

Standards Committee Meeting

20th September 2022

Summary notes

Standards Committee participants: Purvi Shah (Co-Chair), Joelle Ponnelle, Marcin Piersiak, Ainsley Butler (Co-chair), Sara Yood, Didier Backaert, Pippa Howard, Salah Hussein.

Apologies: Noora Jamsheer, Trisevgeni Stavropoulos, Jennifer Hillard, Coline Lemaitre, Ilan Keplan, Marie-Charlotte Druesne Chancogne, Tehmasp Printer, Laurant Massi.

RJC Management Team: Suzanne Brooks (Senior Standards Manager), John Hall (Interim Executive Director), Caroline Watson (Assistant Standards Manager), Charlotte Stanbridge (Assistant Standards & Training Manager).

1. Introduction

An introduction was conducted by Ainsley Butler and reminded the committee about the RJC's conflict of interest policy and anti-trust statement. A roll call was conducted by the RJC Senior Standards Manager Suzanne Brooks and noted that the Standards Committee has achieved quorum. Ainsley Butler introduced Suzanne Brooks as the new Senior Standards Manager, who then introduced the RJC team and welcomed two new non-industry Standards Committee members, Pippa Howard and Salah Hussein. It was noted that there are currently 9 industry and 6 non-industry members, and that many vacancies are related to self-suspensions and resignations tied to the recent governance issues. Many of these members have been reengaged and conversations are ongoing. There were also long-standing vacancies prior to governance issues, which the RJC team is working to fill.

2. Governance Update

John Hall gave a governance update, following the outbreak of conflict between Russia and Ukraine and the subsequent sanctions RJC had to take actions. Firstly, RJC had to understand what the legal effect of the sanctions was, as not all are the same in their requirements. RJC took the issue to a senior English law firm to provide advice, first on what do the sanctions require the RJC to do, and second related to the powers of the RJC board in terms of disciplinary procedures. When the RJC constitution was written in 2005 it included discipline processes related to members not biding by the COP, it doesn't include being subject to sanctions. We have begun amending the powers in the constitution, both in relation to the constitutional documents themselves and to member documents that a member signs when joining RJC, some amendments have been made, and some more are being brought to the board. We established a governance taskforce to identify any other improvements to make to the RJC constitution. There were some resignations that occurred earlier in the year as a result of governance concerns. LVMH never left, both the Kering and Richemont groups returned within a month of their resignation, and we accepted them with all their memberships and who left have not re-joined. RJC membership growth has consistently been maintained with over 150 new members since January (1670 today) with nearly 700 audit reports received a year.

3. Committee Composition

Suzanne Brooks gave an overview of the Standards Committee composition. There are currently 5 industry and 8 non-industry vacancies, which the standards team are working on filling and quorum has been reached. DDI and ARM hold permanent non-industry seat and engagement is ongoing. The committee was reminded that the board appointed extensions until December 2022, some committee members are eligible for second term and the RJC team will reach out to those members in due course.

4. Standards Workplan

The Senior Standards Manager ran through the current workplan for the standards team, giving high level information on each current project, Code of Practices update, Chain of Custody review, the development of a Lab. Grown Materials Standard, EU Recognition, and an Artisanal Small-Scale Mining (ASM) workplan.

RJC are developing a strategy to build on our engagement with ASM, this is work that was previously in discussion but not begun. Following internal discussions, changes to the team and feedback received RJC have decided to begin this work. RJC is developing a workplan that once finalised, aims to develop an ASM working group to inform work and outputs on ASM. In addition, RJC will conduct educational work, to help identify the key knowledge gaps within the industry, stakeholders' perspectives on the challenges and opportunities, as well as gather key information to inform our next stage of engagement. This work will inform the development of tools, potentially in the form of an ASM sourcing toolkit and guidance for ASM on implementing responsible business practices. This work is still to be determined based on the finalised workplan, input from the working group and the outcome of the educational series.

It was noted that we received a letter from the EU commission following our application and shadow audits, two areas where RJC were not aligned were identified, and responses and corrective actions were submitted. A call has been set to discuss these corrective actions and establish next steps.

It was asked of the ASM workplan what the planned outputs are and what feedback we had received from stakeholders, RJC team confirmed that a toolkit is one of the planned outputs, however, the workplan is being finalised and any outputs are subject to the working group. Potential outputs may include the educational series, responsible sourcing toolkit/guidance for industry and ASM guidance on responsible business. Regarding stakeholder feedback, in addition to internal discussions within RJC, we also received feedback from RJC engagement with previous committee members and there is demand for this work to take place and this is the time to begin this work.

It was requested that RJC team give further clarification on which stakeholders gave feedback on ASM, if RJC are only conducting this work because of comments from former committee members, what work was already conducted, how this work relates to standards and the mandate of the Standards Committee, if this work out of scope of the standards committee work and if we should review the governance handbook to confirm. RJC team confirmed that this work was already planned to take place but had not begun and was not decided to commence on the basis that ex-committee members expressed interest, although this was a contributing factor. The work on ASM is a standards project, its relevance to the work of the committee resides in the fact that the work done must be in line with the RJC standards, specifically the ASM provisions in the standards and guidance. With the aim to release further guidance information and potential toolkits, it is essential that the Standards Committee provide input into this work as they do with guidance relating to the COP or CoC. The work will also require expertise on the industry and ASM, and the Standards Committee can provide this.

