverse impacts and have these practices independently verified.
- d. Publicly report company water **withdrawal and efficiency** including outcomes arising from COP **28.2a-c**, in line with **LGMS 3** (Reporting).

LGMS 27: Product Disclosure

27.1 Members **selling, advertising or marketing products containing LGMs or jewellery products containing LGMs** shall:

- a. Ensure the information provided complies with applicable law and follows internationally recognised standards.
- b. Not make any untruthful, misleading or deceptive representation, or make any material omissions.
- c. Ensure that any claims being made are not misleading and are verifiable in line with COP 14 claims.
- d. The use of the following terms to describe LGD or LGCG is only permitted when qualified by a term as defined in 28.2a: **“real”, “genuine”, “precious”, “authentic” and “natural”**.

27.2 Members shall disclose information on the physical characteristics of the materials listed in **LGMS 28.1** in compliance with applicable law. Unless a conflict with applicable law exists, members shall apply the following requirements to support disclosure about physical characteristics:



- a. **Laboratory grown materials:** Wholly or partially **laboratory-grown materials** shall be disclosed as 'laboratory grown', 'laboratory created', "(manufacturer name) created", and/or 'synthetic'. **Abbreviations such as "lab-grown" or "lab-created" are also acceptable.** The description shall be equally conspicuous as the word 'diamond' or the name of the coloured gemstone.
 - i. In the case of coating, the material being coated must be disclosed as "coated (name of material)".
- b. **Composites:** Composite (or assembled) **lab grown materials**, constructed of two or more parts shall be disclosed as 'composite', 'assembled', 'doublet' or 'triplet', and by the correct name of the material of which it is composed. The use of term "diamond/gemstone" or "laboratory/created/synthetic diamond/gemstone" in relation to such stones is unacceptable. The description shall be equally conspicuous as the name of the **RJC Scope Material** used. **Members shall not use terms and definitions misleading as to composite (assembled) stones and/or concealing information about their parts.**
- c. **Reconstructed stones:** Reconstructed stones using **laboratory grown materials** shall be disclosed as such and the description shall be equally conspicuous as the name of the RJC Scope Material used.
- d. **Simulants (or imitation):** Any artificial product used to imitate the appearance of **RJC Scope Materials** without having their chemical composition, physical properties and/or their structure shall be disclosed as 'imitation' or 'simulant' along with the correct name of the material of which it is composed, for example, 'x compound', 'glass', 'plastic'. The description shall be equally conspicuous as name of the RJC Scope Material. **Simulants must not be referred to as laboratory grown or laboratory created.**
- e. **Descriptions of polished LGM:** Describe the **dimension** or carat weight, colour, clarity and cut of **lab grown diamonds and** coloured gemstones in accordance with the recognised guidelines appropriate to the particular jurisdiction.
- f. **Enhancements:** Any part of the growth/manufacturing process or subsequent enhancements to the created material that are deemed to be unstable and/or non-permanent in nature shall be disclosed.
- g. **Product health and safety information:** Any relevant health and safety information about the materials listed in **LGMS 28.1** in jewellery products sold by members to end consumers shall be disclosed. **This includes irradiated RJC Scope Materials.**

27.3 Members handling natural diamonds and/or coloured gemstones as well as lab grown materials shall take substantive and documented action to avoid buying or selling undisclosed **laboratory-grown materials** and/or simulants. To that end, members buying or selling diamonds, coloured gemstones and **lab grown materials** shall:

- a. Obtain a written warranty from their suppliers.
- b. **Have effective policies, procedures, training and monitoring systems in place to ensure that natural and lab grown materials are segregated during production/polishing/jewellery manufacture/trading and/or any other relevant processes in the pipeline.**
- c. **Employ a documented due diligence process to identify and mitigate risks related to undisclosed laboratory-grown materials and/or simulants entering their supply chain. Identify possible high-**



risk points at which there is an opportunity for lab grown materials and/or simulants in its custody to become mixed with natural materials.

- d. For polished lab grown diamonds and lab grown coloured gemstones classified as high risk, carry out testing using a defined, credible and transparent protocol. This can be an existing industry-accepted protocol or one that is defined by the member. The protocol must:
 - iii. Incorporate an appropriate approach for testing loose and set polished natural or lab grown diamonds and natural or lab grown coloured gemstones.
 - ii. Include either in-house testing, using relevant and effective detection equipment, or outsourced testing by a qualified service provider, such as a gemmological laboratory.
 - iv. Include testing at least once at a point in the process where there is no longer any risk of mixing undisclosed lab-grown materials and/or simulants before the parcel is sold. This is normally just before sale.
 - iv. The testing protocol must be disclosed to business clients, including the procedure for managing test referrals.

LGMS 28 Grading Analysis and Appraisal

28.1 Gemmological laboratories and businesses issuing grading, research, analysis or appraisal reports, shall have:

- a. clearly documented policies and procedures in place to ensure the laboratory or business is organised around a formal management system, with clearly defined roles and responsibilities that support consistency and integrity. Businesses that issue grading, research, analysis or appraisal reports that also engage in the business of the sale of products covered by this LGMS must establish and document the procedures undertaken to avoid all potential or actual conflicts of interest in compliance with Section 29.7 and 29.8 below.
- b. Technical requirements documented and implemented related to any process-related factors that impact the chain of custody through the lab, validity, and reliability of testing, grading, or reporting of results.
- c. Equipment and calibration documentation and processes implemented that define and control conditions, determine the appropriate equipment for use, establish maintenance requirements, and calibration procedures of equipment and instruments to ensure accuracy and consistency in their testing results.

28.2 Members that generate reports on grading, research, analysis, and appraisal shall:

- a. Maintain and employ the minimum baseline technological equipment required to produce the reports offered.
- b. Have systems in place, based on scientific methodology, that are sufficiently thorough and comprehensive to produce valid and reproducible results, and have management systems in place to ensure both the quality and the independence of the analysis and reports produced.



- c. Establish necessary additional quality control and assurance systems (including sufficient data collection and timely calibration and verification systems for testing equipment employed) and a robust chain of custody program for products in their possession to ensure necessary segregation of products while in their possession.
- d. Ensure client anonymity during the testing process is maintained.

28.3 Members that generate grading and/or analysis reports shall identify whether the assessment included verification of natural or lab grown growth origin, and which stones have or have not undergone this assessment.

28.5 Members that generate reports assessing monetary value based on expert opinion shall identify the person or entity that has requested the report and provide a statement of the purpose for which the report was sought. Such members shall ensure that appropriate client confidentiality and conflict of interest policies are in place.

28.6 Members that offer diamond grading reports, coloured gemstone analysis and/or monetary value reports shall disclose their relationship, if any, to the seller of the item, any relevant vested interests held by the grader, analyst or appraiser or organisation in the sale of the jewellery product; describe the grading system employed; provide disclaimers or limitations on liability and any other specific information pertaining to the report. Such information shall be in plain language and readily accessible.