It was requested that the Standards Committee receive a more detailed presentation on the ASM workplan at the next committee meeting, with the goal of ASM members of the committee being present on the call to provide input, concern was raised around competing priorities on the standards workplan. RJC team confirmed that today's update is high level to notify the Standards Committee, and that the workplan will be provided to the Standards Committee as well as further detail in the next call.

It was mentioned that there is a potential EU will not recognise the COP and queried if there would have to be more audits to indicate compliance with the EU. RJC team noted that this is a risk which is why RJC submitted the application and the response letter and aims to close out the issues and this upcoming call will help clarify the necessary steps to take. It was asked if any further modifications to the COP will be required for the EU recognition, and flagged that we may not have time, RJC team confirmed that following a meeting with the EU, their timelines will become clearer to us and that the meeting will give clarity on next steps.

It was noted that as the timeline for the COP update is Q1 2023 and some committee members had a mandate to serve till end of December there is potential that the last 3 months of this work be completed by new committee members.

5. Code of Practices Update

Round 1 of the COP consultation is completed and round 2 has closed, with the USA roundtable still to be held. The consultant has updated the round 2 draft based on the comments received. There is a potential for around 30-day consultation, depending on the Lab. Grown Material Standard and any impact this may have on the COP. Round 3 of consultation may be affected by changes from the EU recognition work, but this will become clear when we meet with the EU Commission. An update received from the consultant today indicated that 75% of comments relate to the COP and mainly request for additional guidance, with 25% including other areas. Top 5 areas covered were COP 3, 6, 7, 8, 35.

The timelines for the COP update were explained, with the summary of round 2 to be completed by Q4 2022 and round 3 to be completed by end of Q4, however this is dependent on the LGM consultation. It is aimed for the committee to approve the final updated COP and for it to go live by end of Q1 2023, it was suggested that the timelines be reviewed.

It was asked if RJC are restarting the coloured gemstones taskforce and noted that we are going to review the previous work conducted, the members of the taskforce and any vacancies before taking next action steps. It was suggested to look at the meeting notes for that working group, as it was mentioned at one point whether the group should be disbanded. It was mentioned that, for the previous release of the COP, in person meetings were conducted to review the final text, specifically a 2-day workshop. RJC team to review process, especially as the committee has a responsibility to make a recommendation to the board to adopt the updated COP after reviewing it.

6. Lab Grown Materials Standard

Round one has been completed and feedback received from stakeholders on what they expect to see in this standard. The composition of the standard is under review, originally approved as a separate standard, but due to significant operational issues with this, the board is being asked to review this decision. Once ready, options will be presented to the Board. We have received a draft document from our consultant showing key differences and additions needed between the COP and any LGM changes.

It was clarified that this isn't a draft standard but a document to show key differences. We aim to have the composition agreed by year end, with round 2 consultation taking place in Q1 2023. The aim is for full release to be March 2023. However, based on feedback received in this meeting regarding timelines, the team will revise these dates accordingly. It was suggested by committee members to release the COP at the same time as the LGM.

7. Chain of Custody

CoC review has been paused and a full revision of the CoC to commence in September 2022, following ISEAL best practice. Terms of Reference was shared with the Committee on 31st January. Will share updated one this month. Pilot study for inclusion of stones has been postponed, to be confirmed when this work will commence. Scope of work agreed with consultant and approved by the Executive Committee. Key updates to the CoC include removing repetition with the COP (OECD COP 7, COP 12 KYC), potential discussion of recycled definition to include investment and incorporating supplementary guidance. A timeline was given, with the final standard aimed to be completed by May 2023 and it was noted that the CoC timeline will be reviewed. Clarification was given around expansion of scope.

It was noted that the consultations are public, and RJC aim to include all stakeholder groups. They are released on all RJC social media, website, in newsletters and member mailers. In addition, we host roundtable conversations with key stakeholders, including industry members, NGOs, trade associations and more following ISEAL process.

The decision to not include the expansion to stones in this round was queried as SCS are putting forward a CoC standard for stones and there is potential for competition. It was noted that the standard by SCS is under trial, and they are not an ISEAL member. The current RJC CoC expansion of scope has been paused as it is complex and there are other priorities ongoing. In addition, there is provenance claim in the COP available in the meantime to members who want to make a claim on their CoC system for diamonds and gemstones.

8. Training Update

The Assistant Standards & Training Manager gave an overview of the training workplan from June to December 2022 with topics covering the 2019 Code of Practices and the 2017 Chain of Custody.

9. AOB

The committee agreed to amend the upcoming 11th October meeting to 18th October. It was suggested that we consider the two in person workshops and arrange shortly 12th December as a recommended date. Purvi Shah closed the meeting, thanked the RJC team and welcomed the new committee members